



2023 ANNUAL REPORT

The Annual Meeting of Stockholders
of Everi Holdings Inc. will be held:
Wednesday, May 22, 2024

Everi Holdings Inc. Corporate Headquarters
7250 S. Tenaya Way, Ste 100 • Las Vegas, NV 89113

OUR MISSION STATEMENT

*“Lead the Gaming Industry
Through the Power of
People, Imagination and
Technology”*



To Our Stockholders:

Over the last several years, we experienced strong revenue growth driven by contributions from both operating segments. In our Games business, the introduction of new cabinets, improved gaming content and growth in our premium units all provided accelerated growth opportunities, while FinTech experienced a steady rebound from the pandemic and growth from business offerings. In 2023, our Games business underperformed our expectations, as we experienced declines in both gaming operations and gaming equipment and systems revenues as we continued our transition to our next generation of cabinets and content. We've started addressing these near-term headwinds by accelerating the launch of several cabinets and increasing the diversity and amount of content on our product roadmap. Over the past twelve months we have launched five new cabinets, which are gaining momentum with operators and casino patrons. These new products came to market late in 2023 and we expect to see the benefits of their contribution to ramp as they gain traction with customers and patrons throughout 2024. With the market acceptance of these new products, our Games business is expected to be well positioned to return to meaningful growth as we exit 2024 and into 2025. Our FinTech business remains a steady grower, driven by the expansion of our product offerings to new and existing customers. We expect this growth to continue as we innovate and add value for our customers and their patrons.

As we reflect on 2023, and in light of our gaming headwinds, there are several items we would like to highlight that show the strength of our overall business. First, we generated \$84 million in Net Income, \$367 million in Adjusted EBITDA⁽¹⁾ and \$141.9 million in Free Cash Flow⁽¹⁾. We continued to increase our investments in the business for future organic growth, spending \$145.1 million on capital expenditures. We used approximately \$61.3 million of our Free Cash Flow to acquire certain strategic assets of Video King and returned \$100 million to shareholders through share repurchases. Additionally, we successfully completed the consolidation of our FinTech and Gaming assembly locations into one new, modern facility in Las Vegas, both on time and on budget. We continue to integrate recent acquisitions and leverage acquired products and technologies with ours that will provide new avenues for growth in the future.

Looking towards the future, on February 28, 2024, we entered into an agreement to merge Everi's business operations with International Game Technology PLC's ("IGT")'s Global Gaming and PlayDigital businesses. The combination is expected to create a comprehensive and diverse portfolio of high-performing land-based, digital, and FinTech gaming products and services. Combined, the two complementary businesses provide the opportunity to leverage the strengths of both stand-alone companies. We believe our gaming business will be able to leverage IGT's global networks and reduce the time and costs of expanding Everi's compelling content into new domestic and global channels. The combination of our FinTech business with IGT's systems business provides an opportunity to reduce friction for our customers and their patrons and more efficiently provide new products and services that drive more revenues for our customers and improve the gaming experience for our patrons. On a 2024 proforma basis, the combined company is expected to generate over \$2.7 billion in annual revenues. The merger is subject to the approvals of both Everi and IGT shareholders and of the appropriate federal and gaming regulatory authorities, as well as other customary closing conditions. We anticipate the merger will be completed in late-2024 or early-2025.

Segment Highlights

Gaming

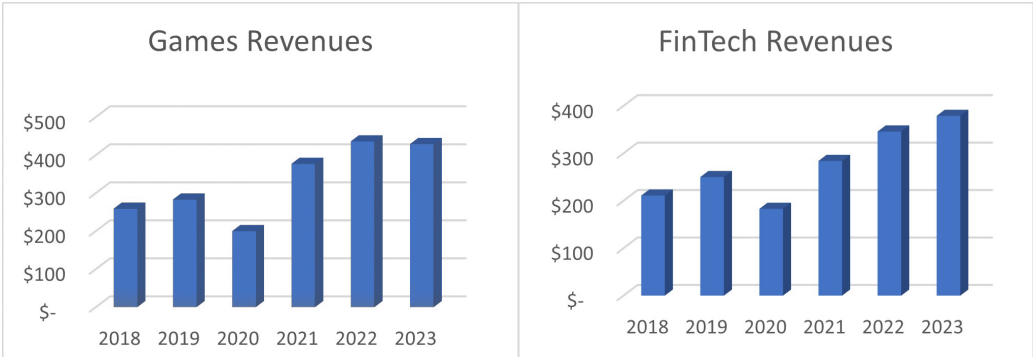
In 2023, our Games business generated \$429.2 million in revenues, a 2% decline over the prior year as we began to transition to the next generation of cabinets and content. We sold 5,635 units and we ended the year with an installed base of 17,512 gaming machines. Operating income, excluding a \$11.7 million impairment charge, declined to \$72.4 million compared to \$107.6 million in the prior year as a result of lower revenues, and higher operating expenses. While we have experienced near-term headwinds in Games performance, we continue to execute on our roadmap by adding new cabinets and content to refresh our product portfolio. In 2023, we successfully launched two for-sale video cabinets, the *Dynasty Vue* and *Dynasty Sol*, and two premium cabinets, the *Dynasty Dynamic* and *Player Classic Reserve*. In 2024 we plan to introduce two premium video cabinets, the *Sol*

Sync and *Luna*. With these cabinets and the *Player Classic Signature* launched in 2022, we will have a completely refreshed line-up of cabinets. Our studios are developing new, diverse content that will excite and engage gaming patrons. We plan to introduce over 75 new themes in 2024 to support both our new for-sale and premium cabinets. While we are still in the early stages of rolling-out the new cabinets and content, we are encouraged with early performance and expect the momentum for these cabinets to build through the year.

FinTech

Our FinTech segment generated record revenues of \$378.7 million, a 9% increase over 2022. Both financial funding transactions processed and the dollar value of total transactions processed grew by 11% as we delivered a record \$47 billion to the casino floors, while processing over 144.3 million transactions. We continued to leverage strength in our core financial access services and build on our digital capabilities to provide enhanced loyalty and regulatory compliance products and services. Revenue growth and product mix drove a 12% increase in the segment’s operating income. We also increased our focus on internal product development, with R&D expense increasing 15% year-over-year.

(1) For additional information related to the non-GAAP measures of Adjusted Earnings Before Interest, Taxes, Depreciation, and Amortization (“AEBITDA”) and Free Cash Flow, refer to [Appendix A: Unaudited Reconciliation of Selected Financial GAAP to non-GAAP measures](#)



Corporate culture, employee wellness, and new environmental sustainability efforts (“ESG”)

At Everi, we believe our ability to attract and retain talent is a key driver to our ongoing success. In 2023, we reaffirmed our mission statement which is focused on employees’ collective imagination, talent, and innovation. Our positive Company culture is valued by our team members and continues to be recognized through various prestigious awards including “Top Workplaces” and “Great Places to Work” where we have been honored for our efforts to build a diverse and inclusive culture across our domestic and international operations.



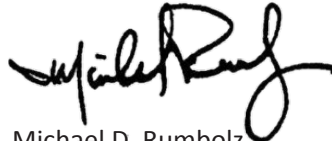
Inclusion is a core Company value and we believe we can be at our best only when we embrace and reflect the diversity of our employees, customers, and the communities that we serve.

Conclusion

In closing, we want to thank our team members for all they do each day to bring innovation and to drive our growth and success. We also want to thank our customers and vendor partners, and you, our shareholders, for your continued support. We are excited for the future ahead.

A stylized, handwritten signature in black ink, consisting of the letters 'RT' in a cursive, flowing script.

Randy L. Taylor
President and Chief Executive Officer

A handwritten signature in black ink, appearing to read 'Michael Rumbolz' in a cursive script.

Michael D. Rumbolz
Executive Chair of the Board

April 19, 2024

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April 19, 2024

Dear Stockholder:

On behalf of the Board of Directors and officers of Everi Holdings Inc. (“we,” “us,” “our,” “Everi,” or the “Company”), we are pleased to invite you to attend our 2024 Annual Meeting of Stockholders. The meeting will be held at Everi’s headquarters located at 7250 South Tenaya Way, Suite 100, Las Vegas, Nevada 89113, on Wednesday, May 22, 2024 at 9:00 a.m. Pacific Time (the “Annual Meeting”).

At the Annual Meeting, you will be asked to:

1	2	3	4	5
Elect three Class I director nominees named in this Proxy Statement.	Approve, on a non-binding, advisory basis, the compensation of our named executive officers.	Approve the Everi Holdings Inc. Amended and Restated 2014 Equity Incentive Plan.	Ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2024.	Transact such other business as may properly come before the Annual Meeting or any postponement or adjournment thereof.

The accompanying Proxy Statement provides a detailed description of these proposals and other information that you should read and consider before voting.

Your vote is very important to us. Regardless of whether you expect to attend the Annual Meeting in person, please submit your proxy or voting instructions over the Internet, telephone, or by mail as soon as possible so that your shares are represented at the Annual Meeting and your vote is properly recorded. If you decide to attend the Annual Meeting, you will be able to vote in person, even if you previously submitted your proxy.

If you have any questions concerning the Annual Meeting, and you are the stockholder of record of your shares, please contact our Vice President, Investor Relations, Jennifer Hills, at jennifer.hills@everi.com or (702) 676-9513. If your shares are held by a broker or other nominee, please contact your broker or other nominee for questions concerning the Annual Meeting.

Your Board brings executive, financial, and strategic leadership together with a wide range of complementary skills and backgrounds relative to the Company’s industry, to assist management in continuing to drive success. The Board remains diligent and highly focused on our people, sustainable growth, and performance as we continue to build long-term shareholder value and continue striving for a more diverse and inclusive Company. On behalf of the Board of Directors and our employees, we thank you for your past and ongoing support of the Company.

Sincerely,

A handwritten signature in black ink, appearing to read 'Randy L. Taylor'.

Randy L. Taylor
President and Chief Executive Officer & Director

NOTICE OF 2024 ANNUAL MEETING OF STOCKHOLDERS

Date and Time:





Wednesday, May 22, 2024
9:00 a.m. Pacific Time

Location:

Everi Holdings Inc. Corporate Headquarters
7250 South Tenaya Way, Suite 100
Las Vegas, Nevada 89113

To Our Stockholders:

You are cordially invited to attend the 2024 Annual Meeting of Stockholders (the “Annual Meeting”) of Everi Holdings Inc., at which stockholders will vote on the following proposals listed below. Your vote is very important to us. Regardless of whether you expect to attend the Annual Meeting in person, please submit your proxy or voting instructions over the Internet, telephone, or by mail as soon as possible so that your shares are represented at the Annual Meeting and your vote is properly recorded. If you decide to attend the Annual Meeting, you will be able to vote in person, even if you previously submitted your proxy.

Proposals	How to Vote
1. Election of three Class I director nominees named in this Proxy Statement.	 Visit www.proxyvote.com or the website on your voting instruction form.
2. To approve on a non-binding, advisory basis, the compensation of our named executive officers.	 Call 1-800-690-6903 or the number on your voting instruction form.
3. To approve the Everi Holdings Inc. Amended and Restated 2014 Equity Incentive Plan to increase the maximum aggregate number of shares that may be issued thereunder by 3,590,000 shares.	 Send your completed and signed proxy card or voting instruction form to the address on your proxy card or voting instruction form.
4. To ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2024.	 If you plan to attend the meeting in person, you will need to bring a government-issued picture ID and proof of ownership of Everi Holdings Inc. common stock as of the record date.
5. To transact such other business as may properly come before the Annual Meeting or any postponement or adjournment thereof.	

We strongly encourage you to vote in advance of the meeting over the Internet, telephone, or by mail as described above.

Record Date

Stockholders of record as of the close of business on April 5, 2024 will be entitled to notice of, and to vote at, the Annual Meeting, or any adjournment or postponement thereof.

Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to be Held on May 22, 2024. Our Proxy Statement is attached. Financial and other information concerning Everi Holdings Inc. is contained in our Annual Report to Stockholders for the fiscal year ended December 31, 2023 (the “2023 Annual Report”). A complete set of proxy materials relating to our Annual Meeting is available on the Internet. These materials, consisting of the Notice of 2024 Annual Meeting of Stockholders, Proxy Statement, Proxy Card, and 2023 Annual Report are available and may be viewed at www.proxyvote.com.

This Notice of Annual Meeting and the accompanying Proxy Statement are first being made available to our stockholders on or about April 19, 2024.

By Order of the Board of Directors,



Kate C. Lowenhar-Fisher

Executive Vice President, Chief Legal Officer – General Counsel and Corporate Secretary

April 19, 2024

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PROXY STATEMENT SUMMARY

2024 Annual Meeting of Stockholders

<p>DATE AND TIME</p> <p>Wednesday, May 22, 2024 9:00 a.m. Pacific Time</p>	<p>LOCATION</p> <p>Everi Holdings Inc. Corporate Headquarters 7250 South Tenaya Way, Suite 100 Las Vegas, NV 89113</p>	<p>RECORD DATE</p> <p>APRIL 5, 2024</p>
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How to Vote

VIA THE INTERNET	BY TELEPHONE	BY MAIL	ATTENDING THE MEETING
<p>Visit www.proxyvote.com or the website on your voting instruction form.</p>	<p>Call 1-800-690-6903 or the number on your voting instruction form.</p>	<p>Send your completed and signed proxy card or voting instruction form to the address on your proxy card or voting instruction form.</p>	<p>If you plan to attend the meeting in person, you will need to bring a government-issued picture ID and proof of ownership of Everi Holdings Inc. common stock as of the record date.</p>

Annual Meeting Proposals

Proposal	Description	Board Recommendation	Page (for more detail)
1	Election of three Class I director nominees named in this Proxy Statement.	<input checked="" type="checkbox"/> FOR each of the Board's nominees	20
2	Approval, on a non-binding advisory basis, of the compensation of our named executive officers.	<input checked="" type="checkbox"/> FOR	57
3	Approval of the Everi Holdings Inc. Amended and Restated 2014 Equity Incentive Plan.	<input checked="" type="checkbox"/> FOR	58
4	Ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2024.	<input checked="" type="checkbox"/> FOR	102

Stockholders will also transact any other business that properly comes before the meeting.

General

This Proxy Statement is being furnished in connection with the solicitation of proxies by the Board of Directors (the “Board”) of Everi Holdings Inc. (“we,” “us,” “Everi,” or the “Company”) for use at the 2024 Annual Meeting of Stockholders and at any adjournment or postponement thereof. On or about April 19, 2024, we will begin distributing to each stockholder entitled to vote at the 2024 Annual Meeting of Stockholders this Proxy Statement, the Notice of 2024 Annual Meeting of Stockholders, a proxy card or voting instruction form, and our 2023 Annual Report. Shares represented by a properly executed proxy will be voted in accordance with the instructions provided by the stockholder. This summary highlights information contained elsewhere in this Proxy Statement; however, it does not contain all the information you should consider. You should read the entire Proxy Statement before casting your vote.

Additional information, including “**FREQUENTLY ASKED QUESTIONS**” about this Proxy Statement, the Annual Meeting, and voting can be found on pages 105-110.

2023 Performance Highlights

- Total Revenues of \$807.8 million, consisted of:
 - Games revenue of \$429.2 million
 - FinTech revenue of \$378.7 million
- Recurring revenues were \$607.2 million, or 75% of Total Revenue
- Games sales of 5,635 units
- Gaming operations total install base of 17,512 units
 - Premium units represented 49% of total installed base
- Financial Access transactions of 144.3 million and total value processed of \$47 billion
- Net Income of \$84 million
- Fully diluted EPS of \$0.91
- Adjusted EBITDA of \$367 million
- Free Cash Flow of \$141.9 million
- Capital expenditures of \$145.1 million invested for future organic growth
- Strategic acquisition of Video King for \$61.3 million
- Repurchased 7.5 million shares of Everi’s common stock for \$100 million.

For more information on our 2023 results and other related financial measures, we refer you to our 2023 Annual Report.

CAUTIONARY INFORMATION REGARDING FORWARD-LOOKING STATEMENTS AND WEBSITE REFERENCES

This Proxy Statement contains “forward-looking statements” as defined in the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements are neither historical facts nor assurances of future performance, but instead are based only on our current beliefs, expectations, and assumptions regarding the future of our business, plans and strategies, projections, anticipated events and trends, the economy, and other future conditions, as of the date on which this report is filed, and these are subject to change, including the standards for measuring progress that are still in development. Forward-looking statements often, but do not always, contain words such as “expect,” “anticipate,” “strive,” “aim to,” “designed to,” “commit,” “intend,” “plan,” “believe,” “goal,” “target,” “future,” “assume,” “endeavor,” “estimate,” “seek,” “project,” “promote,” “may,” “can,” “could,” “should,” or “will” and other words and terms of similar meaning. Readers are cautioned not to place undue reliance on the forward-looking statements contained herein, which are based only on information currently available to us and only as of the date hereof. We undertake no obligation to update or publicly revise any forward-looking statements as a result of new information, future developments or otherwise, except required by law.

All statements other than statements of historical or current facts, including statements regarding our strategy, our operational objectives, and our environmental and social plans and goals, made in this document are forward-looking and aspirational, and are not guarantees or promises such expectations, plans, or goals will be met. Examples of such forward-looking statements include, among others, our expectations, goals, or plans related to corporate responsibility, sustainability and environmental matters, employees, policy, business, procurement and other risks and opportunities, statements regarding our strategy, our operational objectives, and our environmental and social plans and goals, statements regarding the potential strategic combination of Everi with IGT’s Gaming and Digital businesses and the anticipated benefits thereof and opportunities related thereto; and Everi’s outlook, including, among other matters, its outlook for 2024 financial and operating metrics (including revenue, Adjusted EBITDA, and Free Cash Flow,).

Forward-looking statements are subject to inherent risks, uncertainties, and changes in circumstances that are often difficult to predict and many of which are beyond our control, including, but not limited to, the following: macro-economic impacts on consumer discretionary spending, interest rates and interest expense; global supply chain disruption; inflationary impact on supply chain costs; inflationary impact on labor costs and retention; equity incentive activity and compensation expense; our ability to maintain revenue, earnings, and cash flow momentum or lack thereof; changes in global market, business and regulatory conditions whether as a result of a pandemic or other economic or geopolitical developments around the world, including availability of discretionary spending income of casino patrons as well as expectations for the closing or re-opening of casinos; product and technological innovations that address customer needs in a new and evolving operating environment; to enhance shareholder value in the long-term; trends in gaming establishment and patron usage of our products; benefits realized by using our products and services; benefits and/or costs associated with mergers, acquisitions, and/or strategic alliances; (including the proposed strategic combination with IGT's Gaming and Digital businesses; product development, including the benefits from the release of new products, new product features, product enhancements, or product extensions; regulatory approvals and changes; gaming, financial regulatory, legal, card association, and statutory compliance and changes; the implementation of new or amended card association and payment network rules or interpretations; consumer collection activities; competition (including consolidations); tax liabilities; borrowings and debt repayments; goodwill impairment charges; international expansion or lack thereof; resolution of litigation or government investigations; our share repurchase and dividend policy; new customer contracts and contract renewals or lack thereof; and financial performance and results of operations (including revenue, expenses, margins, earnings, cash flow, and capital expenditures).

Our actual results and financial condition may differ materially from those indicated in these forward-looking statements as a result of various risks, uncertainties, and changes in circumstances, including, but not limited to, the following: the risk that the closing conditions and the consummation of the proposed strategic combination with IGT’s Gaming and Digital businesses will not be satisfied or occur in the anticipated timeframe or at all; risks related to the ability to realize the anticipated benefits, synergies and operating efficiencies of the proposed strategic combination, or to successfully separate and/or integrate IGT’s Gaming and Digital businesses, within the

expected timeframes or at all; the ability to retain key personnel; the perception and impact of the announcement of the proposed strategic combination on the market price of the capital stock of Everi and on Everi's operations, including the diversion of management's attention and resources; the occurrence of any event, change or other circumstances that could give rise to the termination of the Merger Agreement; our ability to generate profits in the future and to create incremental value for shareholders; our ability to withstand economic slowdowns, inflationary and other economic factors that pressure discretionary consumer spending; our ability to execute on mergers, acquisitions and/or strategic alliances, including our ability to integrate and operate such acquisitions or alliances consistent with our forecasts in order to achieve future growth; our ability to execute on key initiatives and deliver ongoing improvements; expectations regarding growth for the Company's installed base and daily win per unit; expectations regarding placement fee agreements; inaccuracies in underlying operating assumptions; our ability to withstand direct and indirect impacts of a pandemic outbreak or other public health crisis of uncertain duration on our business and the businesses of our customers and suppliers, including as a result of actions taken in response to governments, regulators, markets and individual consumers; changes in global market, business, and regulatory conditions arising as a result of economic, geopolitical and other developments around the world, including a global pandemic, increased conflict and political turmoil, capital market disruptions and instability of financial institutions; climate change or currently unexpected crises or natural disasters; our leverage and the related covenants that restrict our operations; our ability to comply with our debt covenants and our ability to generate sufficient cash to service all of our indebtedness, fund working capital, and capital expenditures; our ability to withstand the loss of revenue during a closure of our customers' facilities; our ability to maintain our current customers; our ability to replace revenue associated with terminated contracts or margin degradation from contract renewals: expectations regarding customers' preferences and demands for future product and service offerings; our ability to successfully introduce new products and services, including third-party licensed content; gaming establishment and patron preferences; failure to control product development costs and create successful new products; the overall growth or contraction of the gaming industry; anticipated sales performance; our ability to prevent, mitigate, or timely recover from cybersecurity breaches, attacks, and compromises or other security vulnerabilities; national and international economic and industry conditions including the prospect of a shutdown of the U.S. federal government; changes in gaming regulatory, financial regulatory, legal, card association, and statutory requirements; the impact of evolving legal and regulatory requirements, including emerging environmental, social and governance requirements; regulatory and licensing difficulties; competitive pressures and changes in the competitive environment; operational limitations; changes to tax laws; uncertainty of litigation outcomes; interest rate fluctuations; business prospects; unanticipated expenses or capital needs; technological obsolescence and our ability to adapt to evolving technologies, including artificial intelligence, employee hiring, turnover, and retention; our ability to comply with regulatory requirements under the Payment Card Industry ("PCI") Data Security Standards and maintain our certified status; and those other risks and uncertainties discussed in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Item 1A. Risk Factors" of our 2023 Annual Report. Given these risks and uncertainties, there can be no assurance that the forward-looking information contained in this document statement will in fact transpire or prove to be accurate.

This document should be read in conjunction with our Annual Report and with the information included in our press releases, reports and other filings with the Securities and Exchange Commission. Understanding the information contained in these filings is important in order to fully understand our reported financial results and our business outlook for future periods.

Website references throughout this document are provided for convenience only, and the content on the referenced websites is not incorporated by reference into this document.

Additional Information and Where to Find It

In connection with the proposed transaction (the "Proposed Transaction") between Everi, IGT, Ignite Rotate LLC ("Spinco") and Ember Sub LLC ("Merger Sub"), Everi, IGT and Spinco will file relevant materials with the Securities and Exchange Commission ("SEC"). Everi will file a registration statement on Form S-4 that will include a joint proxy statement/prospectus relating to the Proposed Transaction, which will constitute a proxy statement and prospectus of Everi and a proxy statement of IGT. A definitive proxy statement/prospectus will be mailed to stockholders of Everi and a definitive proxy statement will be mailed to shareholders of IGT. INVESTORS AND

SECURITY HOLDERS OF EVERI ARE URGED TO READ THE REGISTRATION STATEMENT, THE JOINT PROXY STATEMENT/PROSPECTUS AND ALL OTHER RELEVANT DOCUMENTS FILED OR THAT WILL BE FILED WITH THE SEC, AND INVESTORS AND SECURITY HOLDERS OF IGT ARE URGED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS AND ALL OTHER RELEVANT DOCUMENTS FILED OR THAT WILL BE FILED WITH THE SEC, CAREFULLY AND IN THEIR ENTIRETY BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT EVERI, IGT AND SPINCO, AND THE PROPOSED TRANSACTION. Investors and security holders will be able to obtain free copies of the registration statement and the joint proxy statement/prospectus (when available) and other documents filed with the SEC by Everi or IGT through the website maintained by the SEC at <http://www.sec.gov>. Copies of the documents filed with the SEC by Everi will be available free of charge on Everi's website at www.everi.com or by contacting Everi's Investor Relations Department at Everi Holdings Inc., Investor Relations, 7250 S. Tenaya Way, Suite 100, Las Vegas, NV 89113. Copies of the documents filed with the SEC by IGT will be available free of charge on IGT's website at www.igt.com or by contacting IGT's Investor Relations Department at International Game Technology PLC, Investor Relations, 10 Memorial Boulevard, Providence, RI 02903.

No Offer or Solicitation

This communication is for informational purposes only and not intended to and does not constitute an offer to subscribe for, buy or sell, or the solicitation of an offer to subscribe for, buy or sell, or an invitation to subscribe for, buy or sell, any securities of Everi, IGT, Spinco or Merger Sub, or the solicitation of any vote or approval in any jurisdiction pursuant to or in connection with the Proposed Transaction or otherwise, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended (the "Securities Act"), and otherwise in accordance with applicable law.

Participants in the Solicitation

This communication is not a solicitation of a proxy from any security holder of Everi or IGT. However, Everi and IGT and each of their respective directors and executive officers may be considered participants in the solicitation of proxies in connection with the Proposed Transaction. Information about the directors and executive officers of Everi may be found in its most recent Annual Report on Form 10-K and in its most recent proxy statement for its annual meeting of stockholders, in each case as filed with the SEC. Information about the directors, executive officers and members of senior management of IGT is set forth in its most recent Annual Report on Form 20-F as filed with the SEC. Other information regarding the participants in the proxy solicitations and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the joint proxy statement/prospectus and other relevant materials to be filed with the SEC when they become available.

Corporate Governance Highlights

Our Board has developed strong corporate governance practices to promote long-term value creation, transparency, and accountability to our stockholders. Highlights of our corporate governance policies and structure following the Annual Meeting include:



WHAT WE DO

- 78% Independent Directors - 7 of 9
- 33% Female Directors - 3 of 9 (Including Chair of Compensation Committee)
- "Plurality-Plus" Voting for Directors (mandatory resignation policy for nominees who fail to receive an affirmative majority of votes cast)
- Limitations on Outside Public Company Board Service
- Lead Independent Director
- Separate Chair of the Board and Chief Executive Officer
- Entirely Independent Committees
- Audit Committee Financial Experts - 4 of 7
- Annual Board and Committee Self-Evaluations
- Systemic Risk Oversight by Board and Committees
- Environmental, Social, and Governance ("ESG") Oversight by Board and Committees
- Cybersecurity and Information Technology Oversight by Board and Committees
- Regular Executive Sessions of Independent Directors
- Investor Outreach Program
- Equity Ownership Policy with required holdings for Directors and Executives
- Cash and Equity Compensation Clawback Policy
- Annual Say on Pay Advisory Vote
- "Double-Trigger" for Change in Control Severance Payments
- Ongoing Board Refreshment Planning
- Executive Succession Planning Process
- Comprehensive Code of Business Conduct, Standards and Ethics; Supplier Code of Conduct; and Corporate Governance Guidelines
- Compliance Hotline



WHAT WE DON'T DO

- Poison Pill
- Allow Pledging of Our Securities
- Allow Hedging of Our Securities
- Reprice Stock Options without Stockholder Approval
- Allow Cash Buyouts of Underwater Stock Options without Stockholder Approval
- Grant Excess Perquisites
- Allow Excise Tax Gross Ups

Environmental, Social, and Governance (“ESG”) Environmental Sustainability

Our industry. Our communities. Our world. We focus on the responsibility we have as a financial technology provider and gaming equipment supplier to respect our environment. To support our efforts we have a number of Company-wide programs in place to help protect the environment, including: Reducing Resource Consumption and Waste, Recycling and Parts Refurbishment, and Lowering Carbon Emissions.

Reducing Resource Consumption and Waste

Our ongoing initiatives include consolidating facilities and our physical footprint, as well as supporting remote work for certain positions. We know that these efforts are beneficial to our sustainability efforts, including reduction of our energy, water, and paper consumption.

We strive to reduce overall water and electricity usage in our existing domestic offices and production facilities, and in this regard have made the following investments: installed LED lighting, motion-activated lights and faucets, low-flow toilets, and water filtration systems. We have implemented recording and reporting protocols at our domestic corporate and administrative offices and production locations to monitor our environmental impact at those locations, supporting our progress towards setting long-term sustainability targets.

Recycling and Parts Refurbishment

We currently have recycling partners in place for industrial material used in the assembly of our products, including paper, cardboard, certain electronic components, and certain metals. We also work with our suppliers and shippers to repurpose wooden pallets and packaging materials used in shipping our products.

In our Games segment, we refurbish and redeploy approximately 40% of our gaming devices at least once during the device’s lifetime, as well as repurpose individual component parts to the extent possible. In our FinTech segment, servers and network equipment, including end-of-life hardware for our Automated Teller Machines (“ATMs”) and fully integrated kiosks, are also recycled.

We have recycling partners in place for copy paper recycling at nearly all of our domestic administrative offices and production facilities. Since 2022, we have shredded and recycled over 50,000 pounds of paper annually from our primary Las Vegas, Nevada and Austin, Texas facilities.

Lowering Carbon Emissions

Everi’s focus on achieving a reduced carbon footprint and preservation of our precious water supply includes using nearly 100% renewable energy to host our data at the facilities of our data center co-location vendor, Switch. In 2023, Switch retired 663 Solar Renewable Energy Credits on behalf of Everi. The Renewable Energy Credits comply with Greenpeace’s principles of locality, additionality, and sustainability. This green energy supply was generated by Nevada solar farms.

The Company is dedicated to the leasing or purchasing of hybrid or electric vehicles (“EV”) for its field service personnel, and intends to retire and replace its existing vehicle inventory with such vehicles over a period of time. To date, such purchases have been somewhat limited due to supply chain constraints and lack of development of EV service-type vehicles.

In 2023, the Company began operating at its new assembly, storage and distribution facility located in Las Vegas, Nevada. This new 183,000 square foot facility consolidates the assembly and distribution of its gaming machines previously done in Austin, Texas with our financial access kiosks, loyalty kiosks, and other FinTech products.

The new Las Vegas facility is designed to cohere to environmental and sustainable stewardship practices and is expected to streamline production and simplify both supply chain processes and the distribution of completed products to customers. The new facility was built to Everi’s specifications to encompass environmental sustainability and create an employee-friendly working environment and is anticipated to meet the certification level of 3 Green Globes science-based rating system established in accordance with the Green Building Initiative. The facility utilizes such elements as low-water landscaping, energy efficient windows, automated LED lighting, high-efficiency plumbing, energy-usage tracking, and a solar panel system engineered to offset nearly 80% of the power needs, all in an effort to lessen the environmental impact of the facility. We installed an EV charging station that utilizes only solar power at this facility.

Social Responsibility

We are committed to contributing positively to our communities and to creating and sustaining a positive work environment and corporate culture that fosters employee engagement, health, safety, well-being, diversity and inclusion and equal opportunity. We progress towards this through a focus on recruitment and retention of employees with skills.

Corporate Culture

We foster an inclusive culture among our employees so that the WHY of why we work at Everi reflects our shared commitment to positively impact our employees, partners, customers and their guests, stockholders, communities, and the environment. To build this culture we have invested in programs and implemented standards to promote the community, responsible gaming efforts, ethical business conduct, comprehensive human capital management (diversity and inclusion, talent attraction, retention and development, and rewards) sustainability, and giving and volunteerism. In 2021, we created an internal ESG Committee, led by our CEO and General Counsel and comprised of Company employees across various business areas and professional levels, which functions as a central task force for our ESG initiatives.

We believe that these efforts will contribute to our long-term business success, empower our team members, and support our Core Company Values: Collaboration, Integrity, Inclusion, Excellence, and Fun.

Diversity and Inclusion

We strive to embrace and live by one of our key Company values: Inclusion. We believe that we can be at our best only when we embrace and reflect the diversity of not only our employees, but the customers and communities that we serve. We believe diverse backgrounds, perspectives, and talents will enable us to continue to be successful and drive shareholder value.

The efforts to support diversity in leadership at Everi start with the Board. Currently 33% of Everi's Board members are female and 22% are ethnically diverse.

- * Board member Secil Tabli Watson is a member of Extraordinary Women on Boards, a private membership community for highly accomplished women actively serving on corporate boards.
- * Board member Debra Nutton was featured in an article in CDC Gaming Reports, "Faces of Gaming: Debi Nutton - Everi board member, gaming trailblazer," served as an original board member of Global Gaming Women, and was honored by Global Gaming Women with the 2018 Great Women of Gaming Lifetime Achievement Award.

The Company launched the Women's Leadership Initiative (in 2017) to develop and advance gender diversity and create new opportunities and a clearer path for advancement. As a result of the success of this program, we have expanded the program Company-wide and rebranded the program as the Everi Leadership Initiative. The program is committed to promoting and advocating gender diversity at all levels of leadership through awareness, training, development, and inspiration. Participants in the program engage and connect with other members, Company employees and leaders, and diverse stakeholders in the gaming and financial technology industries. Members also participate in educational programs with internal business leaders and training opportunities with experts outside the industry.

Focusing on the importance of training, Company-wide diversity and inclusion training is mandatory for employees and is intended to cultivate an inclusive, engaging, and respectful workplace, and includes separate training on the impact of bias in the selection and hiring processes that is mandatory for hiring managers. Our total combined hours for mandatory diversity and inclusion training were approximately 2,050 hours for 2023.

Social Responsibility - Continued

Diversity in Hiring

The Company entered into a strategic agreement (in March 2022) with the Partnership for Youth Success® Program of the U.S. Army. Through this program, the Company has the opportunity to engage with and interview soldiers for possible employment upon transition from their military service. Joining the ranks of many other companies who have partnered with this program, Everi looks forward to supporting the future success of those who have served our country.

Everi has also partnered with the Grant a Gift Autism Foundation and their WORKS Community (Working on Occupational Readiness, Knowledge, and Skills), a community-based vocational program serving teens and young adults with an autism spectrum disorder. In addition to learning pivotal vocational skills such as building a resume and interviewing, Everi hosts these individuals onsite throughout certain times in their program. With the support of a job coach, individuals gain job readiness skills and are better equipped to successfully transition into an internship and other areas of adulthood. WORKS Community includes weekly sessions at a partnered community site, weekly job coach support, an assigned caseworker, Parent Empowerment Training, and access to other family services provided by Grant a Gift Autism's Navigation Program.

Diversity and Heritage Celebrations

In March 2023, as part of the celebration of Women's History Month, the Company's People Operations department (formerly the Company's Human Resources, or HR department) hosted a webinar, "Telling Your Story," for its employees. In March 2024, the Company made donations to Girls Who Code and the National Center for Women & Information Technology, and provided access to educational webinars to examine the evolution of women's rights throughout U.S. history and spotlight women's equity and inclusion.

In May 2023, we celebrated Military Appreciation Month by recognizing Everi employees and their family members who have served or are actively serving in our armed forces, and provided a donation to Hiring Our Heroes, a U.S. Chamber of Commerce initiative, which connects the military community with American businesses to create economic opportunities and a diversified workforce.

In August 2023, we recognized Disability Employment Awareness month. We believe that "Inclusion is within Everi-one's Ability," and provided employees with information on neurodiversity in the workplace.

Please refer to page 38 herein for more information on Everi's Diversity and Heritage Celebrations.

Social Responsibility - Continued

Employee Engagement, Satisfaction & Awards

We have been honored with Top Workplace Awards.

Aligning with our values of Inclusion and Collaboration, we endeavor to engage with our employees on a regular basis, seeking feedback about their experience at Everi. Recognizing that over 70% of our workforce operates outside an office, we understand the critical importance of maintaining employee engagement and providing avenues for employee input, including employee surveys, regular Company-wide email communications, and periodic Town Hall meetings.

In 2023, Everi continued to be recognized as an employer of choice through various programs, participating in the “Top Workplaces” and “Great Place to Work” initiatives. Through employee engagement surveys, the Company was honored with national and regional awards, underscoring our employees’ confidence in our leadership, employee well-being, and innovation among others.

In 2023, Everi received:

- “Top Workplaces 2023 USA,” and has been featured in Energage’s list of Top 100 companies with 1,000 - 2,499 employees
- For a third year, received a regional award as “Nevada Top Workplaces 2023,” and “Greater Austin Top Workplaces 2023”
- For a third year, received certification as a Great Place to Work® in India

Everi was just announced as a “USA Today Top Workplace 2024” and was ranked in the Top 100 of companies with 1,000 - 2,499 employees.

Community Engagement, Giving, and Volunteerism

Community Engagement: Throughout the year the Company focuses on different heritage celebrations, holidays, and commemorations. We seek to connect with our employees to build awareness through educational webinars and guest lecturers, and we engage with the communities in which we operate by donating to various support organizations.

Everi was issued a certificate regarding utilization of funds in India for the financial year 2022-2023, disbursed for Corporate Social Responsibility activities in India, specifically, the Company’s contribution to the Prime Minister’s Citizen Assistance and Relief in Emergency Situations Fund, a fund established to respond to emergency and distress situations such as posed by the COVID-19 pandemic.

Charitable Contributions: In 2023, the Company made charitable contributions across many deserving organizations, showcased on our Corporate Social Responsibility webpage at: <https://www.everi.com/about-us/corporate-social-responsibility/>.

Responsible Gaming

Over the years, the Company has worked with dozens of leading responsible gaming associations across the globe to develop tools to help prevent problem gamblers from obtaining funds in a casino. The Company’s initiatives and controlled solutions are designed to enable casinos to enhance their promotion of responsible gaming while helping them comply with local laws, customs, and culture in the prevention of problem gambling.

Everi’s Personal Self Transaction Exclusion Program (“STeP”) is a way for patrons to block access to cash across the Company’s national network of ATMs, financial access kiosks, and booth services. Our *CashClub Wallet*™ also includes a self-imposed velocity and transaction limits as a supplement to our existing STeP program.

Social Responsibility - Continued

Benefit Enhancements

As a result of input received from Company employees through our 2023 annual benefits survey, we implemented enhanced benefits effective January 1, 2024, including:

- For the ninth year in a row, no increases to employee premiums (contributions) to medical, dental, and vision benefits
- Extension of the mental health and wellness program with easy access to preventative care, self-care and professional services, including virtual coaching sessions

Human Capital

In addition to our Corporate Culture initiatives, Everi implemented initiatives to support career growth, training and development opportunities, new talent acquisition, and diverse recruiting.

Our Board oversees initiatives and programs concerning human capital management, including corporate culture, diversity, acceptance, inclusion, and attracting and retaining talent.

For additional information on Everi's Human Capital initiatives and programs, please refer to page 36 herein, and pages 16-19 of the Company's 2023 Annual Report.

Governance

We are committed to maintaining high standards of corporate governance, which we believe promotes long-term value creation, transparency, and accountability to our stockholders. Our commitment to corporate governance is integral to our business and reflects not only regulatory requirements, New York Stock Exchange ("NYSE") listing standards, and broadly recognized governance practices, but also effective leadership and oversight by our senior management team, the Nominating and Governance Committee ("Nom Gov" or "Nom Gov Committee") of the Board, and the Board.

For information on Everi's Governance initiatives, please refer to **"Corporate Governance Highlights"** (page 14 herein); **"Board and Corporate Governance Matters"** (pages 28-32 herein); **"Corporate Governance"** (pages 42-44 herein); and **"Compensation Governance Practices"** (page 72 herein).

For additional information on Everi's ESG / Responsible Business initiatives and programs, please refer to pages 32-35 herein, page 16 of the Company's 2023 Annual Report, and the Company's Corporate Social Responsibility webpage at: <https://www.everi.com/about-us/corporate-social-responsibility/>.

PROXY STATEMENT

PROPOSAL 1

ELECTION OF THREE CLASS I DIRECTORS

(Item No. 1 on the Proxy Card)

THE BOARD UNANIMOUSLY RECOMMENDS THAT STOCKHOLDERS VOTE “FOR” THE ELECTION TO THE BOARD OF EACH OF THE NOMINEES NAMED BELOW.

Qualifications of Our Class I Director Nominees:

- Messrs. Bali and Finch are independent.
- Messrs. Bali, Finch, and Taylor respectively, have 4+, 2+, and 2+ years of service on our Board.
- The three nominees are highly qualified, experienced, and actively engaged individuals.

Name	Age	Director Since	Principal (or Most Recent) Occupation	Current Committees
Atul Bali	52	2019	Board Member, Chair and Advisor to several private and public companies including both gaming and fintech	<ul style="list-style-type: none"> • Audit Committee • Compensation Committee • Nom Gov Committee
Paul W. Finch, Jr.	60	2022	Founder of PWF Advisory Services LLC, a financial technology advisor specializing in payments, risk, identity, and technology, since May 2019	<ul style="list-style-type: none"> • Audit Committee • Compensation Committee • Nom Gov Committee
Randy L. Taylor	61	2022	President and Chief Executive Officer of the Company since April 1, 2022	

Our Certificate of Incorporation provides that the number of directors that shall constitute the Board shall be exclusively fixed by resolutions adopted by a majority of the authorized number of directors constituting the Board. The Company’s bylaws state that the authorized number of directors of the Company shall be fixed in accordance with the Company’s Certificate of Incorporation. Effective January 21, 2022, the Board, acting upon the recommendation of the Nom Gov Committee, increased the size of the Board to ten members. The Board is currently comprised of nine members and the Board continues to evaluate the composition of the Board and consider potential director candidates. Our Certificate of Incorporation and bylaws provide that the Board shall be divided into three classes constituting the entire Board. The members of each class of directors serve staggered three-year terms. Proxies cannot be voted for a greater number of persons than the number of nominees named in this Proxy Statement. As of the filing of the Proxy Statement, the Board is composed of the following nine members:

Class	Directors	Term Commencement	Term Expiration
I	Atul Bali, Paul W. Finch, Jr., and Randy L. Taylor	2021 Annual Meeting of Stockholders	2024 Annual Meeting of Stockholders
II	Geoffrey P. Judge, Michael D. Rumbolz, and Debra L. Nutton ⁽¹⁾	2022 Annual Meeting of Stockholders	2025 Annual Meeting of Stockholders
III	Linster W. Fox, Maureen T. Mullarkey, and Secil Tabli Watson	2023 Annual Meeting of Stockholders	2026 Annual Meeting of Stockholders

(1) Ms. Nutton’s term of office began effective as of April 1, 2023.

Board Changes

The Board appointed Michael D. Rumbolz, previously serving jointly as Chair of the Board and Chief Executive Officer of the Company, to serve as Executive Chair of the Board, effective as of April 1, 2022. Effective April 1, 2023, the Company entered into an Executive Chair Agreement (the “Agreement”) to reappoint Mr. Rumbolz to serve in the role of Executive Chair of the Board of the Company. Mr. Rumbolz’s Agreement with the Company will expire on March 31, 2025. As Executive Chair of the Board, Mr. Rumbolz is an employee of the Company, reporting directly to the Board, and is subject to the Company’s policies on the same basis as other senior executives of the Company. The Company requires that the Executive Chair be available to perform the duties of Executive Chair customarily related to this function, including, without limitation: (a) acting as Chair of the Board and stockholder meetings; (b) acting as a liaison between the Company’s senior management and the Board and its committees; (c) advising the Company’s senior management on matters of Company operations; and (d) otherwise performing the duties of Chair of the Board, as well as such other customary duties as may be determined and assigned by the Board, and as may be required by the Company’s governing instruments, including its certificate of incorporation, bylaws, and its corporate governance guidelines, each as amended or modified from time to time, and by applicable law, rule, or regulation, including, without limitation, the Delaware General Corporation Law and the rules and regulations of the SEC.

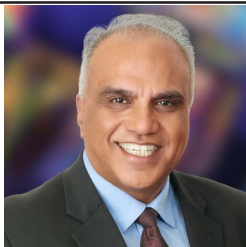
Upon the recommendation of the Nom Gov Committee of the Board, the Board elected to fill an open vacancy and appointed Debra L. Nutton as a Class II Director to serve for a term expiring at the Company’s 2025 Annual Meeting of Stockholders, and as a member of the Audit Committee, Compensation Committee, and Nom Gov Committee of the Board, effective April 1, 2023, and until her successor is elected or qualified, or until her earlier death, resignation, or removal.

Information Concerning the Director Nominees

Upon the recommendation of the Nom Gov Committee of the Board, the Board has nominated Atul Bali, Paul W. Finch, Jr., and Randy L. Taylor, current Class I Directors of the Company, for election as Class I Directors of the Company. Mr. Finch was selected from a group of candidates identified and interviewed by members of the Nom Gov Committee and then presented to, interviewed by, and ultimately selected for membership, by the full Board. If elected, each will serve a three-year term until the Company’s 2027 Annual Meeting of Stockholders and until his successor is duly elected and qualified or until earlier resignation or removal. Messrs. Bali, Finch, and Taylor have consented, if elected as Class I Directors of the Company, to serve until their respective terms expire. The Board believes that Messrs. Bali, Finch, and Taylor will serve if elected, but if a nominee should become unavailable to serve as a director, and if the Board designates a substitute nominee, the person or persons named as proxy in the enclosed form of proxy may vote for a substitute nominee recommended by the Nom Gov Committee and approved by the Board.

Information regarding the business experience of our nominees for election as Class I Directors is provided below, as well as a description of the skills and qualifications that are desirable in light of our business and structure and led to the conclusion that each nominee should serve as a director. Information regarding the business experience, skills, qualifications, and directorships of each such director is provided below.

Class I Directors Nominees



Atul Bali INDEPENDENT, AUDIT COMMITTEE FINANCIAL EXPERT

Age: 52

Director Since: 2019

Committees: Audit, Compensation, Nom Gov

BACKGROUND

- Serves, since 2021, as non-executive Chairman of The Football Pools Limited, the oldest pool betting company in the world, based in the United Kingdom
- Serves, since 2017, as a director on the Board of Rainbow Rare Earths PLC (LSE: RBW), a producer of Rare Earth Metals with Projects in Burundi, East Africa and in South Africa
- Serves, since 2014, as non-executive Chairman of Instant Win Gaming Ltd., a provider of mobile instant win games to State Lottery operators
- Founder of Twin Bulls LLC, providing advisory serves to a several lottery, sports betting, igaming, and fintech businesses, including Fincore Ltd.
- Trustee and Chair of the Finance Committee of the Bush School, a 100 year old independent K-12 school in Seattle.
- Served as non-executive Chairman of the Board of Meridian Tech Holdings Ltd., a regulated global emerging markets sports betting and online gaming firm, operating in Europe, Latin America, and Africa from 2016 to 2021, and Deputy Chairman of Gaming Realms PLC (LSE: GMR), a developer, publisher, and licensor of mobile games, where he served on the board of directors from 2014 to 2018
- Served as CEO of XEN Group from 2010 to 2012, and thereafter, in divisional President & CEO roles at Aristocrat Technologies Inc. (ASX: ALL) from 2012 to 2014, and RealNetworks, Inc. (NASDAQ: RNWK) from 2014 to 2015
- Served as President and CEO of GTECH G2, a subsidiary of GTECH Corporation (now NYSE: IGT) until 2010, and held various executive positions, including SVP Corporate Development & Strategy, SVP Commercial Services, and VP Global Business Development at GTECH Corporation between 1997 and 2010
- Began his career as a Chartered Accountant with KPMG

DIRECTOR QUALIFICATIONS

Mr. Bali provides valuable knowledge and skills to our Board due to his extensive skills and experience in the interactive gaming, gaming, and fintech industries. Mr. Bali was previously qualified as a Chartered Accountant and has been designated as an “audit committee financial expert” in accordance with NYSE listing standards.



Paul W. Finch, Jr. INDEPENDENT

Age: 60
Director Since: 2022
Committees: Audit, Compensation, Nom Gov

BACKGROUND

- Founder of PWF Advisory Services LLC, a financial technology advisor specializing in payments, risk, identity, and technology, since May 2019
- Founder of The Finch Family Foundation, a non-profit organization dedicated to serving children and families in Arizona, since May 2018
- Served as Chief Executive Officer of Early Warning Services, LLC, a provider of real-time payments, risk and authentication solutions to financial institutions nationwide, from 2003 to 2019
- Served as Executive Vice President, Systems and Operations of eFunds Corporation, a provider of electronic debt payment solutions, and headed global operations, technology, and customer support from 1990 to 2003
- Founder and Chief Executive Officer of ACH Systems, an electronic payment technology outsourcing company specializing in the processing and settlement of U.S. ACH transactions, from 1989 to 2003
- Holds a B.A. in Business Administration from Northern Arizona University

DIRECTOR QUALIFICATIONS

Mr. Finch provides valuable knowledge and skills to our Board due to his extensive skills and experience in payments solutions, risk, and authentication solutions.



Randy L. Taylor NON-INDEPENDENT
PRESIDENT AND CHIEF EXECUTIVE OFFICER

Age: 61
Director Since: 2022
Committees: None

BACKGROUND

- Serves as our President and Chief Executive Officer since April 1, 2022, having previously served as our President and Chief Operating Officer from April 1, 2020 to April 1, 2022, as our Executive Vice President, Chief Financial Officer and Treasurer from March 2014 through March 2020, and as our Senior Vice President and Controller from November 2011 to March 2014
- Mr. Taylor is a Certified Public Accountant in the State of Nevada. His license is presently inactive.
- Holds a B.S. in Accounting from the University of Denver

DIRECTOR QUALIFICATIONS

Mr. Taylor's vast experience in, and knowledge of, the Company's highly-regulated gaming segment, as well as his experience in the Company's FinTech business, and skills gained from his 10+ years of service in various positions of the Company, are valuable to our Company and our Board.

Directors Whose Terms Will Expire in Future Years

Each of the Company's directors listed below will continue in office for the remainder of his or her term, and until a successor is duly elected and qualified, or until his or her earlier resignation or removal. Information regarding the business experience, skills, qualifications, and directorships of each such director is provided below.

Class II Directors Whose Terms Will Expire in 2025



Geoffrey P. Judge INDEPENDENT

Age: 70

Director Since: 2006

Committees: Audit, Compensation, Nom Gov (**Chair**)

BACKGROUND

- Active private equity investor since 2002, working actively with CEOs at his portfolio companies
- Served as a Partner at iNovia Capital, a manager of early-stage venture capital funds, from 2010 to 2017, and served as a Member of the Board of Directors of iNovia portfolio companies from September 2010 until April 2021
- Served as Chief Operating Officer in 2002 of Media Solution Services, Inc., a provider of credit card billing insert media
- Co-founder and Senior Vice President and General Manager from 1997 to 2002 of the media division of 24/7 Real Media
- Served from 1995 to 1997 as Vice President of Marketing for iMarket, Inc., a software company
- Served from 1985 to 1994 in various management positions, including as a Vice President and General Manager in the credit card division of American Express
- Holds an M.B.A. from Columbia University and a degree in economics from Northwestern University

DIRECTOR QUALIFICATIONS

Mr. Judge provides valuable knowledge and skills to our Board due to his extensive knowledge of the Company's business and his experience in the financial services and payments industries.



Michael D. Rumbolz NON-INDEPENDENT
EXECUTIVE CHAIR OF THE BOARD

Age: 70
Director Since: 2010
Committees: None

BACKGROUND

- Serves as our Executive Chair of the Board since April 1, 2022, having previously served as Chair of the Board since May 2021, as our Chief Executive Officer from April 1, 2020 to April 1, 2022, as our President and Chief Executive Officer from May 2016 through March 2020, as our Interim President and Chief Executive Officer from February 2016 to May 2016, and as an independent member of our Board from 2010 until his February 2016 appointment to the Interim President and Chief Executive Officer position
- Served from 2008 to 2010 as a consultant to the Company advising on various strategic, product development, and customer relations matters following the Company's acquisition in 2008 of Cash Systems, Inc., a provider of cash access services to the gaming industry
- Served as Chairman and Chief Executive Officer of Cash Systems, Inc. from January 2005 until August 2008
- Held various positions in the gaming industry, including Vice Chairman of the Board of Casino Data Systems, President and Chief Executive Officer of Anchor Gaming, Director of Development for Circus Circus Enterprises (later Mandalay Bay Group), President of Casino Windsor at the time of its opening in Windsor, Ontario, and has provided various consulting services
- Served as Member and Chairman of the Nevada Gaming Control Board from January 1985 to December 1988
- Former Chief Deputy Attorney General of the State of Nevada from January 1983 to January 1985
- Served as Member and Chairman of the Board of Directors of Employers Holdings, Inc. (NYSE: EIG), a holding company whose subsidiaries are engaged in the commercial property and casualty industry, from January 2000 until May 2020
- Serves as a member of the Board of Directors of VICI Properties Inc. (NYSE: VICI) since October 2017
- Serves as a member of the Board of Seminole Hard Rock Entertainment, LLC since 2008
- Serves as the Chairman of the Board of the American Gaming Association since January 2024

DIRECTOR QUALIFICATIONS

Mr. Rumbolz's vast experience in, and knowledge of, the highly-regulated gaming industry, both as an operator and as a regulator, as well as his experience in the FinTech business, and skills gained from previous and current public and private board service, are valuable to our Company and our Board.



Debra L. Nutton INDEPENDENT

Age: 67

Director Since: April 1, 2023

Committees: Audit, Compensation, Nom Gov

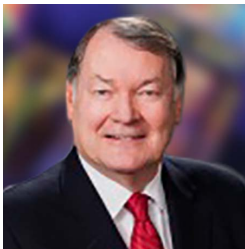
BACKGROUND

- Active executive coach and gaming consultant since June 2021
- Served from March 2022 to October 2023 as a member of the Advisory Board of U-Ryze, a non-profit organization that offers coaching to the under-served
- Served from December 2019 to August 2021 as an advisor to the pre-opening team of Resorts World Las Vegas, a resort hotel.
- Served from July 2013 to July 2018 as Executive Vice President of Casino Operations of Wynn Las Vegas, a resort hotel. From July 2018 to October 2019, served as Vice President Casino Administration, Wynn Resorts (sole focus was on the opening of Encore Boston Harbor)
- Served from April 2001 to April 2013 in various positions of responsibility at MGM Resorts, including the last position she held as Senior Vice President of Casino Operations
- Served as a member of the Advisory Board of Global Gaming Expo (“G2E”) from July 2015 to October 2017
- Served as a member of the Board of Global Gaming Women from May 2011 to October 2014

DIRECTOR QUALIFICATIONS

Ms. Nutton’s vast experience in, and knowledge of, the highly-regulated gaming industry as an operator, as well as her experience as an executive coach and gaming consultant, are valuable to our Company and our Board.

Class III Directors Whose Terms Will Expire in 2026



Linster W. Fox INDEPENDENT, AUDIT COMMITTEE FINANCIAL EXPERT

Age: 74

Director Since: 2016

Committees: Audit (**Chair**), Compensation, Nom Gov

BACKGROUND

- Retired and previously served as Executive Vice President, Chief Financial Officer and Secretary of SHFL entertainment, Inc., a global gaming supplier, from 2009 up until the company’s acquisition by Bally Technologies, Inc. in November 2013
- Served on the Executive Advisory Board of the Lee Business School at the University of Nevada-Las Vegas from 2015 to 2016
- Served as interim Chief Financial Officer of Vincotech in 2009 and as Executive Vice President, Chief Financial Officer and Secretary of Cherokee International Corp. from 2005 to 2009
- Served in a variety of executive roles over the course of 18 years at Anacomp, Inc., including Executive Vice President and Chief Financial Officer and as a member of the company’s Board of Directors
- Began his career as an accountant at PricewaterhouseCoopers LLP
- Mr. Fox is a Certified Public Accountant in the State of California. His license is presently inactive.
- Holds a B.S.B.A. from Georgetown University in Washington, D.C

DIRECTOR QUALIFICATIONS

Mr. Fox provides valuable knowledge and skills to our Board due to his financial background and experience in the gaming industry. Mr. Fox is a certified public accountant, with an inactive license in the State of California, and has been designated as an “audit committee financial expert” in accordance with NYSE listing standards.



Maureen T. Mullarkey INDEPENDENT, AUDIT COMMITTEE FINANCIAL EXPERT

Age: 64

Director Since: 2018

Committees: Audit, Compensation (**Chair**), Nom Gov

BACKGROUND

- Retired in 2007 as Executive Vice President and Chief Financial Officer of International Game Technology (currently known as International Game Technology PLC), a leading supplier of gaming equipment and technology, a position Ms. Mullarkey held from 1998 to 2007, and served in a variety of financial and executive management positions in her 18 years with the company
- Serves, since 2014, as a director of PNM Resources, Inc. (NYSE: PNM), a holding company with two regulated utilities providing electricity and electric services in the State of New Mexico and Texas
- Served as a director of NV Energy, Inc. from 2008 to 2013 when the company was sold to Mid-American Energy Holdings Company, a subsidiary of Berkshire Hathaway, Inc.
- Served as Entrepreneur in Residence with The Nevada Institute of Renewable Energy Commercialization from 2009 to 2011
- Holds a B.S. from the University of Texas and an M.B.A. from the University of Nevada-Reno

DIRECTOR QUALIFICATIONS

Ms. Mullarkey provides valuable knowledge and skills to our Board due to her financial skills and experience in the gaming industry. Ms. Mullarkey has been designated as an “audit committee financial expert” in accordance with NYSE listing standards.



Secil Tabli Watson INDEPENDENT, AUDIT COMMITTEE FINANCIAL EXPERT

Age: 52

Director Since: 2022

Committees: Audit, Compensation, Nom Gov

BACKGROUND

- Serves, since 2021, as a member of the Board of Directors of Bank of Marin Bancorp (NASDAQ: BMRC) and its subsidiary, Bank of Marin
- Serves, since 2015, on the Strategic Advisory Board of FTV Capital, a private equity firm
- Active as an independent strategy consultant to Fortune 500 companies advising on digital transformation and product management
- Since 2021, a member of Extraordinary Women on Boards (EWOB), a private membership community for highly accomplished women actively serving on corporate boards
- Served as a member of the Board of Landed, Inc., a Series B funded fintech start-up whose mission was to assist essential workers own homes, from 2021 to August 2023
- Served as a member of the Board of Directors of McLaren Technology Acquisition Corp. (NASDAQ: MLAIU), a Special Purpose Acquisition Company focused on acquiring fintech companies, from 2021 to March 2023
- Served as Executive Vice President and Head of Digital Solutions for Business, Commercial Banking at Wells Fargo, a financial services company, from 2017 to 2021; Executive Vice President, Head of Wholesale Internet Solutions, Wholesale Banking from 2012 to 2017; Senior Vice President, Internet Services Group, Consumer Banking from 2002 to 2011; Executive Advisor to the Women’s Team Member Network from 2018 to 2021; and a member of the Enterprise Diversity Council from 2008 to 2011
- Served as a member of the Board of Directors of the Conservation Society of California and Oakland Zoo from 2013 to 2019; co-chair from 2016 to 2017; vice chair in 2015; and chaired audit, education, and succession planning committees
- Holds an M.B.A. in Finance from The Wharton School, University of Pennsylvania, and a B.A. in Economics and Government/International Relations from Cornell University

DIRECTOR QUALIFICATIONS

Ms. Watson provides valuable knowledge and skills to our Board due to her extensive skills and experience in banking, digital customer experience and transformation, payments solutions, product management, cyber-fraud, and fintech industries. Ms. Watson has been designated as an “audit committee financial expert” in accordance with NYSE listing standards.

BOARD AND CORPORATE GOVERNANCE MATTERS

Corporate Governance Philosophy

The business and affairs of the Company are managed under the direction of the Board in accordance with the Delaware General Corporation Law, as implemented by the Company's certificate of incorporation and bylaws. The role of the Board is to effectively oversee the affairs of the Company for the benefit of its stockholders and other constituencies. The Board strives to guide the success and continuity of business through the selection of qualified management. It is also responsible for reviewing the Company's compliance programs so that the Company's activities are conducted in a responsible and ethical manner. The Company is committed to having sound corporate governance principles. Highlights of our corporate governance policies and structure following the Annual Meeting include:

WHAT WE DO

-  **78% Independent Directors.** Seven of our nine directors have been determined by us to be "independent" as defined by the SEC and NYSE listing standards, which the Board has adopted as our standards.
-  **33% Female Directors.** Three of our nine directors are female.
-  **"Plurality-Plus" Voting for Directors.** Director nominees are elected by the highest number of shares cast "for" a director (mandatory resignation policy for nominees who fail to receive an affirmative majority of votes cast).
-  **Lead Independent Director.** Our Board, in accordance with provisions as set forth in our Corporate Governance Guidelines, named an independent director of the Board to serve as Lead Independent Director.
-  **Entirely Independent Committees.** All seven members of our Audit, Compensation, and Nom Gov Committees are independent.
-  **Audit Committee Financial Experts.** Four of the seven members of our Audit Committee qualify as an "audit committee financial expert" as defined by the SEC. The remaining two members qualify as "financially literate."
-  **Regular Executive Sessions of Independent Directors.** Our independent directors regularly meet in executive session without management's participation.
-  **Limitations on Outside Public Company Board Service.**
 - Our independent directors may not serve on more than three boards of public companies in addition to the Company's Board or on more than two audit committees of public companies, including the Company's Audit Committee, unless otherwise approved by the Board.
 - A director who is CEO of the Company should not serve on more than two boards of public companies, including the Company's Board.
-  **Annual Board and Committee Self-Evaluations.** Our Board and Committee members conduct self-evaluations at least annually to determine whether the Board and its Committees are functioning effectively.
-  **Ongoing Board Refreshment Planning.** Periodic review of our Board's composition to create the right mix of skills, background, and tenure.
-  **Executive Succession Planning Process.** Our Board oversees CEO and senior management succession planning, which is reviewed at least annually.
-  **Code of Business Conduct, Standards and Ethics (and related training).** We have adopted a Code of Business Conduct, Standards and Ethics for our non-employee directors and all employees and provide training on compliance.
-  **Supplier Code of Conduct.** We have adopted a Supplier Code of Conduct relating to our third-party suppliers of goods and services.
-  **Systemic Risk Oversight by Board and Committees.** Our Board has overall responsibility for risk oversight, while each of our Audit, Compensation, and Nom Gov Committees monitor and address risks within the scope of their particular expertise or charter.

WHAT WE DON'T DO

-  **Allow Hedging of Our Securities.** Our officers and directors are prohibited from engaging in any hedging or other speculative trading in our stock.
-  **Allow Pledging of Our Securities.** Our officers and directors are prohibited from pledging our stock to secure loans of any type.
-  **Grant Excess Perquisites.**
-  **Allow Cash Buyouts of Underwater Stock Options without Stockholder Approval.**
-  **Poison Pill.** We do not have a "poison pill" or stockholder rights plan.
-  **Reprice Stock Options without Stockholder Approval.**
-  **Allow Excise Tax Gross Ups**

Corporate Governance

Corporate Governance

Our Corporate Governance Guidelines reflect the Board's commitment to monitoring the effectiveness of policy and decision making both at the Board and management level, with a view to enhancing stockholder value over the long term.

The Corporate Governance Guidelines address, among other things:

- Director qualification standards, director selection process, voting, and administration of election of directors;
- Selection of the Chair of the Board and Chief Executive Officer;
- Director responsibilities, time commitments, meeting attendance requirements, orientation and continuing education;
- Equity ownership policy;
- Director access to management and independent advisors;
- Management succession planning, development, and review;
- Annual performance evaluations of the Chief Executive Officer and directors; and
- Director interaction with stockholders and interested parties.

Code of Business Conduct, Standards and Ethics

Our Code of Business Conduct, Standards and Ethics places emphasis on diversity and inclusion, privacy, safety and health, sustainability, and corporate social responsibility. Our Code of Business Conduct applies to all our employees, officers, directors, consultants, vendors, suppliers, and agents of the Company.

Our Code of Business Conduct addresses, among other matters:

- Speaking up and reporting concerns;
- Potential conflicts of interest;
- Compliance and adherence to laws, rules, and regulations;
- Privacy and data protection;
- Protection and proper use of Company assets and property;
- Environmental Sustainability;
- Social Responsibility;
- Diversity and Inclusion/prohibited harassment;
- Human rights;
- Supplier diversity;
- Workplace safety and health;
- Charitable contributions;
- Political activities; and
- Responsible gaming.

Compliance Hotline

Procedures for the confidential, anonymous submission of complaints related to such matters as (i) abuse of authority; (ii) accounting irregularities, theft, or fraud; (iii) bribery, kickbacks, gifts, or entertainment; (iv) business relationships with clients, suppliers, and vendors; (v) conflicts of interest; (vi) discrimination or harassment; (vii) retaliation; or (viii) threats of violence are set forth in the Company's Code of Business Conduct, Standards and Ethics. To facilitate the submission of such complaints, we have implemented a secure compliance hotline and website. The compliance hotline and website are operated by an independent service provider and are available for the anonymous submission of complaints.

Corporate Governance - Continued

Supplier Code of Conduct

Our Supplier Code of Conduct is designed to outline our expectations for responsible business practices of our third-party suppliers of goods and services.

Our Supplier Code of Conduct includes our expectations that our third-party suppliers:

- comply with all applicable laws and regulations;
- conduct business ethically, professionally, with integrity and in good faith;
- take reasonable steps to prevent harassment and discrimination;
- prohibit forced labor and abuse of labor, including human trafficking;
- prohibit child labor;
- comply with all applicable laws and regulations regarding work hours, wages, and benefits;
- safeguard intellectual property, assets, and confidential information;
- promote health and safety; and
- support environmental sustainability.

Clawback Policy

In August 2023, the Company adopted changes to its Clawback Policy to comply with the final NYSE listing standards implementing the Rule 10D-1 requirements under the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

Pursuant to the Company’s Rule 10D-1 Clawback Policy (“Clawback Policy”), in the event of a restatement of the Company’s financial results due to material non-compliance with any financial reporting requirement under U.S. federal securities laws, the Company is entitled to recover the amount of any incentive compensation received by a covered executive during the clawback period that is in excess of the amount that otherwise would have been received had it been determined based on the restated financial statements.

Insider Trading Policy

Pursuant to the Company’s Insider Trading Policy, our directors and executive officers, as well as other designated employees (collectively our “Insiders”), are prohibited from engaging in the following activities:

- Hedging or monetization transactions involving our securities; and
- Pledging our securities or holding our securities in a margin account as collateral for a loan.
- Trading openly throughout the year as our Insiders are only permitted to trade in our securities during certain open windows of time, to the extent they do not possess material, non-public information.

ESG Oversight by Board and Committees

Our Board receives periodic reports at its Board meetings on ESG developments, trends, and the Company’s ESG framework, initiatives, and activities. As the management and reporting of ESG risks and opportunities evolve, we expect to adapt accordingly to support our industry, our communities, and our world.

Corporate Governance Policies

As we continue to grow, innovate, and build a culture based on the principles of respect and transparency, it is our duty to our customers, our business associates, our stakeholders, and the communities we serve, to endeavor to uphold the highest standards of ethical conduct, honesty, integrity, and compliance in all that we do. Our Code of Business Conduct, Standards and Ethics and our Supplier Code of Conduct are designed to promote these core Company values.

Our Code of Business Conduct, Standards and Ethics and Supplier Code of Conduct place emphasis on issues such as diversity and inclusion, human rights and labor practices, privacy, health and safety, environmental sustainability, and corporate social responsibility.

Stockholders may access the Board committee charters, our Code of Business Conduct, Standards and Ethics, Corporate Governance Guidelines, Clawback Policy, and Supplier Code of Conduct in the Corporate Governance section of the “Investors” page on our website at: <https://www.everi.com/investor-relations/governance/governance-documents/>. Copies of our Board committee charters, Code of Business Conduct, Standards and Ethics, Corporate Governance Guidelines, Clawback Policy, and Supplier Code of Conduct will be provided to any stockholder upon written request to the **Corporate Secretary, Everi Holdings Inc., 7250 South Tenaya Way, Suite 100, Las Vegas, Nevada 89113, or via e-mail to: secretary@everi.com**.

ESG / RESPONSIBLE BUSINESS

ESG Oversight Framework

We believe that we can support environmental sustainability and promote social responsibility through our operations, which can contribute to driving and maintaining long-term stockholder value. These concepts can also be important factors for attracting and retaining the highest-caliber, most-productive employees. As such, we are focused on our environmental and social responsibility initiatives, and we are regularly exploring ways to strengthen our culture and corporate responsibility framework.

In Q4 2021, we created as a task force, an internal ESG Committee, led by our CEO and General Counsel and comprised of employees across various functional and professional levels, to oversee the Company’s work in the areas of ESG. The ESG Committee meets on at least a quarterly basis to discuss the Company’s ESG framework, identify key action items to pursue, review progress, discuss recent developments and trends, and to collect feedback on potential initiatives, activities, and next steps.

The Nom Gov Committee oversees the Company’s initiatives and programs related to corporate responsibility, sustainability, and ESG. Our Board receives periodic reports at its Board meetings on ESG developments, trends, and the Company’s ESG framework, initiatives, and activities.

In 2023, the Compensation Committee re-engaged Mercer (US) Inc. (the “Compensation Consultant,” or “Mercer”) to provide the Compensation Committee and/or the Nom Gov Committee, as requested, with independent consulting and advisory services related to director and executive compensation philosophy and strategy, short and long-term incentive plan designs, pay-for-performance analysis, reporting disclosures, communications, and other topics, including ESG strategy, and related regulatory action, developments, and trends.

In 2023, the Company’s internal ESG Committee reviewed and monitored (i) Company SEC filings and website disclosures related to ESG initiatives; (ii) newly adopted SEC rules and other regulatory actions related to ESG, including on environmental impact, climate change and greenhouse gas emissions, and diversity, equity, and inclusion matters; (iii) processes to identify and adopt ESG frameworks and standards, including the Global Reporting Initiative, Sustainability Accounting Standards Board, Task Force on Climate-Related Financial Disclosures, and Carbon Disclosure Project; (iv) Institutional Shareholder Services’ and Glass Lewis’ guidance on ESG-related matters; and (v) peer group initiatives related to ESG.

As the management and reporting of ESG risks and opportunities evolve, we expect to adapt accordingly to support our industry, our communities, and our world.

Environmental Sustainability

Reducing Resource Consumption and Waste

Our ongoing initiatives include consolidating facilities and reducing our physical footprint, as well as supporting remote work for certain positions. We know that these efforts are beneficial to our sustainability efforts, including reduction of our energy, water, and paper consumption, as well as providing employee flexibility where possible. Our support of the flexible workplace has allowed us to consolidate certain of our facilities, which in turn has resulted in reductions of our energy, water, and paper consumption.

We have several Company-wide programs in place designed to help protect the environment. We implemented recording and reporting protocols at our corporate headquarters, and our other administrative offices and production locations to monitor our environmental impact at those locations.

With administrative offices and production facilities worldwide, we are committed to optimizing our use of electricity and water. We have implemented metrics to measure water and electric energy use domestically. We strive to reduce overall water and electric energy usage throughout these domestic facilities through technologies such as motion-activated lights conversion to LED lighting, low-flow toilets, and water filtration systems.

Similarly, to reduce bottled water waste, we have installed water filtration systems and hydration stations at nearly 100% of our domestic administrative offices and production facilities to encourage our employees to utilize refillable water bottles, rather than single use plastic water bottles.

In addition, we have an initiative to reduce our overall paper usage. We reprogrammed our printer settings to default to double-sided printing, resulting in an overall reduction in paper consumption. We reinvested the savings from the lower purchase volume to begin purchasing and using copier paper made from recycled paper products.

Recycling and Parts Refurbishment

We currently have recycling partners in place for industrial material used in the assembly of our products, including paper, cardboard, certain electronic components, and certain metals. We also work with our suppliers and shippers to reuse wooden pallets and packaging materials used in shipping our products. In our Games segment, we refurbish and redeploy approximately 40% of our gaming devices at least once during the device's lifetime, as well as repurpose individual component parts to the extent possible. In our FinTech segment, servers and network equipment, including end-of-life hardware for our ATMs and fully integrated kiosks, are also recycled.

We also utilize our commercial waste management providers to recycle consumer paper, plastics, and aluminum in all of our facilities. We also have recycling partners in place for copy paper recycling at over 80% of our domestic administrative offices and production facilities. Since 2022, we have shredded and recycled over 50,000 pounds of paper annually from our primary Las Vegas, Nevada and Austin, Texas facilities.

Lowering Carbon Emissions

Everi's focus on achieving a reduced carbon footprint and preservation of our precious water supply includes using nearly 100% renewable energy to host our data at the facilities of our data center co-location vendor, Switch. In 2023, Switch retired 663 Solar Renewable Energy Credits on behalf of Everi. The Renewable Energy Credits comply with Greenpeace's principles of locality, additionality, and sustainability. This green energy supply was generated by Nevada solar farms.

The Company is dedicated to the leasing or purchasing of hybrid or EVs for its field service personnel, and intends to retire and replace its existing vehicle inventory with such vehicles over a period of time. The timing of such vehicle acquisitions will be dependent upon the availability of specific vehicle types (e.g., technician vans) and the further expansion of EV charging stations within certain markets we serve. To date, such purchases have been somewhat limited due to supply chain constraints and lack of development of EV service-type vehicles.

In 2023, the Company began operating at its new assembly, warehouse, and distribution facility located in Las Vegas, Nevada. This new 183,000 square foot facility consolidates the assembly and distribution of its gaming machines previously done in Austin, Texas with our cash access kiosks, loyalty kiosks, and other FinTech products. The new Las Vegas facility is designed to cohere to environmental and sustainable stewardship practices, and is expected to streamline production and simplify both supply chain processes and the distribution of completed products to customers. The new facility was built to Everi's specifications to encompass environmental sustainability and create an employee-friendly working environment and is anticipated to meet the certification level of 3 Green Globes science-based rating system established in accordance with the Green Building Initiative, which demonstrates outstanding success in resource efficiency, reducing environmental impacts, and improving occupant wellness. The facility utilizes such elements as low-water landscaping, energy efficient windows, automated LED lighting, high-efficiency plumbing, energy-usage tracking, and a solar panel system engineered to offset 80% of the power needs, all in an effort to lessen the environmental impact of the facility. Occupant wellness features include energy-efficient HVAC that will provide four-season thermal comfort to employees throughout the building, including the assembly and distribution areas, low-VOC interior products, shaded parking for all employees, electric recharging stations for vehicles, and waste recycling containers.

Social Responsibility

The Company believes that our long-term success depends in part on our ability to create and sustain a corporate culture that fosters a positive work environment. We believe our focus on employee health and safety, diversity and inclusion, and talent strategies that promote employee development, and employee engagement has, and will continue to, contribute to the Company's overall performance and its future growth. As part of our social responsibility initiatives, we have adopted a Human Rights Statement and Human Rights Policy. For more information on Everi's commitment to human rights and Anti-Modern Slavery, please refer to page 19 of our Code of Business Conduct, Standards and Ethics at: <https://www.everi.com/investor-relations/governance/governance-documents/>.

Our Company website makes publicly available descriptions of the Company's policies and commitment to Social Responsibility at: <https://www.everi.com/about-us/corporate-social-responsibility/>.

Community

Everi aims to bring positive, lasting change to the communities where we live and work.

Everi provides ongoing support of local charities and community organizations, having contributed to organizations such as those that support the needs of the LGBTQ+ community. The Company made donations to three non-profit organizations that support the LGBTQ+ community, including "The Trevor Project," "The Center, Serving the LGBTQ+ Community of Nevada", and "Northern Nevada Hopes." Employees also participated in The Center, Serving the LGBTQ+ Community of Nevada's Pride Month event. Everi provides ongoing support of local charities and community organizations, having contributed to organizations such as those that support the needs of underserved populations as well as workforce development such as Girls Who Code, HOSA, The Center LV, Colorstack, and others. Other Everi support included programs related to at-risk children, individuals with disabilities, and organizations supporting those suffering from various illnesses, including adult and pediatric cancer. During the 2023 holiday season, the Company also made donations to various food banks and local charities in its primary employee markets of Las Vegas, Austin, Reno, and Chicago. The Company's contributions have not just been monetary and include in-kind gifts and volunteer time with the Goodie Two Shoes Foundation, EmployNV, Ronald McDonald House, and more. Everi employees have raised funds and participated in resource supply drives for The Shade Tree, Toys for Tots, and Three Square Food Bank, as well as participation in local walks/runs (Candlelighters-Childhood Cancer Foundation of Nevada's "Superhero 5k," Leukemia & Lymphoma Society's "Light the Night," in-person walk, Grant a Gift Autism Foundation's "Race for Hope," "Susan G. Komen Breast Cancer Society - Race for the Cure"). Everi celebrated National Volunteer Month and encouraged employees to live the Company's core value of Inclusion by volunteering in-person in their local communities. Our employees are the VIBE of Everi.

To continue our commitment to community and provide our casino operator customers with a way to complement their own corporate social responsibility initiatives and support their communities, the Company offers the Everi Cares Giving Module®, a product for use with our financial access kiosks that allows casino patrons to donate change from redeemed gaming vouchers. Our customers and their patrons have embraced the concept of the Giving Module and the potential impact from each donation of change. These charities may be national or regional in scope, and they have received nearly 100% of donations collected.

As a Company fueled by technology, we know the importance of encouraging students of all ages to pursue education and future careers in Science, Technology, Engineering, and Mathematics (“STEM”) and believe that when students interact with mentors and role models, their confidence and interest in STEM careers increase. We are proud that our employees take the time to participate in local community events where they share their knowledge and expertise with students. For example, through the LV Techies, a Las Vegas-based organization focused on girls and STEM, Everi employees have volunteered their time with female middle school and high school students to share what it means to work in various areas of technology.

Continuing our dedication to fostering growth and opportunities in STEM, we actively extended our community engagement through a comprehensive internship program. This initiative is designed to bridge the gap between academic learning and real-world experience, offering interns from local communities the chance to work alongside our experienced professionals. By integrating these young talents into our operations, we not only strive to contribute to their educational journey but also benefit from fresh perspectives and innovative ideas that interns bring to our projects.

Our internship program is tailored to provide hands-on experience in various aspects of technology and business operations, reflecting our commitment to developing the next generation of STEM professionals. Interns are selected from local educational institutions to strive to invest in the communities where Everi has a presence. This approach not only supports our belief in the value of STEM education but also strengthens our ties with the community, creating a positive impact that extends beyond our corporate boundaries. Through this program, we aim to inspire and cultivate a diverse group of future leaders who are equipped with the skills and knowledge to thrive in technology-driven industries.

Everi was issued a certificate regarding utilization of funds in India for the financial year 2022-2023, disbursed for Corporate Social Responsibility activities in India, specifically, the Company’s contribution to the Prime Minister’s Citizen Assistance and Relief in Emergency Situations Fund, a fund established to respond to emergency and distress situations such as posed by the COVID-19 pandemic. In March 2024, Everi continued its support in India by making another contribution to this fund.

Responsible Gaming

As a gaming industry technology supplier, we encourage and promote, and with certain products help enable, responsible gaming. Over the years, our Company has worked with dozens of leading responsible gaming associations across the globe to develop a set of tools to help prevent problem gamblers from obtaining funds in a casino. The Company’s initiatives and Everi’s Self Transaction Exclusion Program (“STeP”) are designed to enable casinos to enhance their promotion of responsible gaming while helping them comply with local laws, customs, and culture in the prevention of problem gambling. Our *CashClub Wallet™* also includes a self-imposed velocity and transaction limits as a supplement to our existing STeP program.

In addition, to further our commitment to Responsible Gaming and to provide our casino operator customers a tool set designed to efficiently maintain compliance with various tax reporting and anti-money laundering requirements, the Company has developed *Everi Compliance®* AML, a platform with features such as quick alerts, currency transaction and suspicious activity report filing, auditable logging, and tax form generation. These Compliance features can similarly be utilized by casinos in support of their responsible gaming initiatives, including Merchant STeP programs.

Human Capital

At Everi, we focus on many key areas of human capital management, including our Company culture, recruiting talent, and diversity and inclusion. Some of our core human capital initiatives in 2023 included the following:

Employee Engagement, Satisfaction, and Awards	Conducted annual employee engagement surveys in the U.S. through the “Top Workplaces” and “Great Place to Work” programs, and in 2023, received national and regional awards. <i>(Please refer to “Employee Satisfaction and Awards” on pages 40-41 herein.)</i>
Talent Acquisition	Utilized tools and discovered locations to identify talent and provide support, including continued partnership with job seekers transitioning from the U.S. Army, and a continued partnership with Grant a Gift Autism Foundation.
Diversity and Inclusion	Identified and worked with diverse organizations, non-profits, professional associations, and colleges and universities to seek new, untapped talent pools. Offered robust diversity and inclusion training to our employees and hiring managers.
Employee Development and Training	Offered employee training programs on various topics important to our business operations, including data privacy and cybersecurity, courses to enhance leadership and professional development, upskilling, and courses related to important areas of compliance as outlined in our Code of Business Conduct, Standards and Ethics.
Employee Health and Safety	Continued our commitment to adhere to relevant laws and regulations concerning workplace health and safety, as well as emergency and disaster recovery protocols, drawing upon the expertise of leading national health organizations and consultants to stay abreast and responsive to the latest guidance and best practices.
Employee Benefits	As a result of input received from Company employees through our annual benefits survey conducted in 2023, and with the support of management and our Board, we implemented enhanced benefits effective January 1, 2024, including: <ul style="list-style-type: none"> • For the ninth year in a row, no increases to employee premiums (contributions) to medical, dental, and vision benefits • Extension of the mental health and wellness program with easy access to preventative care, self-care and professional services, including virtual coaching sessions

Composition of Our Workforce

As of December 31, 2023, Everi employed approximately 2,200 people, a vast majority of whom work in the United States. Approximately 1,000 people are employed within the Games segment and approximately 1,200 people are employed within the FinTech segment. None of our employees are party to a collective bargaining agreement and we have had no labor-related work stoppages.

Corporate Culture Initiatives / Our Workplace

In 2023, we reaffirmed our mission statement and continued to focus on our employees’ collective imagination, talent, and innovation with our Company’s objectives. Everi’s mission statement is to: **“Lead the Gaming Industry Through the Power of People, Imagination and Technology.”** This statement highlights our Company’s most important asset, our employees, while confirming our mission to offer innovative gaming, financial technology, digital, and loyalty solutions.

At Everi, we are guided by our values of Collaboration, Integrity, Inclusion, Excellence, and Fun. We (i) Harness the power of collaboration; (ii) Act with integrity; (iii) Value Everi-One; (iv) Exceed expectations and be bold. When we deliver on these values consistently, we H.A.V.E. (v) Fun, as further described at our Company website at: <https://www.everi.com/careers-culture/>. We live these values by investing in programs and implementing standards to promote ethical business conduct, diversity, sustainability, giving and volunteerism, and responsible gaming. These programs support our long-term business success while also empowering our team members.

OUR MISSION STATEMENT

Lead the Gaming Industry Through the Power of People, Imagination and Technology

OUR VALUES



Inspired by Author Simon Sinek’s concept of the Golden Circle and the importance of identifying the “WHY” behind your business, Everi has established a company “WHY” Statement. As part of our continued growth and our desire to define and share our Company “WHY” statement more broadly, we apply the Company “WHY” that put our employees and their success front and center:

The Everi “WHY”
Elevate the Success of
Everi Employee
Everi Customer
Everi Day!

Diversity and Inclusion of Our Workforce

At Everi, we strive to embrace and live by one of our key Company values: Inclusion. We recognize that we can be at our best only when we embrace and reflect the diversity of our employees, customers, and the communities that we serve. We are an equal opportunity employer and are committed to maintaining an inclusive work environment. Our employees are to be treated with dignity and respect in an environment free from harassment and discrimination regardless of race, color, age, gender, disability, sexual orientation, or any other protected class.

The Company activates its commitment to diversity and inclusion by employing a multi-pronged strategy: (i) promoting a fun, friendly, and supportive environment; (ii) valuing inclusion as a top priority and expectation; (iii) focusing resources on recruiting and retaining qualified employees from diverse backgrounds; and (iv) continuing to build awareness of the importance and benefits that diversity and inclusion provide to our Company and employees. In 2022, Everi promoted an existing Company employee of the People Operations department to a newly created position, Director, Organizational Development & Diversity, Equity, and Inclusion, to assist the Company with oversight of Diversity, Equity, and Inclusion who is focused on continuing to build and maintain an inclusive workplace for our employees and seeking out and welcoming new talent. In addition, our Board oversees initiatives and programs related to human capital management, including corporate culture, diversity, acceptance, inclusion, and attracting and retaining talent.

Everi Leadership Initiative

The Company launched the Women’s Leadership Initiative (in 2017), which was established to develop and advance gender diversity and create new opportunities and a clearer path for advancement. As a result of the success of the Women’s Leadership Initiative, the Company expanded the program Company-wide and rebranded it as the Everi Leadership Initiative. The program is committed to promoting and advocating gender diversity at all levels of leadership through awareness, training, development, and inspiration. Participants in the program engage and connect with other members, Company employees and leaders, and diverse stakeholders in the gaming and financial technology industries. Members also participate in educational programs with internal business leaders and training opportunities with experts outside the industry.

The Company’s People Operations department leads the Company’s mentorship program, which program was implemented to strive to:

- provide the benefits of connecting with other employees;
- inspire each other;
- share knowledge;
- provide encouragement, support, and individual development; and
- learn from the experience of others.

Diversity Celebrations

At Everi, we also take the time to acknowledge and celebrate the diverse heritage of our employees, customers, and communities. Throughout the year, the Company focuses on different heritage celebrations, holidays, and commemorations, and we connect with our employees to build awareness through educational webinars and guest lectures. We also engage with our communities by donating to charitable organizations that provide local support and services.

In March 2023, as part of the celebration of Women’s History Month, the Company’s People Operations department (formerly the Company’s Human Resources, or HR department) hosted a webinar, “Telling Your Story,” for its employees. In March 2024, the Company made donations to Girls Who Code and the National Center for Women & Information Technology, and provided access to educational webinars to examine the evolution of women’s rights throughout U.S. history and spotlight women’s equity and inclusion.

In May 2023, we celebrated Military Appreciation Month by recognizing Everi employees and their family members who have served or are actively serving in our armed forces, and provided a donation to Hiring Our Heroes, a U.S. Chamber of Commerce initiative, which connects the military community with American businesses to create economic opportunities and a diversified workforce.

In August 2023, we recognized Disability Employment Awareness month. We believe that “Inclusion is within Everi-one’s Ability,” and provided employees with information on neurodiversity in the workplace.

Other Everi Diversity Celebrations include:

- Martin Luther King Jr. Day
- Black History Month
- Lunar New Year
- International Women’s Day / Women’s History Month
- Native American Heritage Month
- Veterans Day
- Hispanic Heritage Month
- Pride Month
- Juneteenth
- International Day of Friendship
- Asian American & Pacific Islander Heritage Month
- Diwali

Employee Development and Training

We provide development and training opportunities for our employees through a variety of means. The Company offers leadership training and development for newly hired and promoted leaders, as well as a catalog of courses through our online learning platform. This catalog of courses is available to employees and includes a wide variety of leadership and professional development topics, such as conflict management, effective delegation, unconscious bias, effective recognition, coaching and delivering feedback. We believe in supporting each employee's journey, so we also offer training courses on soft skills such as emotional intelligence, email etiquette, and developing presence. In 2023, separate from any department-level training initiatives at our Company, our employees invested approximately 30,950 hours on training programs that educate employees on our Code of Business Conduct, Standards and Ethics, harassment prevention policies, and best practices, IT security best practices, and other personal development soft skills.

Diversity and Inclusion Training

We require Company-wide diversity and inclusion training to cultivate an inclusive, engaging, and respectful workplace. This training is designed to address some of the biggest challenges to advancing inclusion and supporting diversity in the workplace, such as unconscious bias and micro-inequities. In addition, because hiring managers are faced with the critical responsibility of acknowledging and eliminating bias in the hiring process, we have developed manager training that establishes a foundational understanding of how bias affects decision-making, explores the impact of biases on the selection processes, and illustrates the benefits of eliminating bias in hiring. The example we expect our employees to follow comes from the top, as demonstrated by our executive leadership team who also participated in training on inclusive leadership. Our total combined hours for mandatory diversity and inclusion training were approximately 2,050 hours for 2023.

Expansion of Training Catalog

To align with our Company strategy of continued growth, we continued the expansion of our learning catalog through new partnerships with external content providers. The new courses focus on leadership development, business acumen, and team dynamics, as well as technical skills development courses to continue the education of our employees. The expanded catalog is intended to allow the Company's learning and development team to better align with the Company's performance management process and offer tools and development pathways directly to our employees to continue their upward trajectory in their careers.

Talent Acquisition and Diverse Recruiting

The Recruitment Team utilizes tools and systems to search for talent from a broader range of sources, knowing that many of the positions would be filled by individuals working remotely. These tools reduce geographic barriers in the talent acquisition process, yielding a larger talent pool for open roles, including those that require specific skills in the current competitive job market. We also continue to expand our Recruitment Team so that we can effectively identify new talent for our growing business.

At Everi, we believe that creativity and innovation spring from diverse backgrounds and perspectives. With the goals of expanding diverse talent in the workplace, we continue to utilize a blind resume screening process for initial applicants to review talent, experience, and qualifications without certain demographic information. We also look for ways to expand the talent pool and reach new candidates: Members of our Recruitment Team are dedicated to working with different educational institutions, professional associations, student organizations, and other entities to provide information and assistance to their diverse students and job seekers, and to identify new and diverse candidates for our open positions.

Everi expanded its recruiting initiatives by participating in EmployNV's 2024 Spring Career Fair and showcasing the Company's opportunities to a diverse pool of students and professionals.

Everi further expanded its recruiting initiatives by entering into a strategic agreement (in March 2022) with the Partnership for Youth Success® (“PaYS”) Program of the U.S. Army. Through this program, the Company has the opportunity to engage with and interview soldiers for possible employment upon transition from their military service. Joining the ranks of many other companies who have partnered with the PaYS program, Everi looks forward to supporting the future success of those who have served our country.



Everi has also partnered with the Grant a Gift Autism Foundation and their WORKS Community (Working on Occupational Readiness, Knowledge, and Skills), a community-based vocational program serving teens and young adults with an autism spectrum disorder. In addition to learning pivotal vocational skills such as building a resume and interviewing, Everi hosts these individuals onsite throughout certain times in their program. With the support of a job coach, clients gain job readiness skills and are better equipped to successfully transition into an internship and other areas of adulthood. WORKS Community includes weekly sessions at a partnered community site, weekly job coach support, an assigned caseworker, Parent Empowerment Training, and access to other family services provided by Grant a Gift Autism’s Navigation Program.



Employee Engagement, Satisfaction, and Awards

Employee Engagement

Aligning with our values of Inclusion and Collaboration, we seek dialogue with our employees on a regular basis, seeking feedback about their experience at Everi. With nearly 70% of our employee population working remotely, we understand the critical importance of maintaining employee engagement and providing avenues for employee input including employee surveys, Company-wide email communications, and periodic Town Hall meetings. These tools and platforms provide important Company updates from leadership but also moments for employee participation and involvement. Everi’s leadership team directly addresses employee feedback provided through these mechanisms. In doing so, we strive to instill confidence that employee input leads to positive action. As a result of this responsiveness, we have seen increased interest in and dialogue over the results of our employee surveys and an increase in positive scores in targeted areas.

Everi organized VIBE (“Volunteer, Invest, Belong, Engage”) (in 2022) for its employees to collaborate and participate in planning and execution of office / virtual events, share ideas and participate in the execution of volunteer activities, and identify charities to consider for donations.

Employee Satisfaction and Awards

Honored with National and Regional Awards

In 2023, Everi continued its recognition as an employer through various programs, participating in the “Top Workplaces” and “Great Place to Work” initiatives. Through employee engagement surveys, the Company was honored with national and regional awards, underscoring our employees’ confidence in our leadership, employee well-being, and innovation among others.

In 2023, Everi received:

- “Top Workplaces 2023 USA,” and has been featured in Energage’s list of Top 100 companies with 1,000 - 2,499 employees.

- For a third year, received a regional award as “Nevada Top Workplaces 2023” and “Greater Austin Top Workplaces 2023”
- For a third year, received certification as a Great Place to Work® in India

Looking at the results of the 2023 survey, 89% of employees at Everi feel that their manager cares about their concerns, ranking the Company in the Top 10% of all participating companies in the entertainment, hospitality, and casino gaming industry. The Company was also ranked in the top 5% of all participating entertainment, hospitality, and casino gaming companies in the culture excellence categories of work-life flexibility, compensation and benefits, innovation, and leadership.



Everi was just announced as a “USA Today Top Workplace 2024” and was ranked in the Top 100 of companies with 1,000 - 2,499 employees.



Employee Recognition

In Q4 2021, the Company launched an online recognition platform for employees to utilize. Through this platform, leaders and employees at all levels can share recognition and appreciation with their co-workers, peers, and leaders, and give reward points along with the recognition. The rewards points can be redeemed for gift cards or retail items for the recipient, donated to charitable organizations featured on the platform, or converted back by the recipient into points to issue to other employees. After two full years of usage of the platform, nearly 90% of employees utilized the program, providing recognition to their fellow employees and giving out reward points.

Employee Health and Wellness; Employee Benefits

Employee Health and Wellness; Reporting

Everi considers the health, safety, and well-being of our employees to be of paramount importance and continues to focus on compliance with applicable laws and regulations regarding workplace health and safety as well as emergency and disaster recovery for its operations. We have policies in place to monitor the working conditions of our employees and implement measures to protect their health, safety, and well-being. We continue to rely upon guidance from national health organizations related to the macro environment with the goal of protecting employees from potential harm. Our confidential online and telephonic hotline, maintained by a third-party on our behalf, enables our employees to report matters that impact the quality of our workplaces and their employee experience, including issues such as discrimination or policy violations. The Company provides this resource to encourage open communication directly from employees.

Procedures for the confidential, anonymous submission of complaints related to such matters as (i) abuse of authority; (ii) accounting irregularities, theft, or fraud; (iii) bribery, kickbacks, gifts, or entertainment; (iv) business relationships with clients, suppliers, and vendors; (v) conflicts of interest; (vi) discrimination or harassment; (vii) retaliation; or (viii) threats of violence are set forth in the Company's Code of Business Conduct, Standards and Ethics. Complaints received and results of investigations conducted are reported to the Board on a confidential basis.

The Company offers a benefits program that provides competitive and comprehensive benefit options at a reasonable cost to our employees; and 2023 marks the ninth year in a row that there has been no increase to employee premiums (contributions) for medical, dental, and vision coverage. The benefit programs include an array of offerings, such as comprehensive medical, dental, vision, and wellness benefits; a discretionary time off program which allows time off not only for vacations but also to celebrate, enjoy, or reflect on holidays or other days of significance to our employees, their families, and communities; parental leave; a 401(k) retirement plan with a Company match, which Company match was increased effective January 1, 2023; pet insurance; and both legal and financial wellness services. Our benefits are designed to recognize and meet the diverse needs of our workforce. To gather employee feedback to make benefit enhancements and improvements, the Company issues an employee benefits survey on an annual basis and uses that input to make improvements. In 2023 (effective January 1, 2024), based on employee feedback received through this survey, the Company made enhancements to the benefits program that support both the personal and professional needs of our employees and an extension of the mental health and wellness program with easy access to preventative care, self-care and professional services, including virtual coaching sessions. The Company also provides employees with access to third-party discounts, savings, and rewards opportunities.

The Company sponsored and encouraged employee participation in virtual and/or in-person health fairs, and celebrated Health and Wellness Month by providing Everi employees with tips, tools, and resources from Everi's benefits partners on physical and mental well-being, including on stress and mental health, staying active and fit, and nutrition.

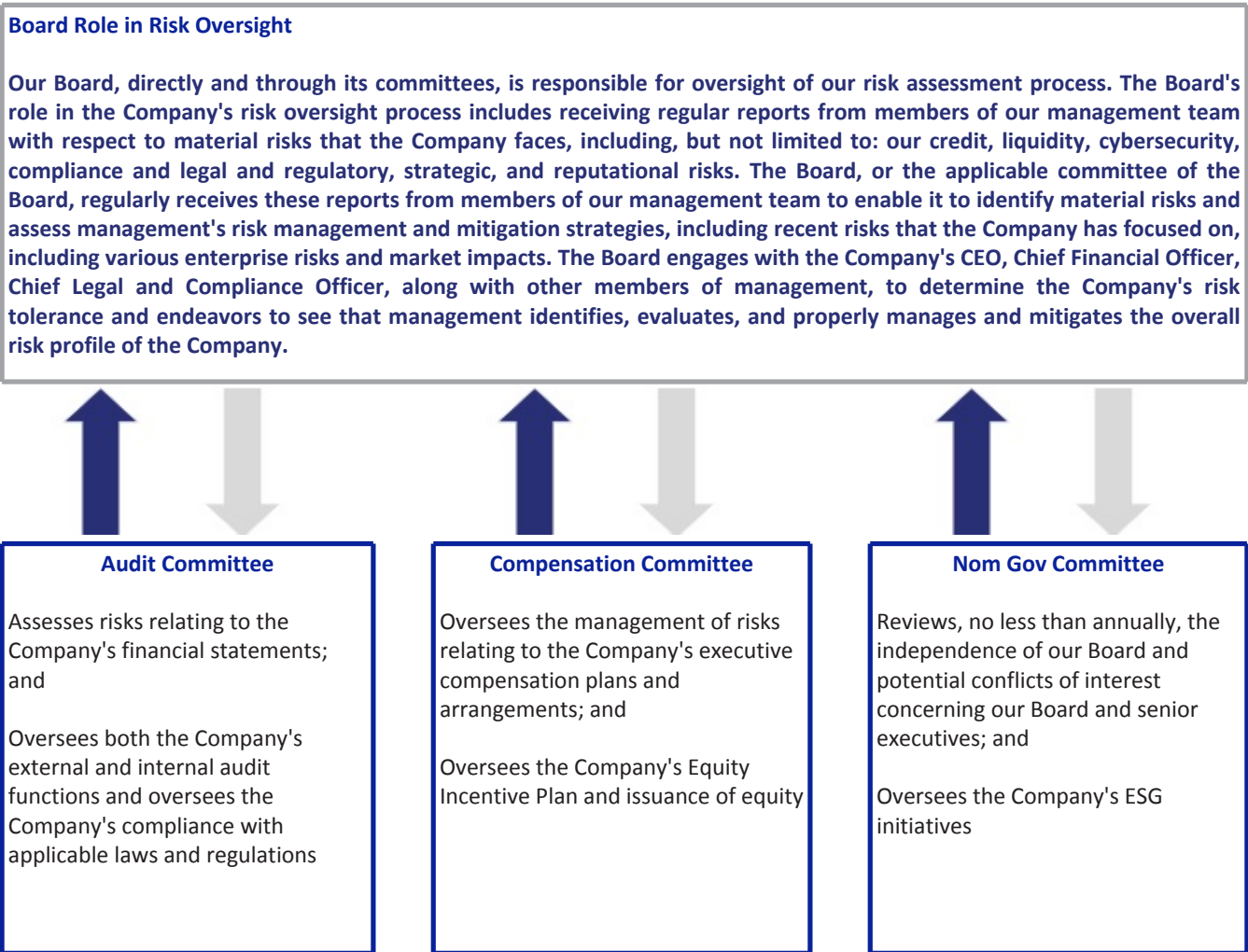
CORPORATE GOVERNANCE

Board Leadership Structure

The Board regularly reviews its leadership structure to evaluate whether the structure remains appropriate for the Company. At the present time, the Board believes that a structure that separates the roles of Chair of the Board and Chief Executive Officer is appropriate to allow our Chief Executive Officer to focus on management of our operations and performance. However, the Board reserves the right to determine the appropriate leadership structure for the Board on a case-by-case basis, taking into consideration at any time the Board's assessment of its and the Company's needs.

The Board appointed Michael D. Rumbolz, previously serving jointly as Chair of the Board and Chief Executive Officer of the Company, to serve as Executive Chair of the Board, effective as of April 1, 2022. Effective April 1, 2023, the Company entered into an Executive Chair Agreement (the "Agreement") to reappoint Mr. Rumbolz to serve in the role of Executive Chair of the Board of the Company. Mr. Rumbolz's Agreement with the Company will expire on March 31, 2025. As Executive Chair of the Board, Mr. Rumbolz is an employee of the Company, reporting directly to the Board, and is subject to the Company's policies on the same basis as other senior executives of the Company. The Company requires that the Executive Chair be available to perform the duties of Executive Chair customarily related to this function, including, without limitation: (a) acting as Chair of the Board at stockholder meetings; (b) acting as a liaison between the Company's senior management and the Board and its committees; (c) advising the Company's senior management on matters of Company operations; and (d) otherwise performing the duties of Chair of the Board, as well as such other customary duties as may be determined and assigned by the Board, and as may be required by the Company's governing instruments, including its certificate of incorporation, bylaws, and its corporate governance guidelines, each as amended or modified from time to time, and by applicable law, rule, or regulation, including, without limitation, the Delaware General Corporation Law and the rules and regulations of the SEC.

The independent directors have strong leadership in Mr. Bali as Lead Independent Director, whose responsibilities include: (a) presiding at meetings of the Board at which the Chair is not present, including executive sessions of the independent directors; (b) reviewing and approving information sent to the Board; (c) serving as liaison between the Chair and the independent directors; and (d) being available for consultation and communication with major stockholders upon request. The Lead Independent Director also has the authority to call meetings of the independent directors.



The Board's Role in Overseeing Information Technology and Cyber-Risk

We employ multiple methods and technologies to secure the Company's products, data, and computing environments and maintain the confidentiality, integrity, and availability of our information assets. Our Chief Information Security Officer ("CISO"), and Chief Information Officer ("CIO"), CEO, and Board, oversee the Company's Information Security Program and cybersecurity risk. The CEO and our Board receive quarterly reports from the Company's CISO and CIO on the Company's cyber-risk profile and information security initiatives. The Company's Information Security Program is administered by the CISO and CIO who maintain a direct reporting line to the CEO and the Board. The Board regularly receives information regarding evolving cybersecurity threat landscape from the CISO, CIO, and management, and is apprised directly of incidents exceeding certain risk tolerances. For additional information, refer to our most recent Annual Report on Form 10-K.

Executive Sessions of Independent Directors

Pursuant to our Corporate Governance Guidelines and the NYSE listing standards, to promote open discussion among non-employee directors, our non-employee directors regularly meet in executive sessions of non-employee directors. The executive sessions occur after each regularly scheduled meeting of the entire Board and at such other times that the non-employee directors deem necessary or appropriate. The Lead Independent Director presides over the executive sessions of the independent directors.

Director Attendance at Meetings of the Board and its Committees and Annual Meeting of Stockholders

Our Board held a total of ten (four regular and six special meetings) during the year ended December 31, 2023. During 2023, our directors attended an average of 97.3% of the aggregate of the total number of meetings of our Board and the total number of meetings held by all Board committees on which such person served.

Eight of our nine directors attended our 2023 annual meeting held on May 17, 2023. We do not have a formal policy regarding director attendance at annual meetings; however, our directors are expected to attend all Board and committee meetings, as applicable, unless the director has a valid excuse for absence, and to meet as frequently as necessary to discharge their responsibilities.

Director Independence

Our Corporate Governance Guidelines provide that a majority of our directors serving on our Board must be independent as required by, and defined by, the rules, regulations, and listing qualifications of the NYSE. In general, a director is deemed independent if the director has no material relationships with our Company that may interfere with the exercise of the director's independence from management and our Company. Our Board, after broadly considering all relevant facts and circumstances regarding the past and current relationships, if any, of each director with the Company, has affirmatively determined that all of the Company's non-employee directors, Messrs. Judge, Fox, Bali, Finch, and Mses. Mullarkey, Watson, and Nutton are independent directors, and determined that there are no material relationships that would interfere with the exercise of such directors' independence from management and our Company.

In making these independence determinations, our Nom Gov Committee reviewed and presented to the Board to consider, the following relationships and transactions, which the Board found did not affect the independence of the applicable director:

- **Atul Bali.** Mr. Bali is (i) an advisor to IWG Ltd., an online instant win gaming company, that is a current licensor of Everi content, and a holder of stock options totaling approximately 5% of that company's outstanding shares; and (ii) an advisor to Fincore Ltd., a financial software company, that provides certain software and services to Everi as well as a Remote Gaming Server platform provider for multiple competing content providers.

Regular Board and Committee Evaluations

The Board and the Audit, Compensation, and Nom Gov Committees have an annual evaluation of the committees and of the Board as a whole. In 2023, there was a Board and committee evaluation process, which focused on their roles and effectiveness, as well as fulfillment of their fiduciary duties. The evaluations were conducted and completed anonymously through an independent third-party provider to encourage candid feedback. The results of the evaluations are reported to and reviewed by the full Board. Each committee and the Board was satisfied with its performance and considered itself to be operating effectively, with appropriate balance among governance, oversight, strategic, and operational matters.

BOARD OF DIRECTORS AND COMMITTEES

The Board of Directors

Our Board has three standing committees: the Audit Committee, the Compensation Committee, and the Nom Gov Committee. In addition, from time to time, special committees may be established under the direction of the Board when necessary to address specific issues. The composition of the Board committees complies with the applicable rules of the SEC, the NYSE, and applicable law. Our Board has adopted written charters for its Audit Committee, Compensation Committee, and Nom Gov Committee.

The table below depicts the Committee membership during fiscal year 2023 and the current Committee membership as of the date of this Proxy Statement. Our Board currently believes it is appropriate for each of the Board's non-employee/independent directors to serve on each of our committees. This approach encourages focused discussions that benefit from the variety of perspectives and experiences represented by each of our non-employee directors. Our Board also benefits from a majority of members being apprised of committee activities, which allows for the Board to respond quickly to issues that arise. Our Board has determined that each of the members of our standing committees identified below is "independent," as defined under and required by the rules of the SEC and the NYSE. Directors, Michael D. Rumbolz, Executive Chair of the Board as of April 1, 2022, and Randy L. Taylor, President and Chief Executive Officer as of April 1, 2022, do not serve as a member of any committees of the Board as they are not "independent," as defined under and required by the rules of the SEC and the NYSE.

Name	Independent	Audit	Compensation	Nom Gov Committee	# of Other Public Company Boards
Geoffrey P. Judge	✓	●	Chair ⁽²⁾	Chair ⁽³⁾	0
Linster W. Fox	✓	Chair	●	●	0
Maureen T. Mullarkey	✓	●	Chair ⁽²⁾	●	1
Atul Bali	✓	●	●	●	1
Paul W. Finch, Jr	✓	●	●	●	0
Secil Tabli Watson	✓	●	●	●	1
Debra L. Nutton ⁽¹⁾	✓	●	●	●	0

(1) Ms. Nutton's service as a member of the Audit, Compensation, and Nom Gov Committees began effective as of April 1, 2023.

(2) Mr. Judge ceased serving as Chair of the Compensation Committee on February 14, 2023, and Ms. Mullarkey was appointed by the Board to serve as Chair of the Compensation Committee effective February 14, 2023.

(3) Mr. Judge was appointed by the Board to serve as Chair of the Nom Gov Committee effective February 14, 2023.

Audit Committee

Our Audit Committee is comprised entirely of directors who satisfy the standards of independence established under the applicable SEC rules and regulations, NYSE listing standards, and our Corporate Governance Guidelines. Also, each member of our Audit Committee satisfies the financial literacy requirements of NYSE listing standards.

<p>MEMBERS</p> <p>Linster W. Fox (Chair)* Geoffrey P. Judge** Maureen T. Mullarkey* Atul Bali* Paul W. Finch, Jr.** Secil Tabli Watson* Debra L. Nutton**</p> <p>Meetings in 2023: 6</p> <p>* “Audit Committee Financial Expert” in accordance with NYSE listing standards</p> <p>** “Financially Literate” in accordance with NYSE listing standards</p>	<p>The Audit Committee has responsibility to, among other things, review and discuss with management and our independent auditor, each, as appropriate:</p> <ul style="list-style-type: none"> ▪ the integrity of our financial statements in accordance with generally accepted accounting principles (“GAAP”) and applicable rules and regulations of the SEC and the NYSE, including the Company’s annual and quarterly audited financial statements; ▪ the performance and adequacy of the Company’s internal audit function and internal auditors; ▪ policies with respect to risk assessment and risk management, including information technology risks (inclusive of but not limited to data privacy and security issues) and major financial risk, and the steps management has taken to monitor and control such exposures (further detail about the role of the Audit Committee in risk assessment and risk management is included in the section entitled “BOARD AND CORPORATE GOVERNANCE MATTERS — Board Role in Risk Oversight” above); ▪ the performance and independence of the Company’s independent auditor; ▪ our compliance with certain legal and regulatory requirements, including reports from the Company’s independent auditor in connection with the preparation of the Company’s financial statements; and ▪ related-party transactions.
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Compensation Committee

Our Compensation Committee is comprised entirely of directors who satisfy the standards of independence established under the applicable SEC rules and regulations, NYSE listing standards, and our Corporate Governance Guidelines.

<p>MEMBERS</p> <p>Maureen T. Mullarkey (Chair) Geoffrey P. Judge Linster W. Fox Atul Bali Paul W. Finch, Jr. Secil Tabli Watson Debra L. Nutton</p> <p>Meetings in 2023: 5</p>	<p>Pursuant to its charter, the purposes of the Compensation Committee are to, among other things:</p> <ul style="list-style-type: none"> ▪ oversee the responsibilities of our Board relating to compensation of our executive officers; ▪ oversee initiatives and metrics in relation to human capital management, including corporate culture, diversity, acceptance, inclusion, and attracting and retaining talent; ▪ produce the annual Compensation Committee Report for inclusion in our proxy statement and Annual Report on Form 10-K, as applicable, per applicable rules and regulations; and ▪ design, recommend, and evaluate our executive compensation plans, policies, and programs. <p>In addition, our Compensation Committee works with our executive officers, including our Chief Executive Officer, to implement and promote our executive compensation strategy. See “EXECUTIVE COMPENSATION — Compensation Discussion and Analysis” for additional information on our Compensation Committee’s processes and procedures for the consideration and determination of executive compensation.</p> <p>According to its charter, our Compensation Committee has the sole authority, at our expense, to retain, terminate, and approve the fees and other retention terms of outside consultants to advise our Compensation Committee in connection with the exercise of its powers and responsibilities. Mercer provided the Compensation Committee and/or the Nom Gov Committee, as requested, with independent consulting and advisory services related to executive and director compensation philosophy and strategy, short and long-term incentive plan designs, pay-for-performance analysis, reporting disclosures, communications, and other topics, including ESG strategy and related regulatory actions, developments, and trends. See “Director Compensation” and “Role of Compensation Consultants” for additional information.</p>
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Compensation Committee Interlocks and Insider Participation

During fiscal year 2023, no member of the Compensation Committee was, or formerly was, an officer or employee of the Company or its subsidiaries. During fiscal year 2023, no interlocking relationship existed between any member of the Company's Board or Compensation Committee, and any member of the board or compensation committee of any other company.

Nom Gov Committee

Our Nom Gov Committee identifies individuals qualified to become members of our Board, makes recommendations to our Board regarding director nominees for the next annual general meeting of stockholders, and develops and recommends corporate governance principles to our Board. Our Nom Gov Committee, in its business judgment, has determined that it is comprised entirely of directors who satisfy the applicable standards of independence established under the SEC's rules and regulations, NYSE listing standards, and our Corporate Governance Guidelines. For information regarding our Nom Gov Committee's policies and procedures for identifying, evaluating, and selecting director candidates, including candidates recommended by stockholders, see "**Director Candidate Qualification and Nomination Process**" below.

MEMBERS	Pursuant to its charter, the purposes of the Nom Gov Committee are to, among other things:
Geoffrey P. Judge (Chair)	<ul style="list-style-type: none">▪ compile and present to the Board potential criteria for prospective members of our Board, conduct candidate searches and interviews, and formally propose the slate of directors to be elected at each annual meeting of our stockholders;▪ advise our Board about appropriate composition and compensation of our Board and its committees;▪ develop and recommend to our Board adoption of our Corporate Governance Guidelines, our Code of Business Conduct, Standards and Ethics and our policies with respect to conflicts of interest;▪ make recommendations to the Board as to the membership of committees of the Board;▪ oversee and evaluate our Board and management;▪ oversee the Company's corporate responsibility, sustainability, and ESG initiatives and programs; and▪ monitor our compliance with applicable laws, rules, and regulations. <p>In addition, our Nom Gov Committee works with our executive officers, including our Chief Executive Officer, to implement and promote our director compensation strategy. See "Director Compensation" for additional information on our Nom Gov Committee's processes and procedures for the consideration and determination of director compensation. According to its charter, our Nom Gov Committee has the authority, at our expense, to retain, terminate, and approve the fees and other retention terms of outside consultants to advise our Nom Gov Committee in connection with the exercise of its powers and responsibilities.</p>
Linster W. Fox	
Maureen T. Mullarkey	
Atul Bali	
Paul W. Finch, Jr.	
Secil Tabli Watson	
Debra L. Nutton	
Meetings in 2023: 6	

The duties and responsibilities of each of our standing committees are more fully described in their respective charters, which are available at the Corporate Governance section of the "Investors" page on our website at: <https://www.everi.com/investor-relations/governance/governance-documents/>.

Director Candidate Qualification and Nomination Process

Director Selection Process. Our Nom Gov Committee is responsible for recommending director candidates and nominees to the full Board, in collaboration with the Chair of the Board.

As provided in the charter of the Nom Gov Committee, nominations for director may be made by the Nom Gov Committee or by a stockholder of record entitled to vote. The Nom Gov Committee will consider and make recommendations to the Board regarding any stockholder recommendations for candidates to serve on the Board. The Nom Gov Committee does not consider stockholder recommended candidates differently than other candidates. Stockholders wishing to recommend candidates for consideration by the Nom Gov Committee may do so in accordance with the instructions set forth under **“When are stockholder proposals due for the 2025 Annual Meeting of Stockholders?”** in the **“FREQUENTLY ASKED QUESTIONS”** section of this Proxy Statement.

Our Nom Gov Committee seeks to identify candidates based on input provided by several sources, including (i) other members of the Board, (ii) officers and employees of the Company, and (iii) stockholders of the Company.

Our Nom Gov Committee will also seek ongoing input from the incumbent directors and the Chief Executive Officer, with the goal of identifying and informally approaching possible director candidates in advance of actual need. The Company does not pay any third-party to identify or assist in identifying or evaluating potential nominees. The Board shall itself determine in each case how an invitation to join the Board shall be extended to director nominees, other than those nominated directly by the Company’s stockholders.

DIRECTOR QUALIFICATIONS

Key factors that the Nom Gov Committee considers when determining whether to recommend directors for nomination include:

- **Experience** — Particular skills and leadership that are relevant to the Company’s industry
- **Diversity** — Diversity of background, race, gender, qualifications, attributes, and skills
- **Age and Tenure** — The age and Board tenure of each incumbent director
- **Board Size** — The Nom Gov Committee periodically evaluates the size of the Board, depending on the Board’s needs
- **Board Independence** — Independence of candidates for director nominees, including the appearance of any conflict in serving as a director
- **Board Contribution** — Integrity, business judgment, and commitment

A detailed description of the criteria used by the Nom Gov Committee in evaluating potential candidates may be found in the charter of the Nom Gov Committee which is available at the Corporate Governance section of the “Investors” page on our website at: <https://www.everi.com/investor-relations/governance/governance-documents/>.

HOW EVERI BUILDS ITS BOARD

The Board regularly identifies potential director candidates in anticipation of retirements, resignations, or the need for additional capabilities. This chart describes the ongoing Nom Gov Committee process to identify highly qualified candidates.

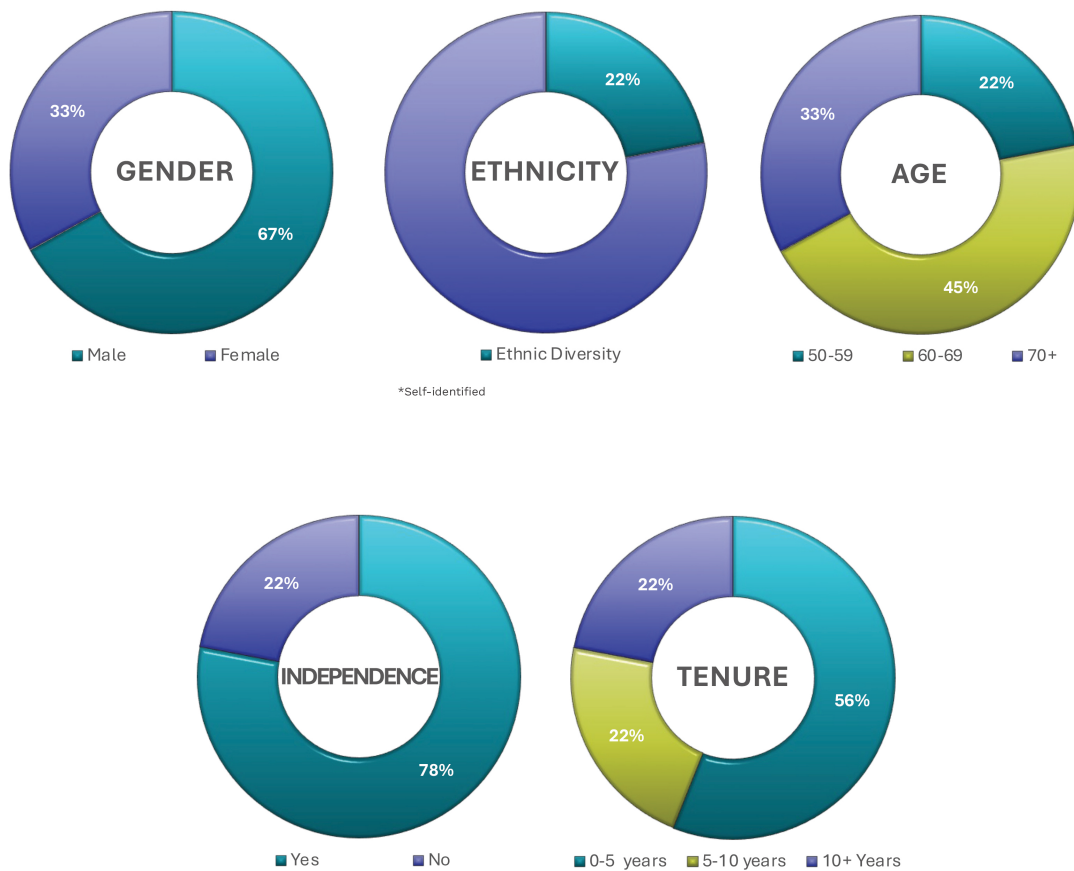


Board Diversity

Our Board believes that the Company’s directors should possess a combination of skills, professional experience, expertise, and diversity of backgrounds necessary to enable the Board to perform its oversight function effectively. Our Board maintains there are certain attributes every director should possess, as reflected in the Board’s membership criteria as discussed above in the “**Director Selection Process.**” Accordingly, our Board and our Nom Gov Committee consider the qualifications of directors and director candidates individually, and in the context of the Board’s overall composition, and the Company’s current and anticipated future needs. The Board assesses the effectiveness of this goal as part of its annual evaluation process.

Board Refreshment

Below presents a snapshot of the expected composition of our Board immediately following the Annual Meeting.



Our Board also believes that directors develop an understanding of the Company and an ability to work effectively as a group over time. This provides substantial value and a significant degree of continuity year-over-year which is beneficial to our stockholders.

Retirement Age

The Board has established a retirement age policy of 75 years for directors, as reflected in our Corporate Governance Guidelines. The Board believes that it is important to monitor its composition, skills, and needs in the context of the Company's long-term strategic goals, and, therefore, may elect to waive the policy as it deems appropriate. The Board believes it is important to balance refreshment with the need to retain directors who have developed, over time, significant insight into the Company and its operations, and who continue to make valuable contributions to the Company that benefit our stockholders.

Director Compensation

Pursuant to the authority granted in its charters, the Compensation Committee and the Nom Gov Committee may engage an independent Compensation Consultant. The Compensation Consultants report directly to the Compensation Committee and the Nom Gov Committee, who may replace the consultants or hire additional consultants at any time.

During 2023, Mercer provided the Compensation Committee and the Nom Gov Committee, as requested, with independent consulting and advisory services related to executive and director compensation philosophy and strategy, short and long-term incentive plan designs, pay-for-performance analysis, disclosure, communications, and other topics, including ESG strategy and related regulatory actions, developments, and trends.

Mercer attended meetings of our Compensation Committee and the Nom Gov Committee, as requested, and communicated with the Chair of the Compensation Committee and the Nom Gov Committee between meetings. Our Compensation Committee and/or the Nom Gov Committee made decisions and/or made recommendations to the Board regarding the compensation of the Company's executives and/or directors, including appropriate peer group(s) against which the Company's executive and director compensation programs are measured. The peer group used for purposes of setting executive compensation as described in the "**Compensation Discussion Analysis**" section of this Proxy Statement was adopted by the Compensation Committee in Q4 2022 for use in the design of the Company's 2023 executive and director compensation programs.

Our Compensation Committee and the Nom Gov Committee regularly review the services provided by its outside consultants and advisors and determined their independence in providing compensation consulting services and advice. See also "**Role of Compensation Consultants**" in the "**Compensation Discussion and Analysis**" section of this Proxy Statement.

Our Compensation Committee and the Nom Gov Committee continue to monitor the independence of its consultants and advisors on a periodic basis.

In 2023, our non-employee directors were compensated through annual cash retainers and equity awards for Board and Board Committee service, as follows:

	Annual cash retainers ⁽¹⁾ (\$)	Equity awards value (\$)
All non-employee Board Members	75,000	150,000
Lead Independent Director	30,000	—
Audit Committee Chair	25,000	—
Audit Committee Member	12,500	—
Compensation Committee Chair	20,000	—
Compensation Committee Member	10,000	—
Nom Gov Committee Chair	15,000	—
Nom Gov Committee Member	9,375	—

(1) All non-employee Board Members receive an annual cash retainer. To the extent Board Members perform additional services, they receive additional amounts reflected in this illustration, as applicable.

The following table sets forth the compensation of our independent members of the Board for the fiscal year ended December 31, 2023:

Name ⁽¹⁾	Fees earned or paid in cash (\$)	Stock awards ⁽²⁾ (\$)	Total (\$)
Linster W. Fox	119,375	139,104	258,479
Geoffrey P. Judge	113,047	139,104	252,151
Maureen T. Mullarkey	115,625	139,104	254,729
Atul Bali	136,875	139,104	275,979
Paul W. Finch, Jr.	106,875	139,104	245,979
Secil Tabli Watson	106,875	139,104	245,979
Debra L. Nutton ⁽³⁾	80,156	139,104	219,260

- (1) At December 31, 2023, our independent directors had the following aggregate numbers of outstanding stock awards and shares underlying outstanding option awards:

Name	Vested stock awards ⁽ⁱ⁾ (#)	Unvested stock awards (#)	Shares underlying option awards (#)
Linster W. Fox	65,364	9,200	110,000
Geoffrey P. Judge	65,364	9,200	185,000
Maureen T. Mullarkey	65,364	9,200	—
Atul Bali	42,473	9,200	—
Paul W. Finch, Jr.	10,000	9,200	—
Secil Tabli Watson	10,000	9,200	—
Debra L. Nutton ⁽³⁾	—	9,200	—

- (i) Represents deferred stock units, for which the time-based vesting requirement has been satisfied; however, these awards will only settle in shares of Common Stock in accordance with the provisions set forth in the grant notices.
- (2) Represents the aggregate grant date fair value of the directors' Time-based Restricted Stock Awards ("RSUs") awards in fiscal year 2023, as calculated in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 718, Stock Compensation. The RSU awards granted in 2023 to independent members of our Board vest on the first anniversary date following the grant date. Vested shares will be delivered to the reporting person on the earliest of the following events: (i) ten years from the date of grant; (ii) the reporting person's death; (iii) the occurrence of a Change in Control (as defined in our equity incentive plans), subject to qualifying conditions; or (iv) the date that is six months following the reporting person's separation from service, subject to qualifying conditions. For a discussion on the assumptions made in the valuation of the directors' RSU awards, see the notes to the consolidated financial statements contained in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2023.
- (3) Effective April 1, 2023, we added a new Board member, Debra L. Nutton.

Chief Executive Officer and Senior Management Succession Planning

The Board's deep commitment to excellence in corporate governance is reflected in its regular review of and ongoing work to further its existing senior leadership succession planning to maintain long-term continuity. Our Board periodically reviews the overall composition of our senior management's qualifications, tenure, and experience. Our Chief Executive Officer, after consultation with other members of management, provides the Board with a list of key individuals with immediate impact, the critical area of such individual's impact, short-term/interim action, and long-term action. Our Board reviews this information with our Chief Executive Officer.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Review, Approval, or Ratification of Transactions with Related Persons

Under written procedures adopted by the Board, any transaction that is required to be reported under Item 404(a) of Regulation S-K promulgated by the SEC must be reviewed, approved, or ratified, where pre-approval is not feasible by the Audit Committee. The types of transactions subject to these procedures include, but are not limited to:

- the purchase, sale or lease of assets to or from a related person;
- the purchase or sale of products or services to or from a related person; or
- the lending or borrowing of funds from or to a related person.

Approval of transactions with related persons shall be at the discretion of the Audit Committee, but the Audit Committee shall consider:

- the consequences to the Company of consummating or not consummating the transaction;
- the extent to which the Company has a reasonable opportunity to obtain the same or a substantially similar benefit of the transaction from a person or entity other than the related person; and
- the extent to which the terms and conditions of such transaction are more or less favorable to the Company and its stockholders than the terms and conditions upon which the Company could reasonably be expected to negotiate with a person or entity other than the related person.

Further, our Code of Business Conduct, Standards and Ethics requires our non-employee directors and our officers and employees to raise with our General Counsel any material transaction or relationship that could reasonably be expected to give rise to a personal conflict of interest. Our Corporate Governance Guidelines also prohibit the Company's making of any personal loans to directors, executive officers, or their immediate family members.

Transactions with Related Persons

There were no reportable related party transactions that required review, approval or ratification of the Audit Committee or any other committee.

Stockholder Engagement and Outreach

We actively and regularly engage with our stockholders, investors, and analysts, and we value their opinions. We believe in providing timely and transparent information to our investors. Executive management and our Investor Relations team routinely listen to and communicate with our stockholders on a variety of matters relating to our business strategy and performance, corporate governance, board composition and structure, executive compensation program, and corporate responsibility and sustainability initiatives in various forums, which have included and may include:

- quarterly earnings presentations;
- industry conferences, including virtual meetings;
- conference calls; and
- non-deal roadshow presentations.

Throughout 2023, we participated in "in-person" conferences and held numerous meetings and calls with covering analysts and many of our investors. In our meetings, we discussed a variety of topics that are important to investors, including our Company performance and operations, new products and new growth initiatives, capital allocation priorities, industry trends, corporate governance, and short- and long-term strategic direction. From these various engagements, we gather stockholder feedback which is relayed to our Board and its committees regularly, and work with them to enhance our practices and improve our disclosures.

Communication Between Interested Parties and Directors

Stockholders and other interested parties may communicate with individual directors (including the Chair and Lead Independent Director), the members of a Committee of the Board, the independent directors as a group, or the Board as a whole, by addressing the communication to the named director, the Committee, the independent directors as a group, or the Board as a whole, **c/o Corporate Secretary, Everi Holdings Inc., 7250 South Tenaya Way, Suite 100, Las Vegas, NV 89113, or via e-mail to secretary@everi.com**. The Company's Corporate Secretary will forward all correspondence to the named director, the committee, the independent directors as a group or the Board as a whole, except for spam, junk mail, mass mailings, product complaints or inquiries, job inquiries, surveys, business solicitations, or advertisements or patently offensive or otherwise inappropriate material. The Company's Corporate Secretary may forward certain correspondence, such as product-related inquiries, elsewhere within the Company for review and possible response.

Relationships Among Directors or Executive Officers

There are no family relationships among any of the Company's directors or executive officers.

Executive Employment Agreements

We are party to employment agreements with each of our named executive officers. The material terms of the employment agreements with our named executive officers are described under **"EXECUTIVE COMPENSATION — Compensation of Named Executive Officers — Employment Contracts and Equity Agreements, Termination of Employment and Change in Control Arrangements."**

Director and Officer Indemnification Agreements

We have entered into an indemnification agreement with each of our directors and executive officers. Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended (the "Securities Act") may be permitted to directors or executive officers, we have been informed that in the opinion of the SEC such indemnification is against public policy and is therefore unenforceable. We have purchased and maintain insurance on behalf of all our directors and executive officers against liability asserted against or incurred by them in their official capacities, whether or not we are required to have the power to indemnify them against the same liability.

EXECUTIVE OFFICERS

Set forth below is certain information regarding each of our current executive officers, other than Messrs. Rumbolz and Taylor, whose biographical information is presented under “**Class II Directors Whose Term Will Expire in 2025,**” and “**Class I Directors Whose Term Will Expire in 2024,**” respectively.

Name	Age	Position
Michael D. Rumbolz	70	Executive Chair of the Board
Randy L. Taylor	61	President and Chief Executive Officer
Mark F. Labay	52	Executive Vice President, Chief Financial Officer and Treasurer
Dean A. Ehrlich	55	Executive Vice President, Games Business Leader
Darren D. A. Simmons	55	Executive Vice President, FinTech Business Leader
David J. Lucchese	65	Executive Vice President, Sales and Marketing
Kate C. Lowenhar-Fisher	46	Executive Vice President, Chief Legal Officer - General Counsel and Corporate Secretary
Todd A. Valli	49	Senior Vice President, Corporate Finance and Tax & Chief Accounting Officer

Mark F. Labay has served as our Executive Vice President, Chief Financial Officer and Treasurer since April 2020, having previously served as the Company’s Senior Vice President, Finance and Investor Relations since April 2014, among other responsibilities since August 2002.

Dean A. Ehrlich has served as our Executive Vice President, Games Business Leader since January 2017, having previously served as an Executive Consultant to the Company since August 2016. Prior to joining the Company, Mr. Ehrlich served in various senior executive positions with WMS Industries Inc., an electronic gaming and amusement manufacturer, from May 2003 through July 2015, which was acquired by Scientific Games Corporation in late 2013, including as Senior Vice President Global Gaming Operations, where he led business for all premium lease products and the development of wide-area progressive strategic initiatives.

Darren D. A. Simmons has served as our Executive Vice President, FinTech Business Leader since January 2019, having previously served as the Company’s Payments Business Leader from December 2017 through December 2018, Senior Vice President, Payments Solutions from January 2015 through November 2017, and Senior Vice President, International Business from August 2006 through December 2014.

David J. Lucchese has served as our Executive Vice President, Sales and Marketing since March 1, 2023, having previously served as our Executive Vice President, Sales, Marketing and Digital since April 2020, as our Executive Vice President, Digital and Interactive Business Leader since January 2017, our Executive Vice President, Games since January 2015, our Executive Vice President, Client Operations from March 2014 to January 2015, and our Executive Vice President, Sales from April 2010 to March 2014.

Kate C. Lowenhar-Fisher has served as our Executive Vice President, Chief Legal Officer – General Counsel and Corporate Secretary since March 22, 2021. Prior to joining the Company, Ms. Lowenhar-Fisher served as an Equity Member of the law firm of Dickinson Wright, PLLC from January 2015 to March 2021, and served as Chair of its Gaming & Hospitality Practice Group, where she counseled many of the world’s premier gaming companies on regulatory issues in connection with mergers and acquisitions, corporate restructuring, reorganizations, and financings. Prior to Dickinson Wright, PLLC, Ms. Lowenhar-Fisher served as a Shareholder at Brownstein Hyatt Farber Schreck, LLP (formerly known as Schreck Brignone) from September 2002 to December 2014, where she specialized in gaming law and commercial transactions.

Todd A. Valli has served as our Senior Vice President, Corporate Finance and Tax & Chief Accounting Officer since September 2015. Preceding this appointment, Mr. Valli served as Vice President of Corporate Finance and Investor Relations for the Company, among other responsibilities, since September 2011.

PROPOSAL 2

ADVISORY (NON-BINDING) VOTE TO APPROVE THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS (SAY ON PAY)

(Item No. 2 on the Proxy Card)

THE BOARD UNANIMOUSLY RECOMMENDS THAT STOCKHOLDERS VOTE “FOR” THE RESOLUTION APPROVING THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS AS DISCLOSED IN THIS PROXY STATEMENT.

As required by Item 24 of Schedule 14A, we are asking for stockholder approval, on a non-binding, advisory basis, of the compensation of our named executive officers as disclosed in this Proxy Statement, which disclosures include the disclosures under “*Compensation Discussion and Analysis*,” the compensation tables, and the narrative discussion following the compensation tables. This proposal, commonly known as a “Say on Pay” proposal, is not intended to address any specific item of compensation, but rather the overall compensation of our named executive officers and the policies and practices described in this Proxy Statement.

We believe that the Company has created a compensation program deserving of stockholder support. At our 2023 annual meeting of stockholders, 97.2% of the votes cast supported our executive compensation program for 2023. Our Compensation Committee, which is responsible for designing and administering our executive compensation program, has designed our executive compensation program to provide a competitive and internally equitable compensation and benefits package that reflects Company performance, job complexity and the strategic value of the applicable position, while promoting long-term retention, motivation, and alignment with the long-term interests of the Company’s stockholders.

Please read “*Compensation Discussion and Analysis*” for additional details about our executive compensation program, including information about the 2023 compensation of our named executive officers.

The Board unanimously recommends that stockholders vote in favor of the following resolution:

“RESOLVED, that the stockholders of Everi Holdings Inc. approve, on a non-binding advisory basis, the compensation paid to the Company’s named executive officers, as disclosed pursuant to Item 402 of Regulation S-K, set forth in the Company’s definitive proxy statement for the 2024 Annual Meeting of Stockholders.”

Approval of this non-binding, advisory “Say on Pay” resolution requires the affirmative vote of the holders of a majority of the votes cast at the Annual Meeting at which a quorum is present.

The vote on this proposal is non-binding and advisory in nature and will not affect any compensation already paid or awarded to any named executive officer, and it will not be binding on or overrule any decisions by our Board or our Compensation Committee. Nevertheless, our Board highly values input from our stockholders, and our Compensation Committee will carefully consider the result of this vote when making future decisions about executive compensation. The Board has adopted a policy of providing for annual “Say on Pay” advisory votes. Unless the Board modifies its policy on the frequency of holding “Say on Pay” advisory votes, the next “Say on Pay” advisory vote will occur in 2025.

PROPOSAL 3

APPROVAL OF THE EVERI HOLDINGS INC. AMENDED AND RESTATED 2014 EQUITY INCENTIVE PLAN

(Item No. 3 on the Proxy Card)

THE BOARD UNANIMOUSLY RECOMMENDS THAT STOCKHOLDERS VOTE “FOR” THE AMENDED AND RESTATED 2014 EQUITY INCENTIVE PLAN.

Overview

On February 26, 2024 (the “Approval Date”), the Board of Directors unanimously adopted and approved an amendment and restatement of the Everi Holdings Inc. Amended and Restated 2014 Equity Incentive Plan to increase the share reserve by an additional 3,590,000 shares (as amended and restated, the “Plan”), subject to stockholder approval. The Everi Holdings Inc. Amended and Restated 2014 Equity Incentive Plan was originally effective May 15, 2014 and last approved by the Company’s stockholders at the 2021 annual meeting that occurred on May 19, 2021 (the “Original Plan”). The Board of Directors approved an amendment to the Original Plan that did not require stockholder approval on February 28, 2024 as disclosed on the Company’s Current Report on Form 8-K filed on February 29, 2024 (the “Amendment” and, together with the Original Plan, the “Current Plan”). If the stockholders do not approve the Plan, the Current Plan will remain in existence without an increase in the share reserve; however, the Company will not have sufficient shares under the Current Plan to meet its short- or long-term needs and may instead need to increase cash compensation.

Key Change in the Plan

The amendment and restatement of the Current Plan makes the following change, as described in more detail under “Plan Summary” below:

- Increase the share reserve under the Plan by an additional 3,590,000 shares.

Other than the increase to the share reserve, no other changes are being made to the Current Plan.

Why You Should Vote For the Plan

The Board of Directors recommends that the Company’s stockholders approve the Plan as it believes equity awards are a critical part of the Company’s compensation program and are essential to the Company’s ability to effectively compete for, appropriately motivate and reward key talent. The Board of Directors believes that it is in the interests of both the Company and its stockholders to strengthen the Company’s ability to attract, motivate and retain high quality employees, directors and consultants and to incentivize such persons to achieve the Company’s financial and strategic goals through the issuance of equity-based awards. The Company is seeking stockholder approval of the Plan as the Board of Directors does not believe the shares available for issuance with respect to equity awards under the Current Plan are sufficient to meet the Company’s short- or long-term needs. The Company believes that the availability of an additional 3,590,000 shares under the Plan, in addition to the remaining shares under the Current Plan of 2,145,492 shares at December 31, 2023, would allow the Company to continue to grant awards at historical average rates for the next two years.

Promotions of Good Corporate Governance Practices

The Plan includes a number of provisions that we believe promote good corporate governance and the interests of stockholders. Under the Plan:

- There is no “evergreen” annual share increase provision.
- The Plan prohibits repricing of stock options and stock appreciation rights without the approval of our stockholders.

- There is a one-year minimum vesting requirement for 95% of the shares subject to awards granted under the Plan.
- No discount from fair market value is permitted in setting the exercise price of stock options and stock appreciation rights.
- There is a clawback policy that grants the Compensation Committee broad discretion to recover incentive awards from executive and Section 16 officers in the unlikely event that incentive plan award decisions were based on financial results that are subsequently restated.
- The Plan does not provide for “liberal” share counting. The number of shares remaining for grant under the Plan is reduced by the gross number of shares subject to options and stock appreciation rights settled on a net basis, and shares withheld for taxes in connection with options or stock appreciation rights or tendered in payment of an option’s exercise price are not recycled.
- The number of shares for which awards may be granted to any non-employee member of our Board in a fiscal year is limited.
- The Plan does not contain a “liberal” change in control definition (e.g., mergers require actual consummation and our Compensation Committee has limited discretion to accelerate vesting of awards).
- Dividend equivalents cannot be paid currently on any unvested “full value” award and cannot be paid at all with respect to options or stock appreciation rights.

Key Data

The following table provides information regarding equity awards outstanding and shares available for future awards under the Plan, and without giving effect to approval of the share increase under this Proposal 3, as there are no additional awards to be granted in the future from any other of the Company’s equity plans as of December 31, 2023. We have no equity awards outstanding other than stock options, restricted stock, restricted stock units and performance awards (in the form of both performance restricted stock and performance restricted stock units).

Total shares underlying all outstanding stock options		4,803,200
Weighted average exercise price of outstanding stock options	\$	4.28
Weighted average remaining contractual life of outstanding stock options (years)		2.61
Total shares underlying all outstanding and unvested full-value awards		2,461,983
Shares available for future issuance under the Current Plan		2,145,492

Burn Rate

A means of evaluating the long-term dilution from equity compensation plans is to monitor the value of equity awards granted annually, commonly referred to as the “burn rate.” As shown in the following table, the Company’s three-year average annual burn rate calculated using Institutional Shareholder Services (ISS) methodology, the value adjusted burn rate, has been 1.5%*.

Year	Value of Options Granted ⁽¹⁾⁽²⁾ (\$)	Full-Value of Shares Granted ⁽²⁾⁽³⁾ (\$)	Total Value Granted (\$)	Value of Weighted Average Number of Common Shares Outstanding ⁽²⁾ (\$)	Value Adjusted Burn Rate ⁽⁴⁾
2023	960,080	21,925,974	22,886,054	1,229,371,947	1.9 %
2022	1,025,242	23,842,684	24,867,926	1,661,948,511	1.5 %
2021	—	19,675,632	19,675,632	1,815,709,470	1.1 %
Three-Year Average					1.5 %

* Rounding may cause variances.

- (1) Options were valued using a Black-Scholes Merton model based on certain inputs for the years ending 2022 and 2023, respectively, including: (a) expected terms of 5.9 and 6 years; (b) historical volatility rates of 75.5% and 73.2%; (c) discount rates of 3.7% and 4.2%; and (d) no dividends.
- (2) The price used in the option valuations and to value shares granted and outstanding is the volume weighted average stock price (“VWAP”) of 200 days from the ISS quarterly download date (“QDD”) of December 1 in the applicable year, in accordance with ISS methodology. The calculated VWAP from the QDD date was \$14.10, \$18.37 and \$20.34 for the years ended 2023, 2022 and 2021, respectively.
- (3) The number of PSUs used in the Full-Value calculation is at the target achievement level for all years presented.
- (4) Calculated by dividing (a) Total Value Granted by (b) Value of Weighted Average number of Common Shares Outstanding.

Potential Dilution

The total number of shares of common stock available for issuance under the Plan, after giving effect to the share increase, will include (a) the 3,590,000 newly authorized shares of common stock plus (b) the 2,145,492 shares available for future issuance under the Current Plan as of December 31, 2023, which would represent approximately 6.8% percent of the Company’s shares of common stock outstanding as of December 31, 2023.

Plan Summary

The following summary of the material terms of the Plan is qualified in its entirety by reference to the complete statement of the Plan, which is set forth in Appendix B to this proxy statement.

General. The purpose of the Plan is to advance the interests of the Company and its stockholders by providing an incentive program that will enable the Company to attract and retain employees, consultants and directors and to provide them with an equity interest in the growth and profitability of the Company. These incentives are provided through the grant of stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares, performance units, other stock-based awards and cash-based awards.

Authorized Shares. After giving effect to the share increase, for which approval is being sought, the maximum aggregate number of shares authorized for issuance under the Plan would be 20,465,000 shares. Shares subject to an option or other award outstanding under either the predecessor 2005 Plan or the 2012 Equity Incentive Plan (the “2012 Plan”) that expire or are forfeited for any reason shall not be added to the reserve under the Plan.

Share Counting. Each share subject to an award under the Plan will reduce the number of shares remaining available for grant under the Plan by one share.

If any award granted under the Plan expires or otherwise terminates for any reason without having been exercised or settled in full, or if shares subject to forfeiture or repurchase are forfeited or repurchased by the Company for not more than the participant’s purchase price, any such shares reacquired or subject to a terminated award will again become available for issuance under the Plan. Shares will not be treated as having been issued under the Plan and will therefore not reduce the number of shares available for issuance to the extent an award is settled in cash. Shares purchased in the open market with proceeds from the exercise of options will not be added to the share reserve. Shares that are withheld or reacquired by the Company in satisfaction of a tax withholding obligation in connection with an option or a stock appreciation right or that are tendered in payment of the exercise price of an option will not be made available for new awards under the Plan. Upon the exercise of a stock appreciation right or net-exercise of an option, the number of shares available under the Plan will be reduced by the gross number of shares for which the award is exercised. Shares withheld or reacquired by the Company in satisfaction of tax withholding obligations pursuant to the vesting or settlement of “full value” awards will not again become available for issuance under the Plan.

Adjustments for Capital Structure Changes. Appropriate and proportionate adjustments will be made to the number of shares authorized under the Plan, to the numerical limits on certain types of awards described below, and to outstanding awards in the event of any change in our Common Stock without receipt of consideration,

whether through merger, consolidation, reorganization, reincorporation, recapitalization, reclassification, stock dividend, stock split, reverse stock split, split-up, split-off, spin-off, combination of shares, exchange of shares or similar change in our capital structure, or if we make a distribution to our stockholders in a form other than Common Stock (excluding regular, periodic cash dividends) that has a material effect on the fair market value of our Common Stock. In such circumstances, the Compensation Committee also has the discretion under the Plan to adjust other terms of outstanding awards as it deems appropriate.

Non-employee Director Award Limits. A non-employee director may not be granted awards under the Plan in any fiscal year for more than 300,000 shares.

Other Award Limits. The maximum aggregate number of shares or dollar value for which such awards may be granted to any participant who is not a non-employee director in any fiscal year, as follows: (i) no more than 4,000,000 shares under stock-based awards, and (ii) no more than \$3,000,000 for each fiscal year contained in the vesting period under cash-based awards. In addition, to comply with applicable tax rules, the Plan also limits the number of shares that may be issued upon the exercise of incentive stock options granted under the Plan to 20,465,000 shares of Common Stock.

Administration. The Plan will generally be administered by the Compensation Committee of the Board, although the Board retains the right to appoint another of its committees to administer the Plan or to administer the Plan directly (for purposes of this summary, the term “Committee” will refer to either such duly appointed committee or the Board.) Subject to the provisions of the Plan, the Committee determines in its discretion the persons to whom and the times at which awards are granted, the types and sizes of awards, and all of their terms and conditions. The Committee may, subject to certain limitations on the exercise of its discretion provided by the Plan, amend, cancel or renew any award, waive any restrictions or conditions applicable to any award, and accelerate, continue, extend or defer the vesting of any award.

The Plan provides, subject to certain limitations, for indemnification by the Company of any director, officer or employee against all reasonable expenses, including attorneys’ fees, incurred in connection with any legal action arising from such person’s action or failure to act in administering the Plan. All awards granted under the Plan will be evidenced by a written or digitally signed agreement between the Company and the participant specifying the terms and conditions of the award, consistent with the requirements of the Plan. The Committee will interpret the Plan and awards granted thereunder, and all determinations of the Committee generally will be final and binding on all persons having an interest in the Plan or any award.

Prohibition of Option and SAR Repricing. The Plan expressly provides that, without the approval of a majority of the votes cast in person or by proxy at a meeting of our stockholders, the Committee may not provide for any of the following with respect to underwater options or stock appreciation rights: (i) either the cancellation of such outstanding options or stock appreciation rights in exchange for the grant of new options or stock appreciation rights at a lower exercise price or the amendment of outstanding options or stock appreciation rights to reduce the exercise price, (ii) the issuance of new full value awards in exchange for the cancellation of such outstanding options or stock appreciation rights, or (iii) the cancellation of such outstanding options or stock appreciation rights in exchange for payments in cash.

Minimum Vesting. No more than 5% of the aggregate number of shares of Common Stock authorized under the Plan may be issued pursuant to awards that provide for service-based vesting over a period of less than one year or performance-based vesting over a performance period of less than one year; provided, that awards to non-employee directors may vest on the Company’s next annual meeting of stockholders (provided that such annual meetings are at least fifty (50) weeks apart).

Eligibility. Awards may be granted to directors of the Company and employees and consultants of the Company or any present or future parent or subsidiary corporation or other affiliated entity of the Company. Incentive stock options may be granted only to employees who, as of the time of grant, are employees of the Company or any parent or subsidiary corporation of the Company. As of March 31, 2024, we had approximately 2,300 employees, including 8 executive officers, and 7 non-employee directors who would be eligible to receive awards under the

Plan. Although the Plan permits granting equity awards to consultants, there are not any awards to consultants currently outstanding, and we do not expect to issue equity awards to consultants in the future.

Stock Options. The Committee may grant non-statutory (non-qualified) stock options, incentive stock options within the meaning of Section 422 of the Internal Revenue Code (the “Code” or “IRC”), or any combination of these. The exercise price of each option may not be less than the fair market value of a share of our Common Stock on the date of grant. However, any incentive stock option granted to a person who at the time of grant owns stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or any parent or subsidiary corporation of the Company (a “10% Stockholder”) must have an exercise price equal to at least 110% of the fair market value of a share of Common Stock on the date of grant.

The Plan provides that the option exercise price may be paid in cash, by check, or cash equivalent; by means of a broker-assisted cashless exercise; by means of a net-exercise procedure; to the extent legally permitted, by tender to the Company of shares of Common Stock owned by the participant having a fair market value not less than the exercise price; by such other lawful consideration as approved by the Committee; or by any combination of these. Nevertheless, the Committee may restrict the forms of payment permitted in connection with any option grant. No option may be exercised unless the participant has made adequate provision for federal, state, local and foreign taxes, if any, relating to the exercise of the option, including, if permitted or required by the Company, through the participant’s surrender of a portion of the option shares to the Company.

Options will become vested and exercisable at such times or upon such events and subject to such terms, conditions, performance criteria or restrictions as specified by the Committee. The maximum term of any option granted under the Plan is ten years, provided that an incentive stock option granted to a 10% Stockholder must have a term not exceeding five years. Unless otherwise permitted by the Committee, an option generally will remain exercisable for three months following the participant’s termination of service, provided that if service terminates as a result of the participant’s death or disability, the option generally will remain exercisable for 12 months, but in any event the option must be exercised no later than its expiration date, and provided further that an option will terminate immediately upon a participant’s termination for “Cause” (as defined by the Plan).

Options are nontransferable by the participant other than by will or by the laws of descent and distribution and are exercisable during the participant’s lifetime only by the participant. However, an option may be assigned or transferred to certain family members or trusts for their benefit to the extent permitted by the Committee and, in the case of an incentive stock option, only to the extent that the transfer will not terminate its tax qualification.

Stock Appreciation Rights. The Committee may grant stock appreciation rights either in tandem with a related option (a “Tandem SAR”) or independently of any option (a “Freestanding SAR”). A Tandem SAR requires the option holder to elect between the exercise of the underlying option for shares of Common Stock or the surrender of the option and the exercise of the related stock appreciation right. A Tandem SAR is exercisable only at the time and only to the extent that the related stock option is exercisable, while a Freestanding SAR is exercisable at such times or upon such events and subject to such terms, conditions, performance criteria or restrictions as specified by the Committee. The exercise price of each stock appreciation right may not be less than the fair market value of a share of our Common Stock on the date of grant.

Upon the exercise of any stock appreciation right, the participant is entitled to receive an amount equal to the excess of the fair market value of the underlying shares of Common Stock as to which the right is exercised over the aggregate exercise price for such shares. Payment of this amount upon the exercise of a Tandem SAR may be made only in shares of Common Stock whose fair market value on the exercise date equals the payment amount. At the Committee’s discretion, payment of this amount upon the exercise of a Freestanding SAR may be made in cash or shares of Common Stock. The maximum term of any stock appreciation right granted under the Plan is ten years.

Stock appreciation rights are generally nontransferable by the participant other than by will or by the laws of descent and distribution and are generally exercisable during the participant’s lifetime only by the participant. If permitted by the Committee, a Tandem SAR related to a nonstatutory stock option and a Freestanding SAR may be assigned or transferred to certain family members or trusts for their benefit to the extent permitted by the

Committee. Other terms of stock appreciation rights are generally similar to the terms of comparable stock options.

Restricted Stock Awards. The Committee may grant restricted stock awards under the Plan either in the form of a restricted stock purchase right, giving a participant an immediate right to purchase Common Stock, or in the form of a restricted stock bonus, in which stock is issued in consideration for services to the Company rendered by the participant. The Committee determines the purchase price payable under restricted stock purchase awards, which may be less than the then current fair market value of our Common Stock. Restricted stock awards may be subject to vesting conditions based on such service or performance criteria as the Committee specifies, including the attainment of one or more performance goals similar to those described below in connection with performance awards. Shares acquired pursuant to a restricted stock award may not be transferred by the participant until vested. Unless otherwise provided by the Committee, a participant will forfeit any shares of restricted stock as to which the vesting restrictions have not lapsed prior to the participant's termination of service. Participants holding restricted stock will have the right to vote the shares and to receive any dividends paid, except that dividends or other distributions paid in shares will be subject to the same restrictions as the original award and dividends paid in cash may be made subject to such restrictions.

Restricted Stock Units. The Committee may grant restricted stock units under the Plan, which represent rights to receive shares of our Common Stock at a future date determined in accordance with the participant's award agreement. No monetary payment is required for receipt of restricted stock units or the shares issued in settlement of the award, the consideration for which is furnished in the form of the participant's services to the Company. The Committee may grant restricted stock unit awards subject to the attainment of one or more performance goals similar to those described below in connection with performance awards or may make the awards subject to vesting conditions similar to those applicable to restricted stock awards. Unless otherwise provided by the Committee, a participant will forfeit any restricted stock units which have not vested prior to the participant's termination of service. Participants have no voting rights or rights to receive cash dividends with respect to restricted stock unit awards until shares of Common Stock are issued in settlement of such awards. However, the Committee may grant restricted stock units that entitle their holders to dividend equivalent rights, which are rights to receive cash or additional restricted stock units whose value is equal to any cash dividends the Company pays. The dividend equivalent rights would be subject to the same vesting conditions and settlement terms as the original award.

Performance Awards. The Committee may grant performance awards subject to such conditions and the attainment of such performance goals over such periods as the Committee determines in writing and sets forth in a written agreement between the Company and the participant. These awards may be designated as performance shares or performance units, which consist of unfunded bookkeeping entries generally having initial values equal to the fair market value determined on the grant date of a share of Common Stock in the case of performance shares and a monetary value established by the Committee at the time of grant in the case of performance units. Performance awards will specify a predetermined amount of performance shares or performance units that may be earned by the participant to the extent that one or more performance goals are attained within a predetermined performance period. To the extent earned, performance awards may be settled in cash, shares of Common Stock (including shares of restricted stock that are subject to additional vesting) or any combination of these.

The Committee will establish one or more performance goals applicable to the award. Performance goals will be based on the attainment of specified target levels with respect to one or more measures of business or financial performance of the Company and each subsidiary corporation consolidated with the Company for financial reporting purposes, or such division or business unit of the Company as may be selected by the Committee. The Committee, in its discretion, may base performance goals on one or more of the following such measures: revenue; sales; expenses; operating income; gross margin; operating margin; earnings before any one or more of: stock-based compensation expense, interest, taxes, depreciation and amortization; pre-tax profit; net operating income; net income; economic value added; free cash flow; operating cash flow; balance of cash, cash equivalents and marketable securities; stock price; earnings per share; return on stockholder equity; return on capital; return on assets; return on investment; total stockholder return; employee satisfaction; employee retention; market

share; customer satisfaction; product development; research and development expense; completion of an identified special project; completion of a joint venture or other corporate transaction; and growth in stockholder value relative to the moving average on the S&P 500 Index or another index.

The target levels with respect to these performance measures may be expressed on an absolute basis or relative to an index, budget or other standard specified by the Committee. The degree of attainment of performance measures will be calculated in accordance with the Company's financial statements, GAAP, if applicable, or other methodology established by the Committee, excluding the effect (whether positive or negative) of changes in accounting standards or any unusual or infrequently occurring event or transaction occurring after the establishment of the performance goals applicable to a performance award.

Following completion of the applicable performance period, the Committee will certify in writing the extent to which the applicable performance goals have been attained and the resulting value to be paid to the participant, and the Committee retains the discretion to eliminate or reduce the resulting value; however, no such reduction may increase the amount paid to any other participant. The Committee may make positive or negative adjustments to performance award payments to participants to reflect the participant's individual job performance or other factors determined by the Committee. In its discretion, the Committee may provide for a participant awarded performance shares to receive dividend equivalent rights with respect to cash dividends paid on the Company's Common Stock to the extent that the performance shares become vested. The Committee may provide for performance award payments in lump sums or installments.

Unless otherwise provided by the Committee, if a participant's service terminates due to the participant's death or disability prior to completion of the applicable performance period, the final award value will be determined at the end of the performance period on the basis of the performance goals attained during the entire performance period but will be prorated for the number of months of the participant's service during the performance period. If a participant's service terminates prior to completion of the applicable performance period for any other reason, the Plan provides that, unless otherwise determined by the Committee in the event of participant's involuntary termination, the performance award will be forfeited. No performance award may be sold or transferred other than by will or the laws of descent and distribution prior to the end of the applicable performance period.

Cash-Based Awards and Other Stock-Based Awards. The Committee may grant cash-based awards or other stock-based awards in such amounts and subject to such terms and conditions as the Committee determines. Cash-based awards will specify a monetary payment or range of payments, while other stock-based awards will specify a number of shares or units based on shares or other equity-related awards. Such awards may be subject to vesting conditions based on continued performance of service or subject to the attainment of one or more performance goals similar to those described above in connection with performance awards. Settlement of awards may be in cash or shares of Common Stock, as determined by the Committee. A participant will have no voting rights with respect to any such award unless and until shares are issued pursuant to the award. Dividend equivalent rights will not be paid on unvested stock-based awards. The Committee may grant dividend equivalent rights with respect to other stock-based awards. The effect on such awards of the participant's termination of service will be determined by the Committee and set forth in the participant's award agreement.

Change in Control. Unless otherwise defined in a participant's award or other agreement with the Company, the Plan provides that a "Change in Control" occurs upon (i) a person or entity (with certain exceptions described in the Plan) becoming the direct or indirect beneficial owner of more than 50% of the Company's voting stock, (ii) stockholder approval of a liquidation or dissolution of the Company, or (iii) the occurrence of any of the following events upon which the stockholders of the Company immediately before the event do not retain immediately after the event direct or indirect beneficial ownership of more than 50% of the voting securities of the Company, its successor or the entity to which the assets of the company were transferred: (a) a sale or exchange by the stockholders in a single transaction or series of related transactions of more than 50% of the Company's voting stock; (b) a merger or consolidation in which the Company is a party; or (c) the sale, exchange or transfer of all or substantially all of the assets of the Company (other than a sale, exchange or transfer to one or more subsidiaries of the Company).

If a Change in Control occurs, the surviving, continuing, successor or purchasing entity or its parent may, without the consent of any participant, either assume or continue outstanding awards or substitute substantially equivalent awards for its stock. If so determined by the Committee, stock-based awards will be deemed assumed if, for each share subject to the award prior to the Change in Control, its holder is given the right to receive the same amount of consideration that a stockholder would receive as a result of the Change in Control. Any awards which are not assumed or continued in connection with a Change in Control or exercised or settled prior to the Change in Control will terminate effective as of the time of the Change in Control.

The Committee only has discretion to accelerate vesting of awards if (i) the awards are not assumed, continued or substituted by an acquirer in a transaction, or (ii) the awards are assumed, continued or substituted by an acquirer in a transaction but the participant's service is involuntarily terminated within the 24-month period after the transaction (so-called "double trigger" vesting), and in the case of performance awards the acceleration is limited to the greater of (a) assumed achievement of the applicable performance goals at 100% of target with the result prorated based on the period of the participant's actual service during the applicable full performance period, or (b) actual achievement of the applicable performance goals. The vesting of all awards held by non-employee directors will be accelerated in full upon a Change in Control.

The Plan also authorizes the Committee, in its discretion and without the consent of any participant, to cancel each or any award denominated in shares of stock upon a Change in Control in exchange for a payment to the participant with respect each vested share (and each unvested share if so determined by the Committee) subject to the cancelled award of an amount equal to the excess of the consideration to be paid per share of Common Stock in the Change in Control transaction over the exercise price per share, if any, under the award.

Awards Subject to Section 409A of the Code. Certain awards granted under the Plan may be deemed to constitute "deferred compensation" within the meaning of Section 409A of the Code, providing rules regarding the taxation of nonqualified deferred compensation plans, and the regulations and other administrative guidance issued pursuant to Section 409A. Any such awards will be required to comply with the requirements of Section 409A. Notwithstanding any provision of the Plan to the contrary, the Committee is authorized, in its sole discretion and without the consent of any participant, to amend the Plan or any award agreement as it deems necessary or advisable to comply with Section 409A.

Amendment, Suspension or Termination. The Plan will continue in effect until its termination by the Committee, provided that no awards may be granted under the Plan following the tenth anniversary of the Plan's effective date, which is the date of the 2021 annual meeting. The Committee may amend, suspend or terminate the Plan at any time, provided that no amendment may be made without stockholder approval that would increase the maximum aggregate number of shares of Common Stock authorized for issuance under the Plan, change the class of persons eligible to receive incentive stock options or require stockholder approval under any applicable law or the rules of any stock exchange on which the Company's shares are then listed. No amendment, suspension or termination of the Plan may affect any outstanding award unless expressly provided by the Committee, and, in any event, may not have a materially adverse effect on an outstanding award without the consent of the participant unless necessary to comply with any applicable law, regulation or rule, including, but not limited to, Section 409A of the Code.

Federal Income Tax Treatment

The following discussion is a general summary as of the date of this Proxy Statement of the significant U.S. federal income tax consequences to the Company and the participants in the Plan. The discussion is intended solely for general information and does not make specific representations to any participant. The discussion does not address state, local or foreign income tax rules or other U.S. tax provisions, such as estate or gift taxes. A recipient's particular situation may be such that some variation of the basic rules is applicable to him or her. In addition, the federal income tax laws and regulations are frequently revised and may change at any time. Therefore, each recipient is urged to consult a tax advisor before exercising any award or before disposing of any shares acquired under the Plan both with respect to federal income tax consequences as well as any foreign, state or local tax consequences.

Incentive Stock Options. A participant recognizes no taxable income for regular income tax purposes as a result of the grant or exercise of an incentive stock option qualifying under Section 422 of the Code. Participants who neither dispose of their shares within two years following the date the option was granted nor within one year following the exercise of the option will normally recognize a capital gain or loss upon the sale of the shares equal to the difference, if any, between the sale price and the purchase price of the shares. If a participant satisfies such holding periods upon a sale of the shares, we will not be entitled to any deduction for federal income tax purposes. If a participant disposes of shares within two years after the date of grant or within one year after the date of exercise (a “disqualifying disposition”), the difference between the fair market value of the shares on the option exercise date and the exercise price (not to exceed the gain realized on the sale if the disposition is a transaction with respect to which a loss, if sustained, would be recognized) will be taxed as ordinary income at the time of disposition. Any gain in excess of that amount will be a capital gain. If a loss is recognized, there will be no ordinary income, and such loss will be a capital loss. Any ordinary income recognized by the participant upon the disqualifying disposition of the shares generally should be deductible by us for federal income tax purposes, except to the extent such deduction is limited by applicable provisions of the Code.

In general, the difference between the option exercise price and the fair market value of the shares on the date of exercise of an incentive stock option is treated as an adjustment in computing the participant’s alternative minimum taxable income and may be subject to an alternative minimum tax which is paid if such tax exceeds the regular tax for the year. Special rules may apply with respect to certain subsequent sales of the shares in a disqualifying disposition, certain basis adjustments for purposes of computing the alternative minimum taxable income on a subsequent sale of the shares and certain tax credits which may arise with respect to participants subject to the alternative minimum tax.

Nonstatutory Stock Options. Options not designated or qualifying as incentive stock options are nonstatutory stock options having no special tax status. A participant generally recognizes no taxable income upon receipt of such an option. Upon exercising a nonstatutory stock option, the participant normally recognizes ordinary income equal to the difference between the exercise price paid and the fair market value of the shares on the date when the option is exercised. If the participant is an employee, such ordinary income generally is subject to withholding of income and employment taxes. Upon the sale of stock acquired by the exercise of a nonstatutory stock option, any gain or loss, based on the difference between the sale price and the fair market value of the shares on the exercise date, will be taxed as capital gain or loss. We generally should be entitled to a tax deduction equal to the amount of ordinary income recognized by the participant as a result of the exercise of a nonstatutory stock option, except to the extent such deduction is limited by applicable provisions of the Code.

Stock Appreciation Rights. A Participant recognizes no taxable income upon the receipt of a stock appreciation right. Upon the exercise of a stock appreciation right, the participant generally will recognize ordinary income in an amount equal to the excess of the fair market value of the underlying shares of Common Stock on the exercise date over the exercise price. If the participant is an employee, such ordinary income generally is subject to withholding of income and employment taxes. We generally should be entitled to a deduction equal to the amount of ordinary income recognized by the participant in connection with the exercise of the stock appreciation right, except to the extent such deduction is limited by applicable provisions of the Code.

Restricted Stock. A participant acquiring restricted stock generally will recognize ordinary income equal to the excess of the fair market value of the shares on the “determination date” over the price paid, if any, for such shares. The “determination date” is the date on which the participant acquires the shares unless the shares are subject to a substantial risk of forfeiture and are not transferable, in which case the determination date is the earlier of (i) the date on which the shares become transferable or (ii) the date on which the shares are no longer subject to a substantial risk of forfeiture (e.g., when they become vested). If the determination date follows the date on which the participant acquires the shares, the participant may elect, pursuant to Section 83(b) of the Code, to designate the date of acquisition as the determination date by filing an election with the Internal Revenue Service no later than 30 days after the date on which the shares are acquired. If the participant is an employee, such ordinary income generally is subject to withholding of income and employment taxes. Upon the sale of shares acquired pursuant to a restricted stock award, any gain or loss, based on the difference between the sale price and the fair market value of the shares on the determination date, will be taxed as capital gain or loss.

We generally should be entitled to a deduction equal to the amount of ordinary income recognized by the participant on the determination date, except to the extent such deduction is limited by applicable provisions of the Code.

Restricted Stock Unit, Performance, Cash-Based and Other Stock-Based Awards. A participant generally will recognize no income upon the receipt of a restricted stock unit, performance share, performance unit, cash-based or other stock-based award. Upon the settlement of such awards, participants normally will recognize ordinary income in the year of settlement in an amount equal to the cash received and the fair market value of any substantially vested shares of stock received. If the participant is an employee, such ordinary income generally is subject to withholding of income and employment taxes. If the participant receives shares of restricted stock, the participant generally will be taxed in the same manner as described above under “Restricted Stock.” Upon the sale of any shares received, any gain or loss, based on the difference between the sale price and the fair market value of the shares on the determination date (as defined above under “Restricted Stock”), will be taxed as capital gain or loss. We generally should be entitled to a deduction equal to the amount of ordinary income recognized by the participant on the determination date, except to the extent such deduction is limited by applicable provisions of the Code.

New Plan Benefits

The awards and benefits that will be awarded or paid under the Plan are not currently determinable. Awards granted under the Plan are within the discretion of the Compensation Committee. For information regarding the equity awards granted to our NEOs under the Plan during 2023, see “[Grants of Plan-Based Awards](#)” on page 87. The closing price of the Company’s common stock on March 31, 2024, was \$10.05. The aggregate number of shares of Common Stock subject to options granted, as of December 31, 2023, to the following persons under the Plan since its inception are as follows: (i) Randy L. Taylor, President and Chief Executive Officer, 477,000 shares; (ii) Mark F. Labay, Executive Vice President, Chief Financial Officer and Treasurer, 95,000 shares; (iii) Dean A. Ehrlich, Executive Vice President, Games Business Leader, no shares; (iv) Darren D. A. Simmons, Executive Vice President, FinTech Business Leader, 220,000 shares; (v) David J. Lucchese, Executive Vice President, Sales and Marketing, 427,000 shares; (vi) all current executive officers as a group, 2,161,209 shares; (vii) all current non-employee directors as a group, 185,000 shares; (viii) Class I director nominees, 477,000 shares, and (ix) all employees (excluding executive officers) as a group, 1,372,249 shares. No options have been granted under the Plan to any associate of any such director, nominee or executive officer, and no other person has been granted 5% or more of the total amount of options granted under the Plan.

Registration with the SEC

Subject to stockholder approval of this proposal, the Company intends to file with the SEC a registration statement on Form S-8 covering the new shares reserved for issuance under the Plan in the second quarter of 2024.

Equity Compensation Plan Information

The following table provides information as of December 31, 2023 with respect to shares of our Common Stock that may be issued under the Company's equity compensation plans:

Plan category	Equity plan	Number of securities to be issued upon exercise and release of outstanding options, awards, warrants and rights	Weighted average exercise price of outstanding options, awards, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by stockholders	2014 Plan	5,840,928 ⁽¹⁾	\$ 4.45	2,145,492
	2005 Plan	231,760	\$ 6.69	— ⁽²⁾
Equity compensation plans not approved by stockholders ⁽³⁾	2012 Plan	1,192,495 ⁽⁴⁾⁽⁵⁾	\$ 3.25	— ⁽²⁾
Total		7,265,183		2,145,492

(1) Consists of 3,486,698 outstanding options and 2,354,230 unvested and vested and unsettled RSUs.

(2) No further grants or awards may be made under the 2005 and 2012 Plans.

(3) In connection with its acquisition of Everi Games Holding in December 2014, the Company assumed the awards under the predecessor 2012 Plan, in accordance with applicable NYSE listing standards; therefore, the 2012 Plan was approved by the stockholders of the predecessor entity, and not by the Company's stockholders. The Company elected to assume the available shares reserved for use under the 2012 Plan to grant awards following the acquisition to former employees of Everi Games Holding, and its subsidiaries and others who were not employees, directors or consultants of the Company or its subsidiaries prior to the acquisition.

(4) Consists of shares of our Common Stock subject to outstanding options and RSUs assumed in connection with the acquisition of Everi Games Holding.

(5) Consists of 1,084,742 outstanding options and 107,753 unvested and vested and unsettled RSUs.

EXECUTIVE COMPENSATION

The Company is a holding company, the principal asset of which is the capital stock of Everi Payments Inc. (“Everi FinTech”), and the capital stock of Everi Games Holding Inc. (“Everi Games Holding”), which is the parent of Everi Games Inc. (“Everi Games”). The executive officers of the Company are employees of Everi FinTech, other than Mr. Ehrlich who is an employee of Everi Games. The references in this Proxy Statement to executive compensation relate to the executive compensation paid by Everi FinTech or Everi Games to such executive officers.

Compensation Discussion and Analysis

The following Compensation Discussion and Analysis (“CD&A”) describes the philosophy, objectives, and structure of our 2023 executive compensation program for our “named executive officers” or “NEOs.” This CD&A is intended to be read in conjunction with the Compensation of Named Executive Officers section contained within this Executive Compensation portion of the Proxy Statement, which provides further historical compensation information.

The following individuals were our NEOs for the fiscal year ended December 31, 2023:

Name	Current Title
Randy L. Taylor	President and Chief Executive Officer
Mark F. Labay	Executive Vice President, Chief Financial Officer and Treasurer
Dean A. Ehrlich	Executive Vice President, Games Business Leader
Darren D. A. Simmons	Executive Vice President, FinTech Business Leader
David J. Lucchese ⁽¹⁾	Executive Vice President, Sales and Marketing

(1) As of March 1, 2023, Mr. Lucchese began serving as Executive Vice President, Sales and Marketing. Mr. Lucchese previously served as Executive Vice President, Sales, Marketing and Digital.

Quick CD&A Reference Guide

Executive Summary	Section I
Compensation Philosophy and Objectives	Section II
Compensation Decision Making Process	Section III
Compensation Competitive Analysis	Section IV
Elements of Compensation	Section V
Additional Compensation Policies and Practices	Section VI

I. Executive Summary

Everi's compensation policies and practices strive to align pay for performance, and our belief that strong performance and profitable growth will build long-term shareholder value. While there were some positive data points, including a third consecutive year of revenue growth driven by high-single-digit growth in FinTech revenues, the Company experienced some headwinds. The Games business experienced a modest year-over-year decline in revenues as a result of acquisition contributions; however, gaming equipment and systems sales were down 13%, as the Company transitioned to its new family of cabinets and began the process of rolling out new content. Net income decreased by 30% and earnings per diluted share was down by 27%.

Below are some additional highlights for 2023:

- Total Revenues of \$807.8 million, consisted of:
 - Games revenue of \$429.2 million; and
 - FinTech revenue of \$378.7 million.
- Recurring revenues were \$607.2 million or 75% of total revenue.
- Total costs and expenses increased by 10% most notably from operating expenses, research and development expenses and depreciation charges.
- Interest expense, net of interest income, increased 39%.
- Consolidated Adjusted Earnings Before Interest, Taxes, Depreciation, and Amortization ("AEBITDA") of \$367 million compared to AEBITDA of 374.1 million in the prior year, representing a decrease of 2%.
- Free Cash Flow⁽¹⁾ was \$141.9 million, as compared to \$190.5 million in the prior year.
 - Invested \$145.1 million in capital investments for future organic growth
 - Spent \$61.3 million of our Free Cash Flow to acquire certain strategic assets of Video King which provided an entry into the Bingo market and an opportunity introduce our Games and FinTech products in this channel in the future.
 - We repurchased 7.5 million shares of Everi's common stock for \$100.0 million.

(1) For additional information related to AEBITDA and Free Cash Flow refer to [Appendix A: Unaudited Reconciliation of Selected Financial GAAP to non-GAAP measures](#).

Compensation Actions

The Compensation Committee, in conjunction with the entire Board, has continually strived to make compensation decisions that would be in the best interest of the Company, our stockholders, and our employees. Some highlights from the past year include:

- **Market-Based Salary Increases:** The Compensation Committee approved 2023 base salary increases for the NEOs, considering individual performance, responsibilities, market competitiveness, and our strategy to attract and retain top executive talent.
- **Consistent Annual Incentive Metrics:** Our 2023 annual cash incentive metrics remained unchanged from 2022, comprising Total Revenue (35%), AEBITDA (35%), and personal goals (30%). We revised the 2023 plan to provide clarity on the relationship between maximum financial performance and payout.
- **Majority of CEO Long-Term Incentive Awards Tied to Performance:** In 2023, we granted performance-based restricted stock units ("PSUs") and service-based restricted stock units ("RSUs") as long-term incentive awards to the NEOs. Mr. Taylor's long-term incentive award mix was adjusted in 2023, increasing the PSU allocation to 60% of the annual award. For other NEOs, we continued the practice of granting 50% of the long-term incentive awards based on performance criteria.

- **Adjusted the metrics in our PSU program:** We adjusted the 2023 metrics of our PSU program to include a 3-year cumulative operating income performance measure that is modified based on TSR relative to the Russell 3000 index.
- **No Annual Incentive Payout for 2023 Performance:** For the year ended December 31, 2023, we did not meet the total revenue and AEBITDA goal thresholds and therefore no bonuses were paid to our NEOs.

II. Compensation Philosophy and Objectives

The principal objective of the Company's executive compensation policies is to align the executives' incentives with the achievement of the Company's strategic goals, which are in turn designed to enhance shareholder value. The Company designed its executive compensation policies to be both fair and reasonable considering performance, competitive with the compensation paid to executives of similarly situated companies, and to incent its executives to achieve the Company's strategic goals, while at the same time discouraging them and other employees from taking excessive risk.

Our primary objectives can be summed up as such:

- Align the interests of our executives with those of stockholders;
- Link executive compensation to the Company's short-term and long-term performance;
- Attract, motivate, and retain high performing executive officers through competitive compensation arrangements; and
- Promote long-term value creation and growth strategies.





Compensation Governance Practices

The following is an overview of the highlights of our compensation structure, and the fundamental compensation policies and practices we do and do not use:

WHAT WE DO

-  **Executive Compensation Based on Pay-for-Performance Philosophy.** We align the interests of our executives and stockholders through the use of performance-based annual cash incentive compensation and service and performance-based long-term equity incentive compensation.
-  **Double-Trigger Severance Payments.** A Change in Control by itself is not sufficient to trigger severance payments, or acceleration of equity vesting; it must also be accompanied by a qualifying termination.
-  **Cash and Equity Clawback Policy.** We have a clawback policy regarding the recoupment of incentive compensation **in the event the Company is required to prepare an accounting restatement of the Company's financial statements due to material non-compliance with any financial reporting requirement under U.S. federal securities laws, the Company is required, subject to certain limited exceptions, to recover the amount of any incentive compensation received by an officer of the Company (as defined under Rule 16a-1 under the Exchange Act) during the clawback period that is in excess of the amount that otherwise would have been received had it been determined based on the restated financial statements.**
-  **Stock Ownership Guidelines for Officers and Directors.** Our officers and directors are required to accumulate stock holdings over a reasonable period of time that is a multiple of their respective base salaries or Board retainers, as applicable.
-  **Independent Committee Members.** Our Compensation Committee is comprised of entirely independent members.
-  **Independent Compensation Consultant.** We engage an independent compensation consultant to review and provide recommendations regarding our executive compensation program.
-  **Peer Group Analysis.** We review total direct compensation (base salary, annual cash incentive, and long-term incentive payments) and the mix of compensation components for the NEOs relative to the peer group as one of the factors in determining if compensation is adequate to attract and retain executive officers.

WHAT WE DON'T DO

-  **Allow Pledging of Our Securities.** Our officers and directors are prohibited from pledging our stock to secure loans of any type.
-  **Allow Hedging of Our Securities.** Our officers and directors are prohibited from engaging in any hedging or other speculative trading in our stock.
-  **Reprice Stock Options without Stockholder Approval.**
-  **Allow Cash Buyouts of Underwater Stock Options without Stockholder Approval.**
-  **No Defined Benefit or Supplemental Retirement Plans.** We do not provide pension arrangements, retirement plans, or nonqualified deferred compensation plans or arrangements to our executives, other than benefits generally available to our employees.
-  **Allow Excise Tax Gross-Ups.**
-  **Grant Excess Perquisites.**
-  **No Dividends on Full Value Awards Unless and Until Awards Vest**

Components of Our Compensation Program

The Compensation Committee oversees our executive compensation program, which includes several elements that have been tailored to incentivize and reward specific aspects of Company performance, which our Board believes are important to delivering long-term stockholder value. Key components of our 2023 compensation program are:

Type	Element	Performance Period	Objective	Performance Measured and Rewarded ⁽¹⁾⁽²⁾
Fixed	Base Salary	Annual	Recognizes an individual's role and responsibilities and serves as an important retention vehicle	<ul style="list-style-type: none"> Reviewed annually and set based on market competitiveness, individual performance, and internal equity considerations
Short-Term Incentive Plan				
Performance - based	Annual Incentive Bonus	Annual	Rewards achievement of annual financial objectives and individual performance goals	<ul style="list-style-type: none"> Total Revenue (35%) AEBITDA (35%)⁽¹⁾ Individual Performance Goals (30%)
Long-Term Incentive Plan				
Performance - based	PSUs: CEO - 60% NEOs and Senior Executives - 50%	Long-Term	Supports the achievement of long-term financial objectives and share price	<ul style="list-style-type: none"> Operating Income (100%) Total Stockholder Return Modifier (+/-33%)⁽²⁾ Three-year performance period
Time-based	RSUs: CEO - 40% NEOs and Senior Executives - 50%	Long-Term	Aligns the interests of management and stockholders and supports share price growth	<ul style="list-style-type: none"> Vests ratably over three years

(1) We define Adjusted EBITDA as earnings before interest, taxes, depreciation and amortization, non-cash stock compensation expense, accretion of contract rights, impairment of intangible assets, employee severance costs, non-recurring litigation costs net of settlements and insurance proceeds received, facilities consolidation costs, asset acquisition expense including the reduction of contingent consideration and other non-recurring professional fees, debt amendment costs and other one-time charges and benefits. For additional information related to AEBITDA, refer to [Appendix A: Unaudited Reconciliation of Selected Financial GAAP to non-GAAP measures](#).

(2) The number of Preliminary Units may be modified based on the Company's Total Stockholder Return ("TSR") ranking over the Performance Period in comparison to the Russell 3000 Index and such modification will determine the number of Units that will be earned.

2023 Target Total Compensation

Consistent with our desire to align pay and performance, we take the above-mentioned elements and more heavily weight their distribution towards variable (or, “at-risk”) compensation. Although our Compensation Committee does not target a specific allocation for each pay element, the Compensation Committee attempts to deliver an appropriate balance between fixed and variable elements, as well as short- and long-term incentives, as evidenced here in the following target pay mix allocation charts.

CEO PAY MIX

■ Base ■ Bonus ■ RSU ■ PSU



OTHER NEO PAY MIX

■ Base ■ Bonus ■ RSU ■ PSU



Note: The target pay mix includes 2023 base salaries, target annual cash incentives and grant date fair values of equity awards issued in connection with the annual grant.

2023 Say on Pay Results

At our 2023 Annual Meeting of Stockholders, our Say on Pay proposal received the support of approximately 97.2% of the shares voted, which we believe indicates strong support for our compensation program and practices. Our Compensation Committee believes the support for our ongoing efforts to improve and refine our compensation program, and further align management and stockholder interests was reflected in the strong support for our 2023 Say on Pay proposal. Therefore, the Compensation Committee did not make any changes to our 2023 compensation program directly as a result of the Say on Pay vote.

III. Compensation Decision Making Process

Role of the Board

Our Board has a Compensation Committee, consisting exclusively of independent directors. The Compensation Committee’s charter authorizes it to review and approve or to recommend for approval to the full Board, the compensation of our Chief Executive Officer and other executives. Our Board has authorized our Compensation Committee to make various decisions with respect to executive compensation. However, the Board also may make determinations and approve compensation in its discretion, including where the Compensation Committee recommends that the Board considers such executive compensation matters.

Role of the Compensation Committee

Our Compensation Committee evaluates the performance of our Chief Executive Officer and approves the compensation for our Chief Executive Officer considering the goals and objectives of our compensation program for that year. Our Compensation Committee annually assesses the performance of our other executives, and based in part on the recommendations from our Chief Executive Officer, approves the compensation of these executives. Our Compensation Committee may delegate its authority to subcommittees, but retains, and does not delegate, any of its responsibility to determine executive compensation.

Role of Management

At the request of our Compensation Committee, our Chief Executive Officer may attend a portion of our Compensation Committee meetings, including meetings at which our Compensation Committee's Compensation Consultant is present. This enables our Compensation Committee to review, with our Chief Executive Officer, the corporate and individual goals that the Chief Executive Officer regards as important to achieve our overall business objectives. Our Compensation Committee also requests that our Chief Executive Officer assess the performance of, and our goals and objectives for, certain other officers as deemed appropriate, including our other NEOs. In addition, our Compensation Committee may request certain other executives to provide input on executive compensation, including assessing individual performance and future potential, market data analyses and various compensation decisions relating to bonuses, equity awards, and other pay during the year. None of our executives attends any portion of Compensation Committee meetings at which his or her compensation is discussed except at the request of the Compensation Committee.

Role of Compensation Consultant

The Compensation Committee's practice has been to retain a compensation consultant to provide objective advice and counsel to the Compensation Committee on all matters related to the compensation of our executive officers and directors, as well as our compensation programs generally. Mercer, a wholly owned subsidiary of Marsh & McLennan Companies, Inc. ("MMC"), has been retained by the Compensation Committee as its compensation consultant.

Pursuant to the authority granted in their charters, the Compensation Committee, together with the Nom Gov Committee, engaged Mercer to provide consulting and advisory services related to executive and director compensation philosophy and strategy, short and long-term incentive plan designs, pay-for-performance analysis, reporting disclosures, communications, and other topics, including ESG strategy and related regulatory actions, developments, and trends. The Compensation Consultant reports directly to the Compensation Committee and/or the Nom Gov Committee, who may replace the Compensation Consultant or hire additional consultants at any time. The Compensation Consultant attends meetings of the Compensation Committee and/or the Nom Gov Committee, as requested, and may communicate with the Chair of the Compensation Committee and/or the Nom Gov Committee between meetings.

The Compensation Committee's relationship with Mercer is reviewed annually and was continued in fiscal 2023. Mercer communicates regularly with the Company to gather information and review its proposals, but is retained by and reports directly to the Compensation Committee. The Compensation Committee assessed the independence of Mercer pursuant to applicable SEC and NYSE rules and concluded that the engagement did not raise any conflicts of interest during fiscal 2023 and currently does not raise any conflicts of interest.

In addition, during fiscal 2023, Mercer and certain affiliates of MMC were retained by the Company to provide other services, including insurance brokerage services. The aggregate fees paid for executive compensation related services were \$170,000. The aggregate fees paid for other services, including those provided by MMC affiliates in fiscal 2023 were approximately \$300,000, which were approved by the Company in the ordinary course of business. Mercer and its MMC affiliates committed to follow safeguards between the executive compensation consultants engaged by the Compensation Committee and the other service providers to our company to ensure that the Compensation Committee's executive compensation consultants continued to fulfill their role in providing objective, unbiased advice. Mercer provided the Compensation Committee with an annual update on Mercer's

financial relationship with our company, as well as written assurances that, within the MMC organization, the Mercer consultants who performed executive compensation services for the Compensation Committee have a reporting relationship and compensation determined separately from MMC's other lines of business and from its other work for our Company.

In 2023, Mercer, provided advisory services to the Compensation Committee which covered, but were not limited to:

- compensation philosophy
- incentive plan designs
- executive job compensation analysis
- CD&A disclosure

None of the Company's management participated in the Compensation Committee's decision to retain the Compensation Consultant; however, the Company's management regularly interacted with the Compensation Consultant and provided information upon the Compensation Consultant's request. Our Compensation Committee made all decisions regarding the compensation of the Company's executive officers.

Our Compensation Committee regularly reviews the services provided by its outside consultants and believes that the Compensation Consultant is independent in providing executive compensation consulting services. Our Compensation Committee and Nom Gov Committee each conducted specific reviews of each committee's relationship with the Compensation Consultant in 2023, and independently determined that the Compensation Consultant's work for the Compensation Committee and/or Nom Gov Committee did not raise any conflicts of interest, consistent with the guidance provided under the Dodd-Frank Act, the SEC, and the NYSE. In making this determination, the Compensation Committee and Nom Gov Committee each noted that during 2023:

- Other than insurance related services provided by MMC, the Compensation Consultant did not provide any services to the Company or its management, other than services to our Compensation Committee and the Nom Gov Committee, and its services were limited to executive and director compensation consulting and services related to ESG trends, compliance, and disclosure;
- Fees charged to the Company were less than 1% of the Compensation Consultant's total revenue;
- None of the Compensation Consultants who worked on Company matters had any business or personal relationship with the Compensation Committee or Nom Gov Committee members;
- None of the Compensation Consultants who worked on Company matters had any business or personal relationship with executive officers of the Company; and
- None of the Compensation Consultants who worked on Company matters directly own Company stock.

Our Compensation Committee continues to monitor the independence of its Compensation Consultant on a periodic basis.

Compensation Risk Oversight

The Compensation Committee has reviewed and discussed the concept of risk as it relates to the Company's compensation policies and it does not believe that the Company's compensation policies encourage excessive or inappropriate risk-taking. Further, the Compensation Committee has endorsed and adopted several measures to further discourage risk-taking, such as robust stock ownership guidelines for Company executives and non-employee directors, and a Clawback Policy that requires the Compensation Committee recover incentive awards from executive and Section 16 officers in the unlikely event that incentive plan award decisions were based on financial results that are subsequently restated, subject to certain limited exceptions.

IV. Compensation Competitive Analysis

The Compensation Committee worked with its independent Compensation Consultant, Mercer, to create a meaningful 2023 peer group for the purposes of assessing the competitiveness and appropriateness of the

Company's NEO compensation in the market. To formulate this 2023 peer group, the Compensation Committee looked to identify two types of businesses: Games and FinTech, which represent the two core operations of the Company. From there, the Compensation Committee and Mercer screened potential peers for similar size and complexity, using revenue, market capitalization, and other financial and non-financial metrics.

After consideration of the data and perspective provided by Mercer, the Compensation Committee adjusted the peer group including the elimination of one company and the addition of five companies. Bread Financial Holdings, Inc. (f.k.a. Alliance Data Systems Corporation) was eliminated from the peer group as the Compensation Committee believed its business model was no longer sufficiently aligned with ours. The five companies added to the peer group included Black Knight, Fair Isaac, GAN Limited, Inspired Entertainment, and Playtika. The additional companies aligned with industry, business model, size and performance criteria that we used to assess the peer group, and continue to represent a balance of companies in the Gaming and FinTech industries. The revised peer group is being used to help the Compensation Committee analyze the Company's 2023 executive compensation programs.

Given the complexities and volatility of the industry, the Compensation Committee believes it is not appropriate to rigidly benchmark executive pay to a specific percentile of the group. Instead, the Compensation Committee uses the comparative data merely as a reference point in exercising its judgment about compensation design and setting appropriate target pay levels.

2023 Peer Group

Our 2023 peer group consists of the following companies:

Comparator Company	Ticker	Type
ACI Worldwide, Inc.	ACIW	FinTech
Black Knight, Inc.	BKI	FinTech
EVERTEC, Inc.	EVTC	FinTech
Fair Isaac Corporation	FICO	FinTech
Green Dot Corporation	GDOT	FinTech
Money Gram International, Inc.	MGI	FinTech
Shift4 Payments, Inc.	FOUR	FinTech
Accel Entertainment, Inc.	ACEL	Gaming
GAN Limited	GAN	Gaming
Golden Entertainment, Inc.	GDEN	Gaming
Inspired Entertainment, Inc.	INSE	Gaming
International Game Technology PLC	IGT	Gaming
Light & Wonder, Inc. (f.k.a. Scientific Games Corporation)	LNW	Gaming
PlayAGS, Inc.	AGS	Gaming
Playtika Holding Corp.	PLTK	Gaming
SciPlay Corporation	SCPL	Gaming
16 Peers		

V. Elements of Compensation

The Company's executive compensation policy is simple and transparent in design, and consists primarily of base salary, annual cash incentive awards, and long-term equity incentive awards for fiscal year 2023.

Base Salary Compensation

Base salary compensation is intended to provide an appropriate level of assured cash compensation that is sufficient to retain the services of our executives. Base salary compensation is reviewed annually in connection with the Company's performance review process, and is determined based upon the following factors:

- Position and responsibility;
- Job performance, and expected contribution to the Company's future performance;
- Market factors, including the market compensation profile for similar jobs and the need to attract and retain qualified candidates for high demand positions;
- Internal value of the executive's role based on the relative importance of the job as compared to the Company's other executive officers, as measured by the scope of responsibility and performance expectations; and
- Retention risk and the Company's need to retain high performing and high potential executives.

In February 2023, the Compensation Committee approved the following base salaries, effective May 29, 2023, for our NEOs:

NEO	2023 Base salary (\$)	2022 Base salary (\$)
Randy L. Taylor ⁽¹⁾	730,000	700,000
Mark F. Labay ⁽¹⁾	450,000	425,000
Dean A. Ehrlich ⁽¹⁾	445,000	425,000
Darren D. A. Simmons ⁽¹⁾	430,000	400,000
David J. Lucchese ⁽²⁾⁽³⁾	420,000	400,000

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- (1) As of May 29, 2023, base salary increased as a result of the Compensation Committee's base salary review and in consultation with Mercer.
 - (2) As of March 1, 2023, Mr. Lucchese began serving as Executive Vice President, Sales and Marketing. Mr. Lucchese previously served as Executive Vice President, Sales, Marketing and Digital.
 - (3) As of May 29, 2023, Mr. Lucchese's base salary increased from \$400,000 to \$420,000, as a result of the Compensation Committee's base salary review and in consultation with Mercer.

Annual Incentives

Our NEOs were eligible for the 2023 annual incentive plan, consistent with the Company's pay-for-performance philosophy by providing executives with direct financial incentives in the form of annual incentive bonuses for achieving predetermined individual and Company performance goals.

Each NEO's annual incentive bonus target is established as a percentage of base salary. Such target bonus percentage was either negotiated and set forth in the NEO's employment agreement or otherwise established by the Compensation Committee.

The following targets were effective in 2023 and were consistent with 2022 targets:

Name	Target
	<i>(As a % of base salary)</i>
Randy L. Taylor	100 %
Mark F. Labay	75 %
Dean A. Ehrlich	75 %
Darren D. A. Simmons	75 %
David J. Lucchese	75 %

2023 Annual Incentive Performance Metrics

For 2023, consistent with 2022, the Company's annual incentive plan for executives consisted of two financial performance metrics, together with individual personal goals based on the following weightings:

Name	Total Revenue	AEBITDA ⁽¹⁾	Personal Goals
Randy L. Taylor	35.0 %	35.0 %	30.0 %
Mark F. Labay	35.0 %	35.0 %	30.0 %
Dean A. Ehrlich	35.0 %	35.0 %	30.0 %
Darren D. A. Simmons	35.0 %	35.0 %	30.0 %
David J. Lucchese	35.0 %	35.0 %	30.0 %

(1) For additional information related to AEBITDA, refer to [Appendix A: Unaudited Reconciliation of Selected Financial GAAP to non-GAAP measures](#).

Payout levels based on the financial performance metrics can vary from 0 to 200%, whereas payout levels associated with the individual personal goals are capped at 100%. Therefore, the maximum payout level under the Annual Incentive Plan is 170% of target (200% x 70% weighted financial component plus 100% x 30% weighted individual component).

The goals associated with the Total Revenue and AEBITDA components of the annual incentive plan and the associated payouts were as follows (in thousands):

Component	Minimum Performance	Target Performance	Maximum Performance
	Payout 50%	Payout 100%	Payout 200%
Total Revenue	\$824.0	\$867.4	\$910.7
AEBITDA	\$380.0	\$396.5	\$420.0

The Individual Performance Goals are related to Corporate Strategy, Leadership, and Enhancing Customer and Community Relationships, including:

<p style="text-align: center;">Corporate Strategy</p>	<ul style="list-style-type: none"> • Continue to lead in product innovation and technology for the gaming industry. • Introduce best-in-class products and services to our customers. • Maintain and expand the Company’s operating footprint in current and additional jurisdictions through technology development and geographic expansion. • Enhance the Company’s offerings through new products, strategic partnerships, or acquisitions to achieve growth targets.
<p style="text-align: center;">Leadership</p>	<ul style="list-style-type: none"> • Continue developing a more diverse and inclusive culture. • Attract, inspire, and retain the best available talent through innovative compensation and benefit plans. • Identify and mentor prospective NEO successors.
<p style="text-align: center;">Enhance Customer and Community Relationships</p>	<ul style="list-style-type: none"> • Amplify the Company’s customer service efforts with increased efficiency and additional effective resources to strive for increased levels of customer confidence in our products and service. • Focus on employee work-life balance to increase talent retention and better align employees with the Company’s values. • Continue to support the Company’s ESG initiatives

2023 Performance and Actual Payouts

For the year ended December 31, 2023, the Compensation Committee determined performance against the annual incentive performance metrics as follows:

- Actual performance:
 - Total revenue was \$808M and AEBITDA was \$367M.
- The Total Revenue and AEBITDA goals were not met.
- The individual goals were not met. The Board made this determination based on an assessment against the individual performance goals above as well as the overall performance of the Company relative to expectations of shareholders.
- Non-equity incentive compensation was not earned by the NEOs in fiscal year 2023.

Long-Term Equity Incentive Awards

We believe the award of stock-based compensation and incentives is an effective way of aligning our executives’ interests with the goal of enhancing stockholder value. Due to the direct relationship between the value of an equity award and the Company’s stock price, we believe that equity awards motivate executives to manage the Company’s business in a manner that is consistent with stockholder interests. Through the grant of RSUs that vest over time, we can align executives’ interests with the long-term interests of our stockholders who seek appreciation in the value of our Common Stock.

With the grant of PSUs, we pay for performance, align executives with key financial metrics, and pay executives in a manner consistent with a common market-based compensation approach.

Annual RSU grants generally vest and become fully exercisable over a three-year period. Correspondingly, annual PSU grants may be earned based on performance as measured during a three-year performance period, as approved by the Compensation Committee.

The principal factors considered in granting RSUs and PSUs and determining the size of grants to executives were prior performance, level of responsibility, and the executive’s ability to influence the Company’s long-term growth and profitability, and competitive market compensation levels. Our Compensation Committee does not apply a quantitative method for weighing these factors, and a decision to grant an award is primarily based upon a subjective evaluation of the executive’s past performance as well as anticipated future performance.

2023 Annual Equity Awards

For 2023, the NEOs received equity grants in the following manner: (a) 50% of the annual awards issued were PSUs, with the exception of Mr. Taylor’s awards, for which PSUs were 60% of awards granted, and collectively these PSUs vest based on an evaluation by our Compensation Committee during the three-year performance period, through December 31, 2025, based on operating income and will be modified as a result of the Company’s total stockholder return ranking in comparison to the Russell 3000 Index; and (b) 50% of the annual awards issued were RSUs, with the exception of Mr. Taylor’s awards, for which RSUs were 40% of awards granted, and collectively these RSUs vest in equal annual installments over a period of three years. The 2023 annual equity awards were granted in order to continue to incentivize, motivate, and retain the executives, while further strengthening and demonstrating the alignment of management and stockholder interests.

With respect to the 2023 PSUs, the number of awards to be earned range from zero to 150% based on the achievement of target operating income and may be modified by 33%, plus or minus as a result of the Company’s total stockholder return ranking as compared to the Russell 3000 Index over the three-year period ending on December 31, 2025. The specific targets associated with these metrics have not been disclosed due to competitive harm, and our Compensation Committee believes the goals are challenging and require significant performance.

Vesting of 2021 PSUs

On May 19, 2021, executives were granted PSUs related to the Company’s 2021 annual grant of equity awards. The number of PSUs that could be earned and vested was based on performance over a three-year performance period beginning January 1, 2021 and ending December 31, 2023. In connection with the PSUs granted in 2021, which were based on the Company’s Total Revenue and Free Cash Flow (“FCF”), with achievement of each metric being determined independently of each other. These awards were approved by the Compensation Committee and are expected to be issued on May 19, 2024 to certain executives at 143.1% of target as a result of the performance levels achieved. Goals and actual achievement are as follows:

<i>(\$ in millions)</i>	Total Revenue	Total FCF
Threshold (50% Achievement)	\$671.7	\$126.6
Target (100% Achievement)	\$690.5	\$147.7
Maximum (200% Achievement)	\$719.4	\$171.0
Actual	\$807.8	\$141.9
Achievement	200.0%	86.2%
Metric Weighting	50.0%	50.0%
PSU Award Achievement-Combined		143.1%

VI. Additional Compensation Policies and Practices

Equity Ownership Policy

The Company and its stockholders are best served by a board and executives that manage the business with a long-term perspective. As such, the Company maintains an Equity Ownership Policy as the Company believes stock ownership is an important tool to strengthen the alignment of interests among stockholders, directors, NEOs, and other executives (each, a “Covered Person”). Upon the recommendation of the Nom Gov Committee, the Board updated the Company’s Equity Ownership Policy as a result of the position created in April 2022 of Executive Chair of the Board to include that the share ownership holding requirement for the Executive Chair be a multiple of six times the annual base salary of the position, and the share ownership holding requirement for an executive holding a joint position shall be the higher of the associated requirements (i.e., the President and Chief Executive Officer shall be required to hold six times the annual base salary for the position.)

The Compensation Committee receives periodic reports of the ownership achieved by each Covered Person. Until such time as such Covered Person satisfies the equity ownership requirement, the achievement level of ownership will be determined by reference to the average closing stock price of our Common Stock during the twelve-month period ended immediately prior to the determination date.

If, after a Covered Person’s achievement date, the number of shares the Covered Person is required to own increases as a result of a decline in stock price, the Covered Person’s compliance with these guidelines will not be impacted as long as such Covered Person continues to hold the number of shares he or she had at the time on the achievement date for the duration of their tenure of employment or service with the Company. A Covered Person is not required to “buy up” to a new number of shares needed to meet the ownership requirements after the Covered Person’s achievement date.

If, after a Covered Person’s achievement date, a Covered Person’s share ownership requirement increases as a result of a promotion, base salary increase or increase in retainer, the period to achieve compliance with respect to the incremental increase in share ownership will begin on the date of the change event and end on the second anniversary of the change event. For example, if the Covered Person received a 10% increase in salary, within two years following the change event, the Covered Person would then be required to acquire shares corresponding to the share ownership requirements of the 10% higher salary increment.

The following table sets forth the required salary multiples for each category of person subject to the policy:

Covered Persons	Required Salary Multiple
Executive Chair of the Board	6x annual base salary
President and Chief Executive Officer ⁽¹⁾	6x annual base salary
Other NEOs and Chief Financial Officer	3x annual base salary
Other Executive Vice Presidents	2x annual base salary
Other Senior Vice Presidents	1x annual base salary
Non-Employee Directors	5x annual cash retainer

(1) Mr. Taylor currently serves as President and Chief Executive Officer. In the event the President of the Company is not the Chief Executive Officer, the President will have a required salary multiple of 4x of their annual base salary.

The value of the following types of Company stock or stock options owned by or granted to Covered Persons qualifies toward the participant’s attainment of the target multiple of pay:

- Shares owned outright/shares beneficially owned (including by a family member and/or in a trust);
- Vested restricted stock, where time- or performance-based;
- Shares owned through the Company’s 401(k) plan (if applicable); and

- Shares underlying vested, but unexercised, stock options (based on the excess of the market price of the stock over the exercise price and after deducting applicable tax withholding obligations).

As of the filing of this Proxy, the Covered Persons either met the ownership guidelines or were within the phase-in period.

Clawback Policy

The Board of the Company adopted a Clawback Policy in February 2016, amended the policy in July 2021, and in August 2023 further amended the policy to adopt changes to comply with and, as applicable, to be administered and interpreted consistent with, Section 303A.14 of the NYSE Listed Company Manual, as adopted by the NYSE to implement Rule 10D-1 under the Exchange Act (collectively, “Rule 10D-1”). The amended August 2023 policy provides that in the event the Company is required to prepare an accounting restatement of the Company’s financial statements due to material non-compliance with any financial reporting requirement under U.S. federal securities laws, the Company will recover the amount of any incentive compensation received by an officer of the Company as defined under Rule 16a-1 under the Exchange Act (“Covered Executive”) during the clawback period that is in excess of the amount that otherwise would have been received had it been determined based on the restated financial statements. For purposes of this policy, incentive-based compensation includes any compensation granted, earned, or vested based in whole or in part on the Company’s attainment of a financial reporting measure that was received by a person (i) on or after October 2, 2023 and after the person began service as a Covered Executive, and (ii) who served as a Covered Executive at any time during the performance period for the incentive-based compensation. The policy defines a clawback period as three completed fiscal years immediately preceding the date that the Company is required to prepare the accounting restatement and any “transition period” as prescribed under Rule 10D-1. The policy is administered by the Compensation Committee of the Board, subject to ratification by the independent members of the Board with respect to application of this policy to the Company’s Chief Executive Officer.

Anti-Hedging and Anti-Pledging Policies

Under our Insider Trading Policy, Covered Persons, as well as other designated employees such as Senior Vice Presidents, Corporate or segment Controllers and similar employees, are prohibited from engaging in the following activities with respect to the Company’s Common Stock:

- Hedging or monetization transactions involving our securities; and
- Pledging our securities or holding our securities in a margin account as collateral for a loan.

As of the date of this Proxy Statement, no shares of Company Common Stock were hedged or pledged by any Covered Person.

Retirement Plans

We have established and maintain a retirement savings plan under Section 401(k) of the Code to cover our eligible employees, including our executive officers. The Code allows eligible employees to defer a portion of their compensation, within prescribed limits, on a tax deferred basis through contributions to the 401(k) plan. Our 401(k) plan is intended to constitute a qualified plan under Section 401(a) of the Code and its associated trust is intended to be exempt from federal income taxation under Section 501(a) of the Code. We make contributions on behalf of certain executive officers consistent with Company contributions to all eligible non-executive employees.

Severance Benefits

To retain the ongoing services of our NEOs, we have provided the assurance and security of severance benefits and change in control payments, which are described below under the caption “***Employment Contracts and Equity Agreements, Termination of Employment and Change in Control Arrangements.***”

We believe that these severance benefits and change in control payments reflect the fact that it may be difficult for such executives to find comparable employment within a short period of time and that providing such benefits should eliminate, or at least reduce, the reluctance of senior executives to pursue potential change in control transactions that may be in the best interests of stockholders. We believe that these benefits are appropriate in size relative to the overall value of the Company.

Compensation Committee Report

The Compensation Committee has reviewed and discussed the ***Compensation Discussion and Analysis*** with management. Based upon such review and discussions, the Compensation Committee recommended to the Board that the ***Compensation Discussion and Analysis*** be included in this Proxy Statement.

Members of the Compensation Committee:

Maureen T. Mullarkey **(Chair)**

Geoffrey P. Judge

Linster W. Fox

Atul Bali

Secil Tabli Watson

Paul W. Finch, Jr.

Debra L. Nutton

Compensation of Named Executive Officers

Summary Compensation Table

The following table sets forth the total compensation earned for services rendered in 2023, 2022, and 2021 by the NEOs.

Name and principal position	Year	Salary (\$)	Bonus (\$)	Stock awards ⁽¹⁾⁽²⁾ (\$)	Non-equity incentive plan compensation ⁽³⁾ (\$)	All other compensation ⁽⁴⁾ (\$)	Total (\$)
Randy L. Taylor	2023	717,671	—	4,057,716	—	\$ 29,420	\$ 4,804,807
President and Chief Executive Officer	2022	662,603	50,000	3,470,706	471,241	26,570	4,681,120
	2021	543,462	—	1,489,752	509,848	22,888	2,565,950
Mark F. Labay	2023	439,726	—	1,199,540	—	25,047	1,664,313
Executive Vice President,	2022	425,000	—	904,500	239,062	20,714	1,589,276
Chief Financial Officer and Treasurer	2021	336,923	75,000	876,744	316,565	16,887	1,622,119
Dean A. Ehrlich	2023	436,781	—	998,536	—	26,526	1,461,843
Executive Vice President,	2022	425,000	—	602,397	239,062	21,996	1,288,455
Games Business Leader	2021	425,000	125,000	702,108	398,438	19,602	1,670,148
Darren D. A. Simmons	2023	417,671	—	998,536	—	26,907	1,443,114
Executive Vice President,	2022	400,000	—	562,599	225,000	22,377	1,209,976
FinTech Business Leader	2021	399,385	—	702,108	375,000	20,627	1,497,120
David J. Lucchese⁽⁵⁾	2023	411,781	—	700,272	—	34,614	1,146,667
Executive Vice President,	2022	400,000	—	542,700	225,000	26,639	1,194,339
Sales and Marketing	2021	400,000	—	657,558	375,000	24,889	1,457,447

(1) Represents the aggregate grant date fair value of the stock awards granted to the NEOs, as calculated in accordance with FASB ASC Topic 718, Stock Compensation. For a discussion of the assumptions made in determining the valuation of these equity awards, see our notes to the financial statements in the Company's Annual Report on Form 10-K for the applicable periods.

(2) The awards granted in 2023 were comprised of both RSUs and PSUs with respect to the annual grant: (a) with 50% being RSUs, with the exception of Mr. Taylor's awards, for which RSUs were 40% of awards granted, that will vest on each of the first three anniversaries of the grant dates; and (b) with 50% being PSUs, with the exception of Mr. Taylor's awards, for which PSUs were 60% of awards granted, and collectively these PSUs vest based on an evaluation by our Compensation Committee during the three-year performance period, through December 31, 2025, based on operating income and may be modified as a result of the Company's total stockholder return ranking in comparison to the Russell 3000 Index metrics based on achievement at the target level of performance. If the performance criteria of the metrics have been achieved and are then approved by our Compensation Committee, the eligible awards

will become vested on the third anniversary of the date of grant. With respect to the 2023 PSUs, the number of awards to be earned range from zero to 150% based on the achievement of target operating income and may be modified by 33%, plus or minus as a result of the Company's total stockholder return ranking as compared to the Russell 3000 Index over the three-year period ending on December 31, 2025. The values of the PSUs for each NEO, assuming that maximum performance is achieved, are as follows: Mr. Taylor: \$5,114,901; Mr. Labay: \$1,277,000; Mr. Ehrlich: \$1,063,016; Mr. Simmons: \$1,063,016; Mr. Lucchese: \$745,492.

- (3) Represents the amount of non-equity incentive compensation earned under the Company's annual short-term incentive plan for the fiscal year. Amounts earned for a calendar year are typically paid to the NEOs in the first quarter of the following fiscal year. Non-equity incentive compensation was not earned by the NEOs for the 2023 calendar year.
- (4) Includes contributions made by the Company under its 401(k) plan of \$15,000 to all NEOs, the cost of short-term and long-term disability coverage, the cost of group term life insurance and executive disability insurance. We make contributions on behalf of certain executive officers consistent with Company contributions to all eligible non-executive employees.
- (5) As of March 1, 2023, Mr. Lucchese began serving as Executive Vice President, Sales and Marketing. Mr. Lucchese previously served as Executive Vice President, Sales, Marketing and Digital.

Grants of Plan-Based Awards

The following table sets forth certain information concerning grants of plan-based awards made to each NEO for the fiscal year ended December 31, 2023:

Name	Grant date	Estimated future payouts under non-equity incentive plan compensation ⁽¹⁾			Estimated future payouts under equity incentive plan compensation ⁽²⁾			All other stock awards: number of shares of stock units (#)	Grant date fair value of stock awards ⁽³⁾ (\$)
		Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)		
Randy L. Taylor		—	730,000	1,241,000	—	—	—	—	—
	5/2/2023	—	—	—	74,100	148,200	295,659	98,800 ⁽⁴⁾	4,057,716
Mark F. Labay		—	337,500	573,750	—	—	—	—	—
	5/2/2023	—	—	—	18,500	37,000	73,815	37,000 ⁽⁴⁾	1,199,540
Dean A. Ehrlich		—	333,750	567,375	—	—	—	—	—
	5/2/2023	—	—	—	15,400	30,800	61,446	30,800 ⁽⁴⁾	998,536
Darren D. A. Simmons		—	322,500	548,250	—	—	—	—	—
	5/2/2023	—	—	—	15,400	30,800	61,446	30,800 ⁽⁴⁾	998,536
David J. Lucchese ⁽⁵⁾		—	315,000	535,500	—	—	—	—	—
	5/2/2023	—	—	—	10,800	21,600	43,092	21,600 ⁽⁴⁾	700,272

(1) Represents the amounts potentially payable to the NEOs under the Company's annual incentive plan. Payout levels based on the financial performance metrics can vary from 0 to 200%, whereas payout levels associated with the individual personal goals are capped at 100%. Therefore, the maximum payout level under the Annual Incentive Plan is 170% of target (200% x 70% weighted financial component plus 100% x 30% weighted individual component). A more detailed discussion of how the target and maximum amounts are determined is found in the Elements of Compensation disclosure reflected in our CD&A section. Non-equity incentive compensation was not earned by the NEOs in fiscal year 2023.

(2) The PSUs to be earned range from zero to 150% based on the achievement of target operating income and may be modified by 33%, plus or minus as a result of the Company's total stockholder return ranking as compared to the Russell 3000 Index over the three-year period ending on December 31, 2025.

(3) Represents the grant date fair value of stock awarded to the NEOs, as calculated in accordance with FASB ASC Topic 718 Stock Compensation. For a discussion of the assumptions made in the valuation, we refer you to the notes to the financial statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

(4) Represents the RSUs granted in May 2023 that vest over a period of three years from the date of grant.

(5) As of March 1, 2023, Mr. Lucchese began serving as Executive Vice President, Sales and Marketing. Mr. Lucchese previously served as Executive Vice President, Sales, Marketing and Digital.

Outstanding Equity Awards at Fiscal Year-End

The following table sets forth certain information for our NEOs reflecting outstanding, unexercised, exercisable option awards and unvested stock awards granted under our equity incentive plan(s), including RSUs and PSUs, as of December 31, 2023:

Name	Option awards				Stock awards			
	Date granted	Number of securities underlying unexercised options exercisable (#)	Option exercise price (\$)	Option expiration date	Number of shares or units of stock that have not yet vested (#)	Market value of number of shares or units of stock that have not yet vested (\$)	Equity incentive plan awards: number of unearned shares or units that have not vested (#)	Equity incentive plan awards: market or payout value of unearned shares or units that have not vested (\$)
Randy L. Taylor	5/13/2016	265,000	1.46	5/13/2026	—	\$ —	—	\$ —
	3/8/2017	212,000	3.29	3/8/2027	—	—	—	—
	5/19/2021	—	—	—	59,830 ⁽¹⁾	674,284	—	—
	5/19/2021	—	—	—	13,933 ⁽²⁾	157,025	—	—
	4/1/2022	—	—	—	33,333 ⁽²⁾	375,663	—	—
	5/3/2022	—	—	—	—	—	66,700 ⁽³⁾	751,709
	5/3/2022	—	—	—	44,466 ⁽²⁾	501,132	—	—
	5/2/2023	—	—	—	—	—	148,200 ⁽⁴⁾	1,519,050
	5/2/2023	—	—	—	98,800 ⁽²⁾	1,113,476	—	—
Mark F. Labay	5/13/2016	50,000	\$ 1.46	5/13/2026	—	\$ —	—	\$ —
	3/8/2017	45,000	3.29	3/8/2027	—	—	—	—
	5/19/2021	—	—	—	35,211 ⁽¹⁾	396,828	—	—
	5/19/2021	—	—	—	8,200 ⁽²⁾	92,414	—	—
	5/3/2022	—	—	—	—	—	25,000 ⁽³⁾	281,750
	5/3/2022	—	—	—	16,666 ⁽²⁾	187,826	—	—
	5/2/2023	—	\$ —	—	—	—	37,000 ⁽⁴⁾	\$ 379,250
	5/2/2023	—	\$ —	—	37,000 ⁽²⁾	416,990	—	\$ —
Dean A. Ehrlich	12/8/2016	130,000	\$ 2.40	12/8/2026	—	\$ —	—	\$ —
	3/8/2017	212,000	3.29	3/8/2027	—	—	—	—
	5/19/2021	—	—	—	28,197 ⁽¹⁾	317,780	—	—
	5/19/2021	—	—	—	6,566 ⁽²⁾	73,999	—	—
	5/3/2022	—	—	—	—	—	16,650 ⁽³⁾	187,646
	5/3/2022	—	—	—	11,100 ⁽²⁾	125,097	—	—
	5/2/2023	—	—	—	—	—	30,800 ⁽⁴⁾	315,700
	5/2/2023	—	—	—	30,800 ⁽²⁾	347,116	—	—

Option awards					Stock awards			
Name	Date granted	Number of securities underlying unexercised options exercisable (#)	Option exercise price (\$)	Option expiration date	Number of shares or units of stock that have not yet vested (#)	Market value of number of shares or units of stock that have not yet vested (\$)	Equity incentive plan awards: number of unearned shares or units that have not vested (#)	Equity incentive plan awards: market or payout value of unearned shares or units that have not vested (\$)
Darren D. A. Simmons	5/2/2014	45,000	\$ 6.59	5/2/2024	—	\$ —	—	\$ —
	4/22/2015	75,000	7.74	4/22/2025	—	—	—	—
	5/13/2016	50,000	1.46	5/13/2026	—	—	—	—
	3/8/2017	50,000	3.29	3/8/2027	—	—	—	—
	5/19/2021	—	—	—	28,197 ⁽¹⁾	317,780	—	—
	5/19/2021	—	—	—	6,566 ⁽²⁾	73,999	—	—
	5/3/2022	—	—	—	—	—	15,550 ⁽³⁾	175,249
	5/3/2022	—	—	—	10,366 ⁽²⁾	116,825	—	—
	5/2/2023	—	—	—	—	—	30,800 ⁽⁴⁾	315,700
	5/2/2023	—	—	—	30,800 ⁽²⁾	347,116	—	—
David J. Lucchese ⁽⁵⁾	5/13/2016	215,000	1.46	5/13/2026	—	—	—	—
	3/8/2017	212,000	3.29	3/8/2027	—	—	—	—
	5/19/2021	—	—	—	26,408 ⁽¹⁾	297,618	—	—
	5/19/2021	—	—	—	6,150 ⁽²⁾	69,311	—	—
	5/3/2022	—	—	—	—	—	15,000 ⁽³⁾	169,050
	5/3/2022	—	—	—	10,000 ⁽²⁾	112,700	—	—
	5/2/2023	—	—	—	—	—	21,600 ⁽⁴⁾	221,400
5/2/2023	—	—	—	21,600 ⁽²⁾	243,432	—	—	

(1) The amounts in the table for the 2021 PSUs, which were based on the Company's Total Revenue and FCF Growth metrics, have been presented at 143.1% of target, and earned as a result of the levels achieved for the performance period ended December 31, 2023. These PSUs have been approved by the Compensation Committee and are expected to vest on May 19, 2024, subject to each executive's continued employment through such date.

(2) These equity awards vest annually over a period of three years from the date of grant.

(3) The amounts in the table for the 2022 PSUs have been presented based on achieving a target level of performance and have vesting conditions that will be evaluated by our Compensation Committee during the three-year performance period through December 31, 2024, as a result of certain Total Revenue and Adjusted Operating Cash Flow ("AOCF") Growth metrics being met, with achievement of each measure to be determined independently of one another. Upon the performance criteria of the metrics being achieved at a final level and are then approved by our Compensation Committee, the eligible awards will become vested on the third anniversary of the date of grant.

(4) The amounts in the table for the 2023 PSUs have been presented based on achieving a target level of performance and have vesting conditions that will be evaluated by our Compensation Committee during the three-year performance period through December 31, 2025, as a result of total operating income and modified based on the Company's total stockholder return ranking in comparison to the Russel 3000 Index being met. Upon the performance criteria of the metrics being achieved at a final level and are then

approved by our Compensation Committee, the eligible awards will become vested on the third anniversary of the date of grant.

- (5) As of March 1, 2023, Mr. Lucchese began serving as Executive Vice President, Sales and Marketing. Mr. Lucchese previously served as Executive Vice President, Sales, Marketing and Digital.

Option Exercises and Stock Vested

The following table sets forth certain information with respect to the exercise of option awards and the vesting of stock awards, including both RSUs and PSUs, related to each NEO for the fiscal year ended December 31, 2023:

Name	Option awards		Stock awards	
	Number of shares acquired on Exercise ⁽¹⁾ (#)	Value realized on exercise ⁽²⁾ (\$)	Number of shares acquired on vesting ⁽³⁾ (#)	Value realized on vesting ⁽⁴⁾ (\$)
Randy L. Taylor	60,000	458,400	272,943	4,029,009
Mark F. Labay	—	—	105,783	1,548,791
Dean A. Ehrlich	—	—	114,450	1,665,949
Darren D. A. Simmons	12,453	141,424	116,417	1,700,422
David J. Lucchese	138,398	1,191,187	106,150	1,548,769

- (1) The option exercise transactions were in accordance with our Equity Ownership Policy discussed in the Additional Compensation Policies and Practices disclosure reflected in the CD&A section.
- (2) The value realized on exercise is equal to (i) the closing price of our Common Stock on the date of exercise minus the exercise price of options exercised, multiplied by (ii) the number of shares that were exercised.
- (3) Shares acquired on vesting for our NEOs are derived from stock awards for the following amounts: Mr. Taylor 102,943 RSUs and 170,000 PSUs; Mr. Labay 35,783 RSUs and 70,000 PSUs; Mr. Ehrlich 34,450 RSUs and 80,000 PSUs; Mr. Simmons 36,417 RSUs and 80,000 PSUs; and Mr. Lucchese 31,150 RSUs and 75,000 PSUs.
- (4) The value realized on vesting is equal to (i) the closing price of our Common Stock on the vesting date, multiplied by (ii) the number of shares that vested.

Employment Contracts and Equity Agreements, Termination of Employment and Change in Control Arrangements

The Company is a party to employment agreements with our NEOs, which provide that, in the event of the termination of the executive's employment by the Company, the executive is entitled to the severance benefits described below. The severance benefits discussed below are all subject to the executive's execution of a release of claims in favor of the Company. The employment agreements contain restrictive covenants not to compete with our Company or solicit our employees for a period of two years immediately following termination of employment, subject to certain exceptions, as well as confidentiality and preservation of intellectual property obligations.

Mr. Taylor:

In the event of termination by the Company without cause or by the executive for good reason, Mr. Taylor's employment agreement provides for twenty-four months of salary continuation plus two times his target bonus amount payable over twenty-four months, equity vesting as determined in the respective equity grant agreements, and the continued group health coverage will be for a period of twenty-four months. Equity grant agreements provide for accelerated vesting in full of all unvested equity awards in the event of termination of the executive's employment by the Company without cause or by the executive for good reason within twenty-four months following a Change in Control event. In the event of death or incapacity, Mr. Taylor is entitled to base salary and employee benefits earned through the date of such death or incapacity. Beginning April 1, 2022, Mr. Taylor's employment agreement is for a three-year term (the "Initial Term"). Unless the Company provides written notice of intent not to renew 90 days prior to the expiration of the Initial Term, the agreement shall automatically renew for one-year periods on April 1st of each year thereafter, unless either party provides 90 days' notice of non-renewal.

Mr. Labay:

In the event of termination by the Company without cause or by the executive for good reason (as such terms are defined in the employment agreement), Mr. Labay's employment agreement provides for twelve months of salary continuation plus one times the executive's target bonus amount for the year of termination payable over twelve months, equity vesting as determined in the respective equity grant agreements, and continued group health insurance for a period of eighteen months. Equity grant agreements provide for accelerated vesting in full of all unvested equity awards in the event of termination of the executive's employment by the Company without cause or by the executive for good reason within twenty-four months following a Change in Control event. In the event of death or incapacity, Mr. Labay is entitled to base salary and employee benefits earned through the date of such death or incapacity. Beginning April 1, 2020, Mr. Labay's employment agreement is for a one-year term (the "Initial Term"). Unless the Company provides written notice of intent not to renew 90 days prior to the expiration of the Initial Term, the agreement shall automatically renew for one-year periods on April 1st of each year thereafter, unless either party provides 90 days' notice of non-renewal.

Mr. Ehrlich:

In the event of termination by the Company without cause or by the executive for good reason, Mr. Ehrlich's employment agreement provides for twelve months of salary continuation plus one times his target bonus amount for the year of termination payable over twelve months, equity vesting as determined in the respective equity grant agreements, and continued group health insurance for a period of eighteen months. Equity grant agreements provide for accelerated vesting in full of all unvested equity awards in the event of termination of the executive's employment by the Company without cause or by the executive for good reason within twenty-four months following a Change in Control event. In the event of death or incapacity, Mr. Ehrlich is entitled to base salary and employee benefits earned through the date of such death or incapacity. Unless the Company provides written notice of intent not to renew 90 days prior to the expiration of the Initial Term, the agreement shall automatically renew for one-year periods on April 1st of each year thereafter, unless either party provides 90 days' notice of non-renewal.

Mr. Simmons:

In the event of termination by the Company without cause or by the executive for good reason, Mr. Simmons's employment agreement provides for twelve months of salary continuation plus one times his target bonus amount for the year of termination payable over twelve months, equity vesting as determined in the respective equity grant agreements, and continued group health insurance for a period of eighteen months. Equity grant agreements provide for accelerated vesting in full of all unvested equity awards in the event of termination of the executive's employment by the Company without cause or by the executive for good reason within twenty-four months following a Change in Control event. In the event of death or incapacity, Mr. Simmons is entitled to base salary and employee benefits earned through the date of such death or incapacity. Unless the Company provides written notice of intent not to renew 90 days prior to the expiration of the Initial Term, the agreement shall automatically renew for one-year periods on April 1st of each year thereafter, unless either party provides 90 days' notice of non-renewal.

Mr. Lucchese:

In the event of termination by the Company without cause or by the executive for good reason, Mr. Lucchese's employment agreement provides for twelve months of salary continuation plus one times his target bonus amount for the year of termination payable over twelve months, equity vesting as determined in the respective equity grant agreements, and continued group health insurance for a period of eighteen months. Equity grant agreements provide for accelerated vesting in full of all unvested equity awards in the event of termination of the executive's employment by the Company without cause or by the executive for good reason within twenty-four months following a Change in Control event. In the event of death or incapacity, Mr. Lucchese is entitled to base salary and employee benefits earned through the date of such death or incapacity. Unless the Company provides written notice of intent not to renew 90 days prior to the expiration of the Initial Term, the agreement shall automatically renew for one-year periods on April 1st of each year thereafter, unless either party provides 90 days' notice of non-renewal.

Potential Payments upon Termination or Change in Control

The following table sets forth the estimated payments and benefits to the NEOs based upon: (i) a hypothetical termination without cause by the Company or for good reason by the Executive on December 31, 2023 that is not in connection with a Change in Control event; (ii) a hypothetical Change in Control event on December 31, 2023; and (iii) a hypothetical termination without cause by the Company or for good reason by the Executive on December 31, 2023 in connection with a Change in Control event:

Name	Termination without cause or for good reason				Change in control event	Termination without cause or for good reason following a change in control event			
	Cash payment (1)	Benefits (2)	Acceleration of stock and options (3)	Total	Acceleration of stock and options (3)	Cash payment (1)	Benefits (2)	Acceleration of stock and options (3)	Total
Randy L. Taylor	2,920,000	23,351	—	2,943,351	—	2,920,000	23,351	3,877,245	6,820,596
Mark F. Labay	787,500	20,520	—	808,020	—	787,500	20,520	1,420,250	2,228,270
Dean A. Ehrlich	778,750	20,520	—	799,270	—	778,750	20,520	1,104,306	1,903,576
Darren D. A. Simmons	752,500	20,520	—	773,020	—	752,500	20,520	1,087,780	1,860,800
David J. Lucchese	735,000	14,330	—	749,330	—	735,000	14,330	916,528	1,665,858

- (1) Reflects base salary and target bonus amount that would have been payable to the NEO, assuming the NEO's termination on December 31, 2023.
- (2) Estimated value of continued coverage under group health insurance plans through the end of the applicable severance period.
- (3) The value attributable to the hypothetical acceleration of the vesting of any RSUs held by a NEO is determined by multiplying the number of unvested shares of RSUs accelerated by \$11.27 (the closing price

of our Common Stock on December 29, 2023, which represented the last trading day of the year). The value attributable to the hypothetical acceleration of the vesting of any stock option awards held by a NEO is determined by multiplying (i) the difference, if greater than zero, between the exercise price of the applicable stock option award and the closing price of our Common Stock on December 29, 2023 of \$11.27 by (ii) the number of unvested shares underlying the applicable stock option. The equity awards held by the NEO that are subject to possible acceleration are described as unexercisable or not vested in the table entitled "Outstanding Equity Awards at December 31, 2023." There were no unvested options for the NEOs as of December 31, 2023.

Pension Benefits and Nonqualified Deferred Compensation

We do not currently offer, nor do we have plans that provide, pension arrangements, retirement plans, or nonqualified deferred compensation plans or arrangements to our executives, other than the qualified retirement benefits generally available to employees.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information known to the Company with respect to the beneficial ownership as of March 21, 2024 by: (i) stockholders who are beneficial owners of 5% or more of our Common Stock; (ii) directors and NEOs; and (iii) all directors and executive officers as a group.

There were 83,819,380 shares of our Common Stock issued and outstanding as of the close of business on March 21, 2024. The amounts and percentages of our Common Stock beneficially owned are reported on the basis of regulations of the SEC governing the determination of beneficial ownership of securities. Under the SEC rules, a person is deemed to be a “beneficial owner” of a security if that person has or shares “voting power,” which includes the power to vote or to direct the voting of such security, or “investment power,” which includes the power to dispose of or to direct the disposition of such security. A person is also deemed to be a beneficial owner of any securities of which that person has a right to acquire beneficial ownership within 60 days of the close of business on March 21, 2024. Under these rules, more than one person may be deemed a beneficial owner of securities as to which such person has no economic interest.

Name	Shares beneficially owned	
	Number	Percentage ⁽¹⁾
Principal stockholders		
BlackRock, Inc. ⁽²⁾	8,398,125	10.0
The Vanguard Group ⁽³⁾	7,178,509	8.6
Simcoe Capital Management, LLC ⁽⁴⁾	6,477,035	7.7
American Century Investment Management, Inc. ⁽⁵⁾	4,664,685	5.6
Directors and named executive officers⁽⁶⁾		
Michael D. Rumbolz ⁽⁷⁾	1,919,393	2.3
Randy L. Taylor ⁽⁸⁾	1,107,473	1.3
David J. Lucchese ⁽⁹⁾	785,818	*
Dean A. Ehrlich ⁽¹⁰⁾	526,822	*
Darren D. A. Simmons ⁽¹¹⁾	358,009	*
Mark F. Labay ⁽¹²⁾	277,980	*
Geoff P. Judge ⁽¹³⁾	246,572	*
Linster W. Fox ⁽¹⁴⁾	110,000	*
Maureen T. Mullarkey ⁽¹⁵⁾	10,000	*
Secil Tabli Watson ⁽¹⁶⁾	1,000	*
Debra L. Nutton ⁽¹⁷⁾	500	*
Atul Bali ⁽¹⁸⁾	—	*
Paul W. Finch, Jr. ⁽¹⁹⁾	—	*
Directors and executive officers as a group (15 persons)	5,557,418	6.4

* Represents beneficial ownership of less than 1%.

(1) The percentage of beneficial ownership as to any person as of a particular date is calculated by dividing the number of shares beneficially owned by such person, which includes the number of shares as to which such person has the right to acquire voting or investment power within 60 days after such date, by the sum of the number of shares outstanding as of March 21, 2024 plus the number of shares as to which such

person has the right to acquire voting or investment power within 60 days after such date. Consequently, the numerator and denominator for calculating beneficial ownership percentages may be different for each beneficial owner.

- (2) As reported on Schedule 13G/A filed on March 7, 2024 for shares held by BlackRock, Inc. (“BlackRock”) as of February 29, 2024. According to the Schedule 13G/A, BlackRock has sole voting power over 8,121,262 shares, shared voting and dispositive power over no shares, and sole dispositive power over 8,398,125 shares. The address for BlackRock is 50 Hudson Yards, New York, NY 10001.
- (3) As reported on Schedule 13G/A filed on February 13, 2024 for shares held by The Vanguard Group (“Vanguard”) as of December 29, 2023. According to the Schedule 13G/A, Vanguard has sole dispositive power over 6,978,850 shares, sole voting power over no shares, shared dispositive power over 199,659 shares, and shared voting power over 116,888 shares. The address for Vanguard is 100 Vanguard Blvd., Malvern, PA 19355.
- (4) As reported on Schedule 13G filed on April 1, 2024 for shares held by Simcoe Capital Management, LLC (“SCM”), Simcoe Partners, L.P. (“SP”), Simcoe Management Company, LLC (“SMC”), SDR Partners, LLC (“SDR”), and Jeffrey Jacobowitz as of March 20, 2024. According to the Schedule 13G, SMC and Mr. Jacobowitz have sole voting and dispositive power over 6,477,035 shares and shared voting and dispositive power over no shares; SP and SMC have sole voting and dispositive power over 6,285,960 shares and shared voting and dispositive power over no shares; and SDR has solve voting and dispositive power over 191,075 shares and shared voting and dispositive power over no shares. The address for SCM, SP, SMC, SDR, and Mr. Jacobowitz is 540 Madison Avenue, 27th Floor, New York, New York 10022.
- (5) As reported on Schedule 13G filed on February 12, 2024 for shares held by American Century Investment Management, Inc. (“ACIM”), American Century Companies, Inc. (“ACC”), and Stowers Institute for Medical Research (“SIMR”) as of December 31, 2023. According to the Schedule 13G, ACIM, ACC and SIMR have sole voting power over 4,583,507 shares, shared voting and dispositive power over no shares, and sole dispositive power over 4,664,685 shares. The address for ACIM, ACC and SIMR is 4500 Main Street, 9th floor, Kansas City, Missouri 64111.
- (6) Includes shares owned and shares issuable upon exercise of stock options that are currently exercisable or will be within 60 days of March 21, 2024.
- (7) Consists of 1,082,184 shares owned by Mr. Rumbolz and 837,209 shares issuable upon the exercise of stock options that are currently exercisable or will be within 60 days for Mr. Rumbolz.
- (8) Consists of 630,473 shares owned by Mr. Taylor and 477,000 shares issuable upon the exercise of stock options that are currently exercisable or will be within 60 days for Mr. Taylor.
- (9) Consists of 358,818 shares owned by Mr. Lucchese and 427,000 shares issuable upon the exercise of stock options that are currently exercisable or exercisable within 60 days for Mr. Lucchese.
- (10) Consists of 184,822 shares owned by Mr. Ehrlich and 342,000 shares issuable upon the exercise of stock options that are currently exercisable or will be within 60 days for Mr. Ehrlich.
- (11) Consists of 183,009 shares owned by Mr. Simmons and 175,000 shares issuable upon the exercise of stock options that are currently exercisable or exercisable within 60 days for Mr. Simmons.
- (12) Consists of 182,980 shares owned by Mr. Labay and 95,000 shares issuable upon the exercise of stock options that are currently exercisable or will be within 60 days for Mr. Labay.
- (13) Consists of 91,572 shares owned by Mr. Judge and 155,000 shares issuable upon the exercise of stock options that are currently exercisable or will be within 60 days for Ms. Judge.
- (14) Consists of 110,000 shares issuable upon the exercise of stock options that are currently exercisable or will be within 60 days for Mr. Fox.
- (15) Consists of 10,000 shares owned by Ms. Mullarkey.
- (16) Consists of 1,000 shares owned by Ms. Watson.
- (17) Consists of 500 shares owned by Ms. Nutton.

(18)As of the date of this filing, Mr. Bali is not a beneficial owner of any securities, nor does he have a right to acquire beneficial ownership within 60 days.

(19)As of the date of this filing, Mr. Finch is not a beneficial owner of any securities, nor does he have a right to acquire beneficial ownership within 60 days.

Pay Ratio

As required by Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and Item 402(u) of Regulation S-K, we are providing the following information about the relationship of the annual total compensation of our employees and the annual total compensation of Mr. Taylor, our Chief Executive Officer in 2023. The pay ratio included in this information is a reasonable estimate calculated in a manner consistent with Item 402(u) of Regulation S-K.

Name and principal position	Year	Salary (\$)	Bonus (\$)	Stock awards (\$)	Non-equity incentive plan compensation ⁽¹⁾ (\$)	All other compensation ⁽²⁾ (\$)	Total (\$)
Randy L. Taylor, President and Chief Executive Officer	2023	717,671	—	4,057,716 ⁽³⁾	—	29,420	4,804,807
Median Employee ⁽⁴⁾	2023	85,000	—	—	—	4,789	89,789
Pay Ratio							53.5x

(1) Represents the amount of non-equity incentive compensation earned for the fiscal year. Amounts earned for a calendar year are typically paid in the first quarter of the following fiscal year. There was no non-equity incentive compensation earned by the Chief Executive Officer or Median Employee for the 2023 calendar year.

(2) Includes contributions made by the Company under its 401(k) plan, the cost of short-term and long-term disability coverage, the cost of group term life insurance and executive disability insurance, among other considerations. We make contributions on behalf of certain executive officers consistent with Company contributions to all eligible non-executive employees.

(3) Represents the fair value of the stock awards granted to the NEO, as calculated in accordance with FASB ASC Topic 718, Stock Compensation. For a discussion of the assumptions made in determining the valuation of these equity awards, see our notes to the financial statements in the Annual Report on Form 10-K for the applicable periods. The stock awards amount was not annualized as it reflected remuneration received at a single point in time under Mr. Taylor’s employment agreement serving as President and Chief Executive Officer.

(4) Represents the total annual compensation of the median (i.e. middle-most) employee, excluding the Chief Executive Officer.

To identify the median of the annual total compensation of our employees, as well as to determine the annual total compensation of the “median employee,” we took the following steps:

1. We determined that, as of December 31, 2023, we had approximately 2,200 employees, a significant majority of which work domestically, and are comprised of approximately 1,000 and 1,200 employees, for our Games and FinTech segments, respectively.
2. The relevant payroll and other compensation data for our employee population are maintained in a single system located at our principal headquarters in the U.S. and were utilized to identify the “median employee” from our domestic employee population. To identify the “median employee” from domestic our employee population, we compared the amount of base salary of our employees as reflected in our payroll records and included as part of the total compensation reported to the Internal Revenue Service

on Form W-2 for 2023. We identified the median employee using this compensation measure, which was consistently applied to our employees included in the calculation.

- Once we identified the median employee, we combined all of the elements of such employee's compensation for 2023 in accordance with the requirements of Item 402(c)(2)(x) of Regulation S-K, resulting in the annual total compensation presented in the pay ratio calculation. The difference between such employee's base salary and the employee's annual total compensation represents company matching contributions on behalf of the employee to our 401(k) employee savings plan and other portions of incidental income (e.g. cost of short-term and long-term disability coverage, life insurance, among other considerations). Since we do not maintain a defined benefit or other actuarial plan for our employees, and do not otherwise provide a plan for payments or other benefits at, following, or in connection with retirement, the "median employee's" annual total compensation did not include such amounts.

Pay versus Performance

As required by Section 953(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and Item 402(v) of Regulation S-K, we are providing the following information about the relationship between executive compensation actually paid and certain financial performance of the Company. For further information concerning the Company's pay for performance philosophy and how the Company aligns executive compensation with the Company's performance, refer to "Executive Compensation – Compensation Discussion and Analysis."

Year	Summary Compensation Table for PEO - Michael D. Rumbolz ⁽¹⁾⁽²⁾	Summary Compensation Table for PEO - Randy L. Taylor ⁽¹⁾⁽³⁾	Compensation Actually Paid to PEO - Michael D. Rumbolz ⁽²⁾⁽⁴⁾	Compensation Actually Paid to PEO - Randy L. Taylor ⁽³⁾⁽⁴⁾	Average Summary Compensation Table Total for Non-PEO NEOs ⁽⁵⁾	Average Compensation Actually Paid to Non-PEO NEOs ⁽⁶⁾	Total Shareholder Return ⁽⁷⁾⁽⁸⁾	Value of Initial Fixed \$100 Investment Based On:		Net Income ⁽¹⁰⁾ (in thousands)	AEBITDA ⁽¹¹⁾ (in thousands)
								S&P Software & Services Select Index Total Shareholder Return ⁽⁹⁾			
2023	\$ —	\$ 4,804,807	\$ —	\$ 2,819,647	\$ 1,428,984	\$ 924,190	\$ 83.92	\$ 150.75	\$ 83,997	\$ 367,002	
2022	\$ 806,571	\$ 4,681,120	\$ (2,117,478)	\$ 613,489	\$ 1,320,512	\$ (215,338)	\$ 106.85	\$ 108.52	\$ 120,489	\$ 374,082	
2021	\$ 3,262,952	\$ —	\$ 9,983,819	\$ —	\$ 1,944,471	\$ 4,017,295	\$ 158.97	\$ 164.91	\$ 152,925	\$ 347,205	
2020	\$ 2,450,003	\$ —	\$ 4,087,371	\$ —	\$ 1,196,371	\$ 2,118,379	\$ 102.83	\$ 152.72	\$ (81,680)	\$ 176,528	

- Represents the amounts of total compensation reported in our Summary Compensation Table reflected elsewhere in this Proxy.
- As of April 1, 2022, Mr. Rumbolz transitioned from CEO to Executive Chair of the Board. Mr. Rumbolz previously served as Chief Executive Officer until April 1, 2022.
- As of April 1, 2022, Mr. Taylor began serving as President and Chief Executive Officer. Mr. Taylor previously served as President and Chief Operating Officer until April 1, 2022.
- Represents the amounts of "compensation actually paid", as computed in accordance with SEC rules. The amounts do not reflect the actual compensation earned by or paid during the applicable year. In accordance with SEC rules, the following adjustments were made to total compensation to determine the compensation actually paid for 2023:

Year	Reported Summary Compensation Table Total for PEO - Randy L. Taylor	Deduct Reported Value of Equity Awards- Randy L. Taylor ^(a)	Add or Deduct Equity Award Adjustments- Randy L. Taylor ^(b)	Compensation Actually Paid to PEO - Randy L. Taylor
2023	\$ 4,804,807	\$ 4,057,716	\$ 2,072,556	\$ 2,819,647

- The grant date fair value of equity awards represents the total of the amounts reported in the "Stock Awards" and "Option Awards" columns in the Summary Compensation Table for the applicable year.

- (b) The equity award adjustments for each applicable year include the addition (or subtraction, as applicable) of the following: (i) the year-end fair value of any equity awards granted in the applicable year that are outstanding and unvested as of the end of the year; (ii) the amount of change as of the end of the applicable year (from the end of the prior fiscal year) in fair value of any awards granted in prior years that are outstanding and unvested as of the end of the applicable year; (iii) for awards that are granted and vest in same applicable year, the fair value as of the vesting date; (iv) for awards granted in prior years that vest in the applicable year, the amount equal to the change as of the vesting date (from the end of the prior fiscal year) in fair value; (v) for awards granted in prior years that are determined to fail to meet the applicable vesting conditions during the applicable year, a deduction for the amount equal to the fair value at the end of the prior fiscal year; and (vi) the dollar value of any dividends or other earnings paid on stock or option awards in the applicable year prior to the vesting date that are not otherwise reflected in the fair value of such award or included in any other component of total compensation for the applicable year. The valuation assumptions used to calculate fair values did not materially differ from those disclosed at the time of grant. The amounts deducted or added in calculating the equity award adjustments are as follows:

PEO - Randy L. Taylor

Year	Year End Fair Value of Outstanding and Unvested Equity Awards Granted in the Year	Year over Year Change in Fair Value of Outstanding and Unvested Equity Awards Granted in Prior Years	Fair Value as of Vesting Date of Equity Awards Granted and Vested in the Year	Change in Fair Value from Prior Year End to the Vesting Date of Equity Awards Granted in Prior Years that Vested in the Year	Fair Value at the End of the Prior Year of Equity Awards that Failed to Meet Vesting Conditions in the Year	Value of Dividends or other Earnings Paid on Stock or Option Awards not Otherwise Reflected in Fair Value	Total Equity Award Adjustments
2023	\$ 2,632,526	\$ (672,247)	\$ —	\$ 112,277	\$ —	\$ —	\$ 2,072,556

- (5) The dollar amounts reported represent the average of the amounts reported for the Company's named executive officers (NEOs) as a group (excluding our CEO) in the "Total" column of the Summary Compensation Table in each applicable year. The names of each of the NEOs (excluding our CEO) included for purposes of calculating the average amounts in each applicable year are as follows: (i) for 2023, Mark F. Labay, Dean A. Ehrlich, Darren D. A. Simmons, and David J. Lucchese ; (ii) for 2022, Mark F. Labay, Dean A. Ehrlich, Darren D. A. Simmons, and David J. Lucchese ; (iii) for 2021, Mark F. Labay, Randy L. Taylor, Dean A Ehrlich, and Kate C. Lowenhar-Fisher; and (iv) for 2020, Randy L. Taylor, Mark F. Labay, Dean A. Ehrlich, and David J. Lucchese.
- (6) The dollar amounts reported represent the average amount of "compensation actually paid" to the NEOs as a group (excluding our CEO), as computed in accordance with SEC rules. The dollar amounts do not reflect the actual average amount of compensation earned by or paid to the NEOs as a group (excluding our CEO) during the applicable year. In accordance with the SEC rules, the following adjustments were made to average total compensation for the NEOs as a group (excluding our CEO) for each year to determine the compensation actually paid, using the same methodology described above in Note 4:

Year	Reported Summary Compensation Table for Non-PEO NEO's	Deduct Reported Value of Equity Awards	Add or Deduct Equity Award Adjustments ^(d)	Compensation Actually Paid to Non-PEO NEO's
2023	\$ 1,428,984	\$ 974,221	\$ 469,427	\$ 924,190

- (a) The amounts deducted or added in calculating the equity award adjustments are as follows:

Year	Year End Fair Value of Outstanding and Unvested Equity Awards Granted in the Year	Year over Year Change in Fair Value of Outstanding and Unvested Equity Awards Granted in Prior Years	Fair Value as of Vesting Date of Equity Awards Granted and Vested in the Year	Change in Fair Value from Prior Year End to the Vesting Date of Equity Awards Granted in Prior Years that Vested in the Year	Fair Value at the End of the Prior Year of Equity Awards that Failed to Meet Vesting Conditions in the Year	Value of Dividends or other Earnings Paid on Stock or Option Awards not Otherwise Reflected in Fair Value	Total Equity Award Adjustments
2023	\$ 646,676	\$ (204,687)	\$ —	\$ 27,438	\$ —	\$ —	\$ 469,427

- (7) The Company's closing stock prices were \$11.27, \$14.35, \$21.35 and \$13.81 for the years ended December 31, 2023, 2022, 2021 and 2020, respectively.
- (8) The cumulative Total Shareholder Return ("TSR") is calculated by dividing the sum of the cumulative amount of dividends for the measurement period, assuming dividend reinvestment, and the difference between the Company's share price at the end and the beginning of the measurement period by the Company's share price at the beginning of the measurement period.
- (9) The peer group used for this purpose is the published S&P Software & Services Select Industry Index.
- (10) The dollar amounts reported represent the amount of net income reflected in the Company's audited financial statements for the applicable year.
- (11) The dollar amounts reported represent the amount of AEBITDA reflected in the Company's Exhibit 99.1 to the filed 8-K on Earnings Release to be read in conjunction with our 10-K audited financial statements for the applicable year. For additional information related to AEBITDA, refer to [Appendix A: Unaudited Reconciliation of Selected Financial GAAP to non-GAAP measures](#).

Financial Performance Measures

As described in greater detail in "Executive Compensation – Compensation Discussion and Analysis," the Company's executive compensation program reflects a variable pay-for-performance philosophy. The metrics that the Company uses for both our long-term and short-term incentive awards are selected based on an objective of incentivizing our NEOs to increase the value of our enterprise for our shareholders. The most important financial performance measures used by the Company to link executive compensation actually paid to the Company's NEOs, for the most recently completed fiscal year, to the Company's performance are as follows:

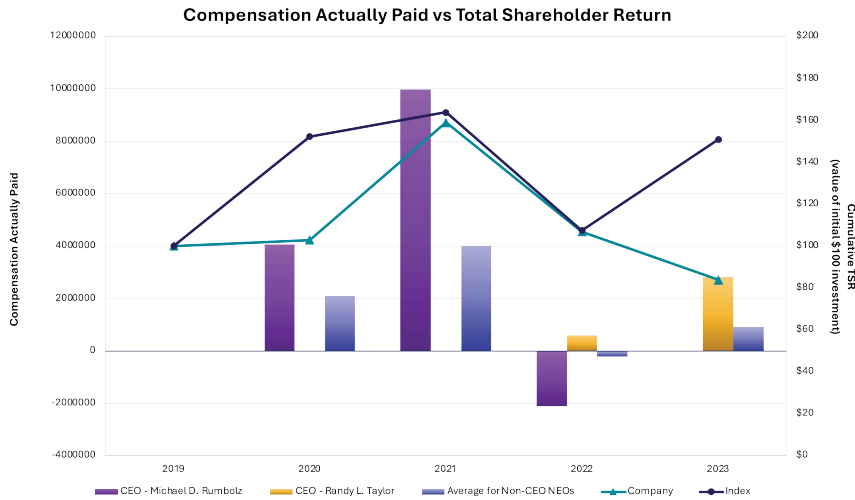
- AEBITDA
- Total Revenue
- Operating Income

Analysis of the Information Presented in the Pay versus Performance Table

As described in more detail in the section "Executive Compensation – Compensation Discussion and Analysis," the Company's executive compensation program reflects a variable pay-for-performance philosophy. While the Company utilizes several performance measures to align executive compensation with Company performance, all of those Company measures are not presented in the Pay versus Performance table. Moreover, the Company generally seeks to incentivize long-term performance, and therefore does not specifically align the Company's performance measures with compensation that is actually paid (as computed in accordance with SEC rules) for a particular year. In accordance with SEC rules, the Company is providing the following descriptions of the relationships between information presented in the Pay versus Performance table.

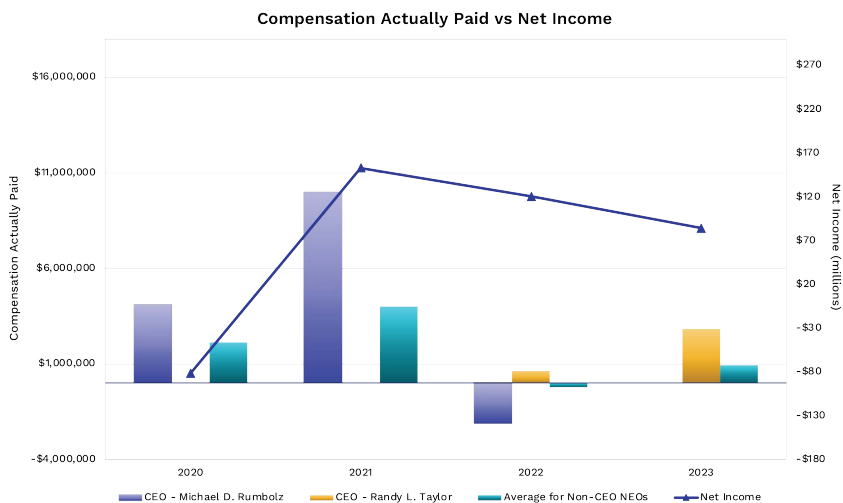
Compensation Actually Paid and Cumulative TSR

Total Shareholder Return has the most direct and significant impact on PEO and NEO compensation actually paid. This is primarily driven by our compensation program design, which is structured with a significant portion of compensation at-risk, through RSUs and PSUs. SEC rules require that Peer Group total shareholder return be presented as a performance measure in the Pay versus Performance Table above. The graph below shows the relationship between the Company’s total shareholder return and the total shareholder return of the Peer Group, as well as compensation actually paid (as computed in accordance with SEC rules). Our peer group used is the published S&P Software & Services Select Industry Index, as reported in the Company’s consolidated financial statements, for the four fiscal years ending December 31, 2023.



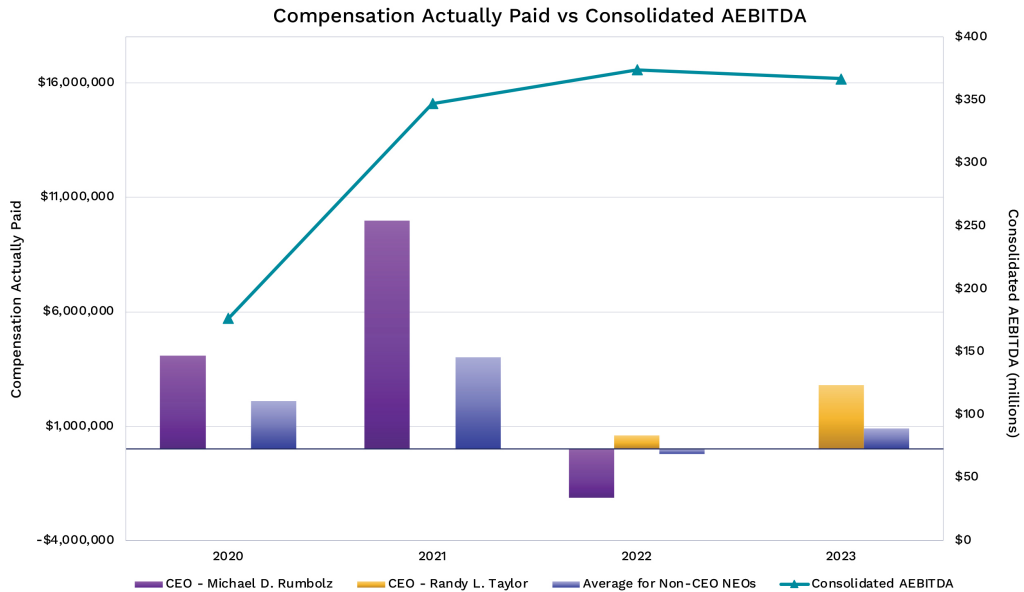
Compensation Actually Paid and Net Income

SEC rules require that net income be presented as a performance measure in the Pay versus Performance Table above. The graph below shows the relationship between compensation actually paid (as computed in accordance with SEC rules) to our PEOs and the average of the compensation actually paid (as computed in accordance with SEC rules) to our other NEOs and net income attributable to the company over the four fiscal years ending December 31, 2023 as reported in the Company’s consolidated financial statements.



Compensation Actually Paid and AEBITDA

AEBITDA is the company-selected measure. As the core metric used to link company performance to compensation actually paid (as computed in accordance with SEC rules). AEBITDA has a material impact on PEO and NEO compensation as it is used to calculate performance-based incentive compensation. The graph below shows the relationship between compensation actually paid (as computed in accordance with SEC rules) to our PEOs and the average of the compensation actually paid (as computed in accordance with SEC rules) to our other NEOs and our AEBITDA over the four fiscal years ending December 31, 2023.



PROPOSAL 4

RATIFICATION OF THE APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM (Item No. 4 on the Proxy Card)

THE BOARD UNANIMOUSLY RECOMMENDS THAT STOCKHOLDERS VOTE “FOR” THE RATIFICATION OF THE APPOINTMENT OF ERNST & YOUNG LLP AS THE COMPANY’S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING DECEMBER 31, 2024.

Ratification of Ernst & Young LLP

As previously disclosed in the Company’s Current Report on Form 8-K filed on March 3, 2023, the Audit Committee completed a competitive process to review the appointment of the Company’s independent registered public accounting firm for the 2023 fiscal year. As a result of this process and following careful deliberation, on March 3, 2023, the Audit Committee notified BDO USA, LLP (“BDO”) that it had determined to dismiss BDO as the Company’s independent registered public accounting firm, effective as of that same date. On, and effective as of, March 3, 2023, the Audit Committee selected Ernst & Young LLP (“EY”) as the Company’s independent registered public accounting firm for the Company’s fiscal year ending December 31, 2023.

Although the Company is not required to seek stockholder approval of its selection of an independent registered public accounting firm, the Board believes it to be sound corporate governance to do so. If the appointment is not ratified, the Board will investigate the reasons for stockholder rejection and will reconsider its selection of its independent registered public accounting firm. However, because of the difficulty in making any substitution so long after the beginning of the current year, the appointment of EY for fiscal year 2024 will stand, unless the Audit Committee finds other good reason for making a change and doing so is in the best interests of the Company and its stockholders. Even if the appointment is ratified, the Audit Committee, in its discretion, may direct the appointment of a different independent registered public accounting firm at any time during the fiscal year if the Audit Committee determines that such a change would be in the Company’s and its stockholders’ best interests. Proxies solicited by our Board will, unless otherwise directed, be voted to ratify the appointment of EY as our independent registered public accounting firm for the fiscal year ending December 31, 2024.

Prior Independent Registered Public Accounting Firm

BDO’s audit reports on the Company’s financial statements for the past two fiscal years did not contain an adverse opinion or disclaimer of opinion, nor were they qualified or modified as to uncertainty, audit scope or accounting principles. During the Company’s two most recent fiscal years and through March 3, 2023, (i) there were no disagreements with BDO on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure which, if not resolved to BDO’s satisfaction, would have caused BDO to make reference to the subject matter in connection with its reports on the Company’s financial statements for such years; and (ii) there were no reportable events, within the meaning set forth in Item 304(a)(1)(v) of Regulation S-K.

During the Company’s two most recent fiscal years and through March 3, 2023, neither the Company, nor any party on the Company’s behalf, consulted EY with respect to: (i) the application of accounting principles to a specified transaction, either completed or proposed, or the type of the audit opinion that might be rendered on the Company’s financial statements, and neither a written report nor oral advice was provided to the Company that EY concluded was an important factor considered by the Company in reaching a decision as to any accounting, auditing or financial reporting issue; or (ii) any matter that was either the subject of a disagreement, as defined in Item 304(a)(1)(iv) of Regulation S-K and the related instructions thereto, or a reportable event within the meaning set forth in Item 304(a)(1)(v) of Regulation S-K.

Attendance at Annual Meeting

Representatives of EY are expected to be present at the Annual Meeting, will have an opportunity to make a statement, if they so desire, and will be available to respond to appropriate questions from stockholders.

Fees

The following table represents fees invoiced for professional audit services rendered by EY, our independent registered public accounting firm for the year ended December 31, 2023, and fees invoiced for professional audit services rendered by BDO, our prior independent registered public accounting firm for the year ended December 31, 2022, for the audit of the Company's annual financial statements as well as fees invoiced for other services rendered by them for each respective year (amounts in thousands):

	Year Ended December 31,	
	2023	2022
Audit fees ⁽¹⁾	\$ 1,338	\$ 1,117
Audit-related fees ⁽²⁾	—	80
Tax fees ⁽³⁾	—	5
Other fees	\$ —	\$ —
Total	\$ 1,338	\$ 1,202

(1) Audit fees include amounts for the following professional services:

- audit of the Company's annual financial statements for fiscal years 2023 and 2022;
- attestation services, technical consultations and advisory services in connection with Section 404 of the Sarbanes-Oxley Act of 2002;
- reviews of the financial statements included in the Company's Quarterly Reports on Form 10-Q;
- statutory and regulatory audits, consents and other services related to SEC matters;
- professional services provided in connection with other statutory and regulatory filings;
- out-of-scope services, inclusive of additional audit charges; and
- access to a cloud-based accounting research tool.

(2) Audit-related fees are related to the evaluations of service organization controls under the Statement on Standards for Attestation Engagements (SSAE) No. 18 and an evaluation of internal controls for operators of inter-casino linked systems.

(3) Tax fees include amounts for planning (domestic and international), advisory and compliance services.

In making its recommendation to ratify the appointment of EY as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2024, the Audit Committee has considered whether services other than audit and audit-related services provided by EY are compatible with maintaining the independence of EY.

Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Registered Public Accounting Firm

The Audit Committee pre-approves all audit and permissible non-audit services provided by its independent registered public accounting firm. These services may include audit services, audit-related services, tax services, and other services. The Audit Committee has adopted a policy for the pre-approval of services provided by its independent registered public accounting firm. Under the policy, pre-approval is generally provided for up to one year and any pre-approval is detailed as to the particular service or category of services and is subject to a specific budget. In addition, the Audit Committee may also pre-approve particular services on a case-by-case basis. For each proposed service, the independent registered public accounting firm is required to provide detailed back-up documentation at the time of approval. The hours expended on the engagement to audit the Company's financial statements for fiscal year 2023 were not attributed to work performed by persons other than EY's full-time, permanent employees. All of the services described in the table above were approved in conformity with the Audit Committee's pre-approval process for independent registered public accounting firm fees.

REPORT OF THE AUDIT COMMITTEE

The Audit Committee of the Board currently consists of Messrs. Fox, Judge, Bali, Finch, and Ms. Mullarkey, Watson, and Nutton. Mr. Fox serves as Chair of the Audit Committee. The Board has determined that each member of the Audit Committee meets the experience requirements of the rules and regulations of the NYSE and the SEC, as currently applicable to the Company. The Board has also determined that each member of the Audit Committee meets the independence requirements of the rules and regulations of the NYSE and the SEC, as currently applicable to the Company.

The Audit Committee operates under a written charter approved by the Board. A copy of the charter is available on our website at <https://www.everi.com/investor-relations/governance/governance-documents/>.

The primary function of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities by reviewing financial reports and other financial information provided by the Company to any governmental body or the public, the Company's systems of internal controls regarding finance, accounting, legal compliance and ethics that management and the Board have established, and the Company's auditing, accounting and financial reporting processes generally. The Audit Committee annually recommends to the Board the appointment of an independent registered public accounting firm to audit the consolidated financial statements and internal controls over financial reporting of the Company and meets with such personnel of the Company to review the scope and the results of the annual audits, the amount of audit fees, the Company's internal controls over financial reporting, the Company's consolidated financial statements in the Company's Annual Report on Form 10-K and other related matters.

The Audit Committee has reviewed and discussed with management the consolidated financial statements for fiscal year 2023 audited by EY, the Company's independent registered public accounting firm for its fiscal year ended December 31, 2023, and management's assessment of internal controls over financial reporting. The Audit Committee has discussed with EY various matters related to the financial statements, including those matters required to be discussed under the applicable requirements of the Public Company Accounting Oversight Board and the SEC. The Audit Committee has also received the written disclosures and the letter from EY regarding its communications with the Audit Committee concerning independence, as required by the Public Company Accounting Oversight Board's applicable rules, and has discussed with EY its independence. Based upon such review and discussions, the Audit Committee recommended to the Board that the audited consolidated financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023 for filing with the SEC.

The Audit Committee and the Board also has recommended, subject to stockholder ratification, the selection of EY as our independent registered public accounting firm for the year ending December 31, 2024.

Members of the Audit Committee:

Linster W. Fox (**Chair**)
Geoffrey P. Judge
Maureen T. Mullarkey
Atul Bali
Secil Tabli Watson
Paul W. Finch, Jr.
Debra L. Nutton

FREQUENTLY ASKED QUESTIONS

Why am I receiving these proxy materials?

The Board is furnishing these proxy materials to you in connection with the Company's Annual Meeting to be held on Wednesday, May 22, 2024, at the Company's Corporate Headquarters located at 7250 South Tenaya Way, Suite 100, Las Vegas, Nevada 89113, beginning at 9:00 a.m. Pacific Time. At the Annual Meeting, you are entitled and requested to vote on the proposals outlined in this Proxy Statement.

This Proxy Statement is dated April 19, 2024, and is first being mailed to stockholders on or about April 19, 2024.

What proposals will be voted on at the Annual Meeting, and what are the recommendations of the Board?

There are four proposals scheduled to be voted on at the Annual Meeting. The proposals, and the Board's voting recommendations with respect to such proposals, are as follows:

Proposal 1	Board's Voting Recommendations
Election of three Class I directors to serve until the Company's 2027 annual meeting of stockholders.	FOR each of the Board's nominees
Proposal 2	
Approval, on a non-binding, advisory basis, of the compensation of our named executive officers as shown in this Proxy Statement.	FOR
Proposal 3	
Approval of the Everi Holdings Inc. Amended and Restated 2014 Equity Incentive Plan	FOR
Proposal 4	
Ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2024.	FOR

Management does not know of any matters to be presented at the Annual Meeting other than those set forth in this Proxy Statement and in the Notice of 2024 Annual Meeting of Stockholders accompanying this Proxy Statement. If other matters should properly come before the Annual Meeting, the proxy holders will vote on such matters in accordance with their best judgment. Our stockholders have no dissenter's or appraisal rights in connection with any of the proposals to be presented at the Annual Meeting.

What is the record date and what does it mean?

The record date for the Annual Meeting is April 5, 2024 (the "Record Date"). Only holders of shares of the Company's common stock, par value \$0.001 per share ("Common Stock"), at the close of business on the Record Date are entitled to receive notice of, and to vote at, the Annual Meeting and any adjournments or postponements thereof. At the close of business on April 5, 2024, there were approximately 83,836,220 shares of Common Stock outstanding and entitled to vote.

Shares held in treasury by the Company are not treated as being issued or outstanding for purposes of determining the number of shares of Common Stock entitled to vote.

How many votes do I have?

Each holder of shares of Common Stock is entitled to one vote for each share of Common Stock owned as of the Record Date.

Who is a “stockholder of record,” and who is a “beneficial holder”?

You are a stockholder of record if your shares of our Common Stock are registered directly in your own name with our transfer agent, Broadridge Financial Solutions, Inc. (“Broadridge”), as of the Record Date. You are a beneficial owner if a bank, brokerage firm, trustee, or other agent (each, a “nominee”) holds your stock. This is often called ownership in “street name” because your name does not appear in the records of our transfer agent. If your shares are held in street name, you will receive instructions from the holder of record. You must follow the instructions of the holder of record for your shares to be voted. Internet voting also will be offered to stockholders owning shares through certain banks and brokers. If your shares are not registered directly in your own name and you plan to vote your shares in person at the Annual Meeting, you should contact your nominee to obtain a legal proxy and bring it to the Annual Meeting to vote. For additional requirements to attend the Annual Meeting, see the information provided on page 9.

Who votes shares held in “street name”?

If you are a beneficial owner of shares held in “street name” by a nominee or other holder of record, and you do not give that nominee or other record holder specific instructions as to how to vote those shares, under the rules of the NYSE, your nominee or other record holder may, but is not required, to vote your shares on routine proposals. Without your specific instructions, however, your nominee or other record holder cannot vote your shares on non-routine proposals, and may elect not to vote on any of the proposals unless you provide voting instructions. Accordingly, if you do not instruct your nominee or other record holder how to vote, and the broker elects to vote your shares on some but not all matters, it will result in a “broker non-vote” for the matters on which the broker does not vote. If you hold your shares in street name, please refer to the information forwarded by your nominee or other holder of record for procedures on voting your shares or revoking or changing your proxy. We urge you to promptly provide instructions to your nominee or other holder of record regarding the voting of your shares so that all your shares are voted on all proposals, even if you plan to attend the Annual Meeting.

What constitutes a quorum?

The presence at the Annual Meeting, in person or represented by proxy, of the holders of a majority of the shares of Common Stock outstanding and entitled to vote on the Record Date will constitute a quorum permitting the proposals described herein to be acted upon at the Annual Meeting. Abstentions and broker non-votes are counted as present and are, therefore, included for purposes of determining whether a quorum of shares of Common Stock is present at the Annual Meeting.

What is the voting requirement to approve each of the proposals?

Voting Item	Board Recommendation	Voting Standard	Treatment of Abstentions & Broker Non-Votes (if any)
Election of Directors	For	Plurality ⁽¹⁾ of Shares Represented at the Meeting and Entitled to Vote Thereon	No effect on the outcome of the election
Say on Pay ⁽²⁾	For	Majority ⁽³⁾ of Shares Represented at the Meeting and Entitled to Vote Thereon	Broker Non-Votes: No effect on the outcome of this proposal Abstentions: Same effect as a vote “Against” this proposal
Amended and Restated 2014 Equity Incentive Plan	For	Majority ⁽³⁾ of Shares Represented at the Meeting and Entitled to Vote Thereon	Broker Non-Votes: No effect on the outcome of this proposal Abstentions: Same effect as a vote “Against” this proposal
Auditor Ratification	For	Majority ⁽³⁾ of Shares Represented at the Meeting and Entitled to Vote Thereon	Broker Non-Votes: No effect on the outcome of this proposal Abstentions: Same effect as a vote “Against” this proposal

(1) Director nominees who receive the highest number of shares voted “For” his or her election are elected.

If a nominee in an uncontested election (such as this one) nonetheless does not receive the vote of at least the majority of the votes cast and no successor has been elected at such meeting, he or she may trigger the Company's guideline regarding majority voting for directors. Full details of the guideline are set out in our Corporate Governance Guidelines, which are publicly available at the Corporate Governance section of the "Investors" page on our website at: <https://www.everi.com/investor-relations/governance/governance-documents/>.

- (2) Although this vote is advisory and non-binding on our Board, the Board and Compensation Committee will consider the voting results, along with other relevant factors, in connection with their ongoing evaluation of our compensation program and/or the frequency of votes on our compensation program, as applicable.
- (3) Number of shares voted "For" must exceed 50% of the number of shares represented at the meeting and entitled to vote.

All valid proxies received prior to the Annual Meeting will be exercised. All shares represented by a proxy will be voted, and where a proxy specifies a stockholder's choice with respect to any matter to be acted upon, the shares will be voted in accordance with that specification. If you are a stockholder of record and sign and return your proxy card or vote electronically without making any specific selections, your shares will be voted in accordance with the recommendations of the proxy holders on all matters presented in this Proxy Statement and as the proxy holders may determine in their discretion regarding any other matters properly presented for a vote at the Annual Meeting.

How do I vote my shares?

You can either attend the Annual Meeting and vote in person or give a proxy to be voted at the Annual Meeting. A proxy may be given in one of the following three ways:

- electronically by using the Internet;
- after receiving your proxy materials, over the telephone by calling a toll-free number; or
- by mailing the enclosed proxy card.

We encourage you to vote over the Internet or by telephone in advance of the meeting. Specific instructions for stockholders who wish to use the Internet or telephone voting procedures are set forth on the enclosed proxy card. If your shares are held in street name through a nominee or other holder of record, you will receive instructions from the nominee or other record holder that you must follow to have your shares voted.

How are the proxy card votes counted?

If the accompanying proxy card is properly completed, signed, and returned to us, and not subsequently revoked, it will be voted as directed by you. If the proxy card is submitted, but voting instructions are not provided, the proxy will be voted: (i) "For" each of the director nominees; (ii) "For" the advisory approval of the compensation of our named executive officers; (iii) for "For" approval of the Amended and Restated 2014 Equity Incentive Plan; and (iv) "For" the ratification of the appointment of EY as our independent registered public accounting firm for the fiscal year ending December 31, 2024.

Can I change my vote after submitting my proxy?

You can change your vote at any time before your proxy is exercised at the Annual Meeting. You may do so in one of the following four ways:

- submitting another proxy card bearing a later date;
- sending a written notice revoking your proxy to the **Corporate Secretary of the Company at 7250 South Tenaya Way, Suite 100, Las Vegas, Nevada 89113, or via e-mail to secretary@everi.com**;
- submitting new voting instructions via telephone or the Internet (if initially able to vote in that manner); or
- attending the Annual Meeting and voting in person.

If you hold your shares in “street name” through a nominee or other holder of record and you have instructed the nominee or other holder of record to vote your shares, you must follow the directions received from the nominee or other holder of record to change those instructions. Please refer to the information sent by your nominee or other holder of record for procedures on revoking or changing your proxy.

Who is paying for this proxy solicitation?

This proxy solicitation is being made by the Board of the Company. The Company will bear the cost of soliciting proxies, including the cost of preparing, assembling, printing, and mailing this Proxy Statement. The Company also will reimburse brokerage firms and other persons representing beneficial owners of shares for their expenses in forwarding solicitation materials to such beneficial owners. In addition, proxies may be solicited by certain of the Company’s directors, officers, and regular employees, either personally, by telephone, facsimile or e-mail. None of such persons will receive any additional compensation for their services.

How can I find out the voting results?

The Company will report the voting results in a Current Report on Form 8-K to be filed with the SEC within four business days after the end of the Annual Meeting.

Changing the way you receive proxy materials in the future – How do I receive electronic access to proxy materials for future annual meetings?

Stockholders can elect to view future proxy statements and annual reports over the Internet instead of receiving paper copies, which results in cost savings for the Company and benefits the environment. If you are a stockholder of record and would like to receive future proxy materials electronically, you can select this option by following the instructions provided when you vote your proxy over the Internet at: www.proxyvote.com. If you choose to view future proxy statements and annual reports over the Internet, you will receive an e-mail notification next year with instructions containing the Internet address of those materials. Your choice to view future proxy statements and annual reports over the Internet will remain in effect until you contact either your nominee or other holder of record or the Company to rescind your instructions. You do not have to elect Internet access each year.

If your shares of Common Stock are registered in the name of a brokerage firm, you still may be eligible to vote your shares of Common Stock electronically over the Internet. A large number of brokerage firms are participating in the Broadridge online program, which provides eligible stockholders who receive a paper copy of this Proxy Statement the opportunity to vote via the Internet. If your brokerage firm is participating in Broadridge’s program, your proxy materials will provide instructions for voting online. If your proxy materials do not reference Internet information, please complete and return your voting instruction form.

What is “householding”?

There are circumstances under which you may receive multiple mailings containing copies of the proxy materials, proxy cards, or voting instruction form. For example, if you hold your shares in more than one brokerage account, you may receive separate mailings for each such brokerage account. In addition, if you are a stockholder of record and your shares are registered in more than one name, you may receive more than one mailing. Please authorize your proxy in accordance with the instructions of each mailing separately, since each one represents different shares that you own.

The SEC has adopted rules that permit companies and intermediaries (such as brokers) to satisfy delivery requirements for annual reports and proxy statements with respect to two or more stockholders sharing the same address by delivering a single annual report or proxy statement addressed to those stockholders. This process, which is commonly referred to as “householding,” provides extra convenience for stockholders, cost savings for companies, and benefits the environment. Brokers with account holders who are stockholders of the Company may be householding the Company’s proxy materials. Once you have received notice from your broker that it will be householding materials to your address, householding will continue until you are notified otherwise or until you revoke your consent. If, at any time, you no longer wish to participate in householding and would prefer to receive a separate annual report or proxy statement, or if you are receiving multiple copies thereof and wish to receive only one, please notify your broker or notify the Company by sending a written request to the **Corporate Secretary of the Company at 7250 South Tenaya Way, Suite 100, Las Vegas, Nevada 89113, or via e-mail to secretary@everi.com, or by calling (702) 855-3000**. The Company, if contacted, will undertake to promptly deliver the requested materials.

When are stockholder proposals due for the 2025 Annual Meeting of Stockholders?

Stockholder proposals may be included in our proxy materials for an annual meeting so long as they are provided to us on a timely basis and satisfy certain other conditions established by the SEC, including specifically under Rule 14a-8 of the Exchange Act. To be timely, a proposal must be received at our principal executive offices, addressed to our Corporate Secretary of the Company, not less than 120 calendar days before the date our proxy statement was released to stockholders in connection with the previous year’s annual meeting. Accordingly, for a stockholder proposal to be included in our proxy materials for our 2025 Annual Meeting of Stockholders, the proposal must be received at our principal executive offices, addressed to our Corporate Secretary of the Company, not later than the close of business on December 20, 2024.

Subject to certain exceptions, stockholder business (including nominations) that is not intended for inclusion in our proxy materials may be brought before an annual meeting so long as notice of the proposal—as specified by, and subject to the conditions set forth in, our Bylaws—is delivered to our Corporate Secretary at our principal executive offices not earlier than the close of business on the 120th day, nor later than the close of business on the 90th day, prior to the first anniversary of the date of the preceding year’s annual meeting. For our 2025 Annual Meeting of Stockholders, proper notice of business that is not intended for inclusion in our proxy statement must be received no earlier than the close of business on January 22, 2025, nor later than the close of business on February 21, 2025. In addition to giving notice pursuant to the advance notice provisions of the Company’s bylaws, a stockholder who intends to solicit proxies in support of nominees submitted under these advance notice provisions must also provide proper written notice that sets forth all information required by Rule 14a-19, the SEC’s universal proxy rule, to the Secretary of the Company at our principal executive offices by no later than March 24, 2025 (or, if the 2025 Annual Meeting of Stockholders is called for a date that is more than 30 days before or more than 30 days after the one-year anniversary date, then notice must be provided not later than 60 calendar days prior to the date of the 2025 Annual Meeting of Stockholders or the 10th calendar day following the day on which public announcement of the date of the 2025 Annual Meeting of Stockholders is first made by the Company).

A stockholder’s notice to the Corporate Secretary of the Company must set forth as to each matter the stockholder proposes to bring before the annual meeting:

- Director Nomination: all information relating to such proposed nominee that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to Regulation 14A under the Exchange Act and Rule 14a-4(d) thereunder (including such person’s written consent to being named in the proxy statement as a nominee and to serving as a director if elected); and
- Stockholder Proposals: a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made.

Each stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made must also include (a) the name and address of such stockholder, as they appear on the Company's books, and of such beneficial owner, (b) the class and number of shares of the Company which are owned beneficially and of record by such stockholder and such beneficial owner, and (c) whether either such stockholder or beneficial owner intends to deliver a proxy statement and form of proxy to holders of, in the case of the proposal, at least the percentage of the Company's voting shares required under applicable law to carry the proposal or, in the case of a nomination or nominations, a sufficient number of holders of the Company's voting shares to elect such nominee or nominees.

OTHER MATTERS

As of the date of this Proxy Statement, the Company knows of no other matters that will be presented for consideration at the Annual Meeting. If any other matters properly come before the Annual Meeting, the persons named as proxies in the enclosed form of proxy or their substitutes will vote in accordance with their judgment on such matters.

ANNUAL REPORT TO STOCKHOLDERS AND ANNUAL REPORT ON FORM 10-K

The 2023 Annual Report, including the Company's audited financial statements, is being delivered with this Proxy Statement, but is not incorporated into this Proxy Statement and is not to be considered a part of these proxy materials or subject to Regulations 14A or 14C or to the liabilities of Section 18 of the Exchange Act. The information contained in the "Compensation Committee Report" and the "Report of the Audit Committee" shall not be deemed "filed" with the SEC or subject to Regulations 14A or 14C or to the liabilities of Section 18 of the Exchange Act.

We will provide a copy of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2023, to each stockholder as of the Record Date, without charge, upon written request to Corporate Secretary, Everi Holdings Inc., 7250 South Tenaya Way, Suite 100, Las Vegas, Nevada, 89113, or via e-mail to secretary@everi.com. Any exhibits listed in the Annual Report on Form 10-K for the fiscal year ended December 31, 2023 also will be furnished upon written request at the actual expense we incur in furnishing such exhibits.

By Order of the Board of Directors,



Randy L. Taylor
President and Chief Executive Officer & Director

Las Vegas, Nevada
April 19, 2024

Appendix A

UNAUDITED RECONCILIATION OF SELECTED FINANCIAL GAAP TO NON-GAAP MEASURES

The following table presents a reconciliation of AEBITDA and Free Cash Flow, non-GAAP financial measures included in this Proxy Statement, to net income, the most comparable GAAP financial measure:

	Reconciliation of net income to AEBITDA and to FCF					
	Year Ended December 31,					
	2023	2022		2021		
	(in thousands)					
Net income	\$	83,997	\$	120,489	\$	152,925
Income tax provision (benefit)		17,594		37,111		(51,900)
Loss on extinguishment of debt		—		—		34,389
Interest expense, net of interest income		77,693		55,752		62,097
Operating income	\$	179,284	\$	213,352	\$	197,511
Plus: depreciation and amortization		138,733		126,359		119,474
EBITDA	\$	318,017	\$	339,711	\$	316,985
Non-cash stock compensation expense		18,711		19,789		20,900
Accretion of contract rights		9,340		9,578		9,318
Impairment of acquired intangible assets		11,680		—		—
Acquisition related earnout reduction		(1,766)		—		—
Litigation fees, net of settlements received		(166)		2,291		(1,107)
Employee severance costs and other expenses		1,981		—		—
Office and warehouse consolidation costs		4,781		686		365
Debt amendment costs		92		—		—
Asset acquisition expense, non-recurring professional fees and other		3,135		2,027		744
Other non-recurring charges		1,197		—		—
AEBITDA	\$	367,002	\$	374,082	\$	347,205
Cash paid for interest, net ⁽¹⁾		(74,500) ⁽²⁾		(50,942) ⁽³⁾		(51,014) ⁽⁴⁾
Cash paid for capital expenditures		(145,108)		(127,568)		(104,708)
Cash paid for placement fees		—		(547)		(31,465)
Cash paid for taxes, net		(5,481)		(4,522)		(1,062)
Free cash flow	\$	141,913	\$	190,503	\$	158,956

(1) Cash paid for interest, net includes the cash received for interest income.

(2) Includes the cash received for interest income of \$12.0 million for the year ended December 31, 2023.

(3) Includes the cash received for interest income of \$3.8 million, as compared to the previously reported cash paid for interest of \$54.7 million for the year ended December 31, 2022.

(4) Includes the cash received for interest income of \$0.2 million, as compared to the previously reported cash paid for interest of \$51.2 million for the year ended December 31, 2021.

We present AEBITDA, as we use this measure to manage our business and consider this measure to be supplemental to our operating performance. We also make certain compensation decisions based, in part, on our

operating performance, as measured by AEBITDA; and our credit facility and senior unsecured notes require us to comply with a consolidated secured leverage ratio that includes performance metrics substantially similar to AEBITDA. We present FCF as a measure of performance. It should not be inferred that the entire FCF amount is available for discretionary expenditures. Accordingly, these measures should not be considered in isolation or as a substitute for measures prepared in accordance with GAAP. These measures should be read in conjunction with our net earnings, operating income, and cash flow data prepared in accordance with GAAP.

Appendix B
EVERI HOLDINGS INC.
AMENDED AND RESTATED 2014 EQUITY INCENTIVE
PLAN

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Everi Holdings Inc.

Amended and Restated 2014 Equity Incentive Plan

1. Establishment, Purpose and Term of Plan.

1.1 Establishment. The Everi Holdings Inc. 2014 Equity Incentive Plan, originally effective as of May 15, 2014 (the “*Original Effective Date*”), and subsequently amended and restated, effective May 23, 2017, and further amended and restated and continued as the Everi Holdings Inc. 2014 Amended and Restated Equity Incentive Plan (the “*Plan*”), effective as of May 19, 2021, the date of its approval by the stockholders of the Company (the “*Effective Date*”), and further amended effective February 28, 2024, is hereby further amended and restated effective as of May 22, 2024, the date of its approval by the stockholders of the Company.

1.2 Purpose. The purpose of the Plan is to advance the interests of the Participating Company Group and its stockholders by providing an incentive to attract, retain and reward persons performing services for the Participating Company Group and by motivating such persons to contribute to the growth and profitability of the Participating Company Group. The Plan seeks to achieve this purpose by providing for Awards in the form of Options, Stock Appreciation Rights, Restricted Stock Awards, Restricted Stock Units, Performance Shares, Performance Units, Cash-Based Awards and Other Stock-Based Awards.

1.3 Term of Plan. The Plan shall continue in effect until its termination by the Committee; provided, however, that all Awards shall be granted, if at all, within ten (10) years from the Effective Date.

2. Definitions and Construction.

2.1 Definitions. Whenever used herein, the following terms shall have their respective meanings set forth below:

(a) “*Affiliate*” means (i) a parent entity, other than a Parent Corporation, that directly, or indirectly through one or more intermediary entities, controls the Company or (ii) a subsidiary entity, other than a Subsidiary Corporation, that is controlled by the Company directly or indirectly through one or more intermediary entities. For this purpose, the terms “parent,” “subsidiary,” “control” and “controlled by” shall have the meanings assigned such terms for the purposes of registration of securities on Form S-8 under the Securities Act.

(b) “*Award*” means any Option, Stock Appreciation Right, Restricted Stock Purchase Right, Restricted Stock Bonus, Restricted Stock Unit, Performance Share, Performance Unit, Cash-Based Award or Other Stock-Based Award granted under the Plan.

(c) “*Award Agreement*” means a written or electronic agreement between the Company and a Participant setting forth the terms, conditions and restrictions applicable to an Award.

(d) “*Board*” means the Board of Directors of the Company.

(e) “*Cash-Based Award*” means an Award denominated in cash and granted pursuant to Section 11.

(f) “*Cashless Exercise*” means a Cashless Exercise as defined in Section 6.3(b)(i).

(g) “*Cause*” means, unless such term or an equivalent term is otherwise defined by the applicable Award Agreement or a written employment or services or similar agreement between a Participant and a Participating Company, any of the following: (i) the Participant’s theft,

dishonesty, willful misconduct, breach of fiduciary duty for personal profit, or falsification of any Participating Company documents or records; (ii) the Participant's material failure to abide by a Participating Company's code of conduct or other policies (including, without limitation, policies relating to confidentiality and reasonable workplace conduct); (iii) the Participant's unauthorized use, misappropriation, destruction or diversion of any tangible or intangible asset or corporate opportunity of a Participating Company (including, without limitation, the Participant's improper use or disclosure of a Participating Company's confidential or proprietary information); (iv) any intentional act by the Participant which has a material detrimental effect on a Participating Company's reputation or business; (v) the Participant's repeated failure to perform any reasonable assigned duties after written notice from a Participating Company of, and a reasonable opportunity to cure, such failure; (vi) any material breach by the Participant of any employment, service, non-disclosure, non-competition, non-solicitation or other similar agreement between the Participant and a Participating Company, which breach is not cured pursuant to the terms of such agreement; or (vii) the Participant's conviction (including any plea of guilty or *nolo contendere*) of any criminal act involving fraud, dishonesty, misappropriation or moral turpitude, or which impairs the Participant's ability to perform his or her duties with a Participating Company.

(h) "**Change in Control**" means, unless such term or an equivalent term is otherwise defined by the applicable Award Agreement or a written employment or services or similar agreement between the Participant and a Participating Company applicable to an Award, the occurrence of any one or a combination of the following:

(i) any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becomes the "beneficial owner" (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing more than fifty percent (50%) of the total Fair Market Value or total combined voting power of the Company's then-outstanding securities entitled to vote generally in the election of Directors; provided, however, that a Change in Control shall not be deemed to have occurred if such degree of beneficial ownership results from any of the following: (A) an acquisition by any person who on the Effective Date is the beneficial owner of more than fifty percent (50%) of such voting power, (B) any acquisition directly from the Company, including, without limitation, pursuant to or in connection with a public offering of securities, (C) any acquisition by the Company, (D) any acquisition by a trustee or other fiduciary under an employee benefit plan of a Participating Company or (E) any acquisition by an entity owned directly or indirectly by the stockholders of the Company in substantially the same proportions as their ownership of the voting securities of the Company; or

(ii) an Ownership Change Event or series of related Ownership Change Events (collectively, a "**Transaction**") in which the stockholders of the Company immediately before the Transaction do not retain immediately after the Transaction direct or indirect beneficial ownership of more than fifty percent (50%) of the total combined voting power of the outstanding securities entitled to vote generally in the election of Directors or, in the case of an Ownership Change Event described in Section 2.1(dd)(iii), the entity to which the assets of the Company were transferred (the "**Transferee**"), as the case may be; or

(iii) a date specified by the Committee following approval by the stockholders of a plan of complete liquidation or dissolution of the Company;

provided, however, that a Change in Control shall be deemed not to include a transaction described in subsections (i) or (ii) of this Section 2.1(h) in which a majority of the members of the board of directors of the continuing, surviving or successor entity, or parent thereof, immediately after such transaction is comprised of Incumbent Directors.

For purposes of the preceding sentence, indirect beneficial ownership shall include, without limitation, an interest resulting from ownership of the voting securities of one or more corporations or other business entities which own the Company or the Transferee, as the case may be, either directly or through one or more subsidiary corporations or other business entities. The Committee shall determine whether multiple events described in subsections (i), (ii) and (iii) of this Section 2.1(h) are related and to be treated in the aggregate as a single Change in Control, and its determination shall be final, binding and conclusive.

Notwithstanding the foregoing, the transactions contemplated by that certain Agreement and Plan of Merger by and among International Game Technology PLC, a public limited company incorporated under the laws of England and Wales (“Remainco”), Ignite Rotate LLC, a Delaware limited liability company and a direct wholly owned direct subsidiary of Remainco, the Company, and Ember Sub LLC, a Delaware limited liability company and a direct wholly owned subsidiary of the Company, shall be deemed to constitute a Change in Control; provided that in no event shall this provision result in the acceleration of payment of any Award that constitutes Section 409A Deferred Compensation as of the date hereof (including any Award granted under the Company’s 2012 Equity Incentive Plan that incorporates the definition of Change in Control herein by reference).

(i) “**Code**” means the Internal Revenue Code of 1986, as amended, and any applicable regulations and administrative guidelines promulgated thereunder.

(j) “**Committee**” means the Compensation Committee and such other committee or subcommittee of the Board, if any, duly appointed to administer the Plan and having such powers in each instance as shall be specified by the Board. If, at any time, there is no committee of the Board then authorized or properly constituted to administer the Plan, the Board shall exercise all of the powers of the Committee granted herein, and, in any event, the Board may in its discretion exercise any or all of such powers.

(k) “**Company**” means Everi Holdings, Inc., a Delaware corporation, and any successor corporation thereto.

(l) “**Consultant**” means a person engaged to provide consulting or advisory services (other than as an Employee or a Director) to a Participating Company, provided that the identity of such person, the nature of such services or the entity to which such services are provided would not preclude the Company from offering or selling securities to such person pursuant to the Plan in reliance on registration on Form S-8 under the Securities Act.

(m) “**Director**” means a member of the Board.

(n) “**Disability**” means, unless such term or an equivalent term is otherwise defined by the applicable Award Agreement or a written employment or services or similar agreement between the Participant and a Participating Company applicable to an Award, the permanent and total disability of the Participant, within the meaning of Section 22(e)(3) of the Code.

(o) “**Dividend Equivalent Right**” means the right of a Participant, granted at the discretion of the Committee or as otherwise provided by the Plan, to receive a credit for the account of such Participant in an amount equal to the cash dividends paid on one share of Stock for each share of Stock represented by an Award held by such Participant.

(p) “**Employee**” means any person treated as an employee (including an Officer or a Director who is also treated as an employee) in the records of a Participating Company and, with respect to any Incentive Stock Option granted to such person, who is an employee for purposes of Section 422 of the Code; provided, however, that neither service as a Director nor payment of a Director’s fee shall be sufficient to constitute employment for purposes of the Plan. The Company shall determine in

good faith and in the exercise of its discretion whether an individual has become or has ceased to be an Employee and the effective date of such individual's employment or termination of employment, as the case may be. For purposes of an individual's rights, if any, under the terms of the Plan as of the time of the Company's determination of whether or not the individual is an Employee, all such determinations by the Company shall be final, binding and conclusive as to such rights, if any, notwithstanding that the Company or any court of law or governmental agency subsequently makes a contrary determination as to such individual's status as an Employee.

(q) "**Exchange Act**" means the Securities Exchange Act of 1934, as amended.

(r) "**Fair Market Value**" means, as of any date, the value of a share of Stock or other property as determined by the Committee, in its discretion, or by the Company, in its discretion, if such determination is expressly allocated to the Company herein, subject to the following:

(i) Except as otherwise determined by the Committee, if, on such date, the Stock is listed or quoted on a national or regional securities exchange or quotation system, the Fair Market Value of a share of Stock shall be the closing price of a share of Stock as quoted on the national or regional securities exchange or quotation system constituting the primary market for the Stock, as reported in *The Wall Street Journal* or such other source as the Company deems reliable. If the relevant date does not fall on a day on which the Stock has traded on such securities exchange or quotation system, the date on which the Fair Market Value shall be established shall be the last day on which the Stock was so traded or quoted prior to the relevant date, or such other appropriate day as shall be determined by the Committee, in its discretion.

(ii) Notwithstanding the foregoing, the Committee may, in its discretion, determine the Fair Market Value of a share of Stock on the basis of the opening, closing, or average of the high and low sale prices of a share of Stock on such date or the preceding trading day, the actual sale price of a share of Stock received by a Participant, any other reasonable basis using actual transactions in the Stock as reported on a national or regional securities exchange or quotation system, or on any other basis consistent with the requirements of Section 409A. The Committee may vary its method of determination of the Fair Market Value as provided in this Section for different purposes under the Plan to the extent consistent with the requirements of Section 409A.

(iii) If, on such date, the Stock is not listed or quoted on a national or regional securities exchange or quotation system, the Fair Market Value of a share of Stock shall be as determined by the Committee in good faith without regard to any restriction other than a restriction which, by its terms, will never lapse, and in a manner consistent with the requirements of Section 409A.

(s) "**Full Value Award**" means any Award settled in Stock, other than (i) an Option, (ii) a Stock Appreciation Right, or (iii) a Restricted Stock Purchase Right or an Other Stock-Based Award under which the Company will receive monetary consideration equal to the Fair Market Value (determined on the effective date of grant) of the shares subject to such Award.

(t) "**Incentive Stock Option**" means an Option intended to be (as set forth in the Award Agreement) and which qualifies as an incentive stock option within the meaning of Section 422(b) of the Code.

(u) "**Incumbent Director**" means a director who either (i) is a member of the Board as of the Effective Date or (ii) is elected, or nominated for election, to the Board with the affirmative votes of at least a majority of the Incumbent Directors at the time of such election or nomination (but excluding a director who was elected or nominated in connection with an actual or threatened proxy contest relating to the election of directors of the Company).

- (v) “**Insider**” means an Officer, a Director or other person whose transactions in Stock are subject to Section 16 of the Exchange Act.
- (w) “**Net Exercise**” means a Net Exercise as defined in Section 6.3(b)(iii).
- (x) “**Nonemployee Director**” means a Director who is not an Employee.
- (y) “**Nonemployee Director Award**” means any Award granted to a Nonemployee Director.
- (z) “**Nonstatutory Stock Option**” means an Option not intended to be (as set forth in the Award Agreement) or which does not qualify as an incentive stock option within the meaning of Section 422(b) of the Code.
- (aa) “**Officer**” means any person designated by the Board as an officer of the Company.
- (bb) “**Option**” means an Incentive Stock Option or a Nonstatutory Stock Option granted pursuant to the Plan.
- (cc) “**Other Stock-Based Award**” means an Award denominated in shares of Stock and granted pursuant to Section 11.
- (dd) “**Ownership Change Event**” means the occurrence of any of the following with respect to the Company: (i) the direct or indirect sale or exchange in a single or series of related transactions by the stockholders of the Company of securities of the Company representing more than fifty percent (50%) of the total combined voting power of the Company’s then outstanding securities entitled to vote generally in the election of Directors; (ii) a merger or consolidation in which the Company is a party; or (iii) the sale, exchange, or transfer of all or substantially all of the assets of the Company (other than a sale, exchange or transfer to one or more subsidiaries of the Company).
- (ee) “**Parent Corporation**” means any present or future “parent corporation” of the Company, as defined in Section 424(e) of the Code.
- (ff) “**Participant**” means any eligible person who has been granted one or more Awards.
- (gg) “**Participating Company**” means the Company or any Parent Corporation, Subsidiary Corporation or Affiliate.
- (hh) “**Participating Company Group**” means, at any point in time, the Company and all other entities collectively which are then Participating Companies.
- (ii) “**Performance Award**” means an Award of Performance Shares or Performance Units.
- (jj) “**Performance Award Formula**” means, for any Performance Award, a formula or table established by the Committee pursuant to Section 10.3 which provides the basis for computing the value of a Performance Award at one or more levels of attainment of the applicable Performance Goal(s) measured as of the end of the applicable Performance Period.
- (kk) “**Performance Goal**” means a performance goal established by the Committee pursuant to Section 10.3.
- (ll) “**Performance Period**” means a period established by the Committee pursuant to Section 10.3 at the end of which one or more Performance Goals are to be measured.

(mm) “*Performance Share*” means a right granted to a Participant pursuant to Section 10 to receive a payment equal to the value of a Performance Share, as determined by the Committee, based upon attainment of applicable Performance Goal(s).

(nn) “*Performance Unit*” means a right granted to a Participant pursuant to Section 10 to receive a payment equal to the value of a Performance Unit, as determined by the Committee, based upon attainment of applicable Performance Goal(s).

(oo) “*Predecessor Plan*” means the Company’s 2005 Stock Incentive Plan.

(pp) “*Restricted Stock Award*” means an Award of a Restricted Stock Bonus or a Restricted Stock Purchase Right.

(qq) “*Restricted Stock Bonus*” means Stock granted to a Participant pursuant to Section 8.

(rr) “*Restricted Stock Purchase Right*” means a right to purchase Stock granted to a Participant pursuant to Section 8.

(ss) “*Restricted Stock Unit*” means a right granted to a Participant pursuant to Section 9 to receive on a future date or occurrence of a future event a share of Stock or cash in lieu thereof, as determined by the Committee.

(tt) “*Rule 16b-3*” means Rule 16b-3 under the Exchange Act, as amended from time to time, or any successor rule or regulation.

(uu) “*SAR*” or “*Stock Appreciation Right*” means a right granted to a Participant pursuant to Section 7 to receive payment, for each share of Stock subject to such Award, of an amount equal to the excess, if any, of the Fair Market Value of a share of Stock on the date of exercise of the Award over the exercise price thereof.

(vv) “*Section 409A*” means Section 409A of the Code.

(ww) “*Section 409A Deferred Compensation*” means compensation provided pursuant to an Award that constitutes nonqualified deferred compensation within the meaning of Section 409A.

(xx) “*Securities Act*” means the Securities Act of 1933, as amended.

(yy) “*Service*” means a Participant’s employment or service with the Participating Company Group, whether as an Employee, a Director or a Consultant. Unless otherwise provided by the Committee, a Participant’s Service shall not be deemed to have terminated merely because of a change in the capacity in which the Participant renders Service or a change in the Participating Company for which the Participant renders Service, provided that there is no interruption or termination of the Participant’s Service. Furthermore, a Participant’s Service shall not be deemed to have been interrupted or terminated if the Participant takes any military leave, sick leave, or other bona fide leave of absence approved by the Company. However, unless otherwise provided by the Committee, if any such leave taken by a Participant exceeds ninety (90) days, then on the ninety-first (91st) day following the commencement of such leave the Participant’s Service shall be deemed to have terminated, unless the Participant’s right to return to Service is guaranteed by applicable law or contract. Notwithstanding the foregoing, unless otherwise designated by the Company or required by law, an unpaid leave of absence shall not be treated as Service for purposes of determining vesting under the Participant’s Award Agreement. A Participant’s Service shall be deemed to have terminated either upon an actual termination of Service or upon the business entity for which the Participant performs Service ceasing to be a Participating Company. Subject to the foregoing, the Company, in its discretion, shall

determine whether the Participant's Service has terminated and the effective date of and reason for such termination.

(zz) "*Stock*" means the Common Stock, par value \$0.001 per share, of the Company, as adjusted from time to time in accordance with Section 4.4.

(aaa) "*Stock Tender Exercise*" means a Stock Tender Exercise as defined in Section 6.3(b)(ii).

(bbb) "*Subsidiary Corporation*" means any present or future "subsidiary corporation" of the Company, as defined in Section 424(f) of the Code.

(ccc) "*Ten Percent Owner*" means a Participant who, at the time an Option is granted to the Participant, owns stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of a Participating Company (other than an Affiliate) within the meaning of Section 422(b)(6) of the Code.

(ddd) "*Trading Compliance Policy*" means the written policy of the Company pertaining to the purchase, sale, transfer or other disposition of the Company's equity securities by Directors, Officers, Employees or other service providers who may possess material, nonpublic information regarding the Company or its securities.

(eee) "*Vesting Conditions*" mean those conditions established in accordance with the Plan prior to the satisfaction of which an Award or shares subject to an Award remain subject to forfeiture or a repurchase option in favor of the Company exercisable for the Participant's monetary purchase price, if any, for such shares upon the Participant's termination of Service or failure of a performance condition to be satisfied.

2.2 Construction. Captions and titles contained herein are for convenience only and shall not affect the meaning or interpretation of any provision of the Plan. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term "or" is not intended to be exclusive, unless the context clearly requires otherwise.

3. Administration.

3.1 Administration by the Committee. The Plan shall be administered by the Committee. All questions of interpretation of the Plan, of any Award Agreement or of any other form of agreement or other document employed by the Company in the administration of the Plan or of any Award shall be determined by the Committee, and such determinations shall be final, binding and conclusive upon all persons having an interest in the Plan or such Award, unless fraudulent or made in bad faith. Any and all actions, decisions and determinations taken or made by the Committee in the exercise of its discretion pursuant to the Plan or Award Agreement or other agreement thereunder (other than determining questions of interpretation pursuant to the preceding sentence) shall be final, binding and conclusive upon all persons having an interest therein. All expenses incurred in connection with the administration of the Plan shall be paid by the Company.

3.2 Authority of Officers. Any Officer shall have the authority to act on behalf of the Company with respect to any matter, right, obligation, determination or election that is the responsibility of or that is allocated to the Company herein, provided that the Officer has apparent authority with respect to such matter, right, obligation, determination or election.

3.3 Administration with Respect to Insiders. With respect to participation by Insiders in the Plan, at any time that any class of equity security of the Company is registered pursuant to Section 12 of the Exchange Act, the Plan shall be administered in compliance with the requirements, if any, of Rule 16b-3.

3.4 Powers of the Committee. In addition to any other powers set forth in the Plan and subject to the provisions of the Plan, the Committee shall have the full and final power and authority, in its discretion:

- (a) to determine the persons to whom, and the time or times at which, Awards shall be granted and the number of shares of Stock, units or monetary value to be subject to each Award;
- (b) to determine the type of Award granted;
- (c) to determine the Fair Market Value of shares of Stock or other property;
- (d) to determine the terms, conditions and restrictions applicable to each Award (which need not be identical) and any shares acquired pursuant thereto, including, without limitation, (i) the exercise or purchase price of shares pursuant to any Award, (ii) the method of payment for shares purchased pursuant to any Award, (iii) the method for satisfaction of any tax withholding obligation arising in connection with any Award, including by the withholding or delivery of shares of Stock, (iv) the timing, terms and conditions of the exercisability or vesting of any Award or any shares acquired pursuant thereto, (v) the Performance Measures, Performance Period, Performance Award Formula and Performance Goals applicable to any Award and the extent to which such Performance Goals have been attained, (vi) the time of expiration of any Award, (vii) the effect of any Participant's termination of Service on any of the foregoing, and (viii) all other terms, conditions and restrictions applicable to any Award or shares acquired pursuant thereto not inconsistent with the terms of the Plan;
- (e) to determine whether an Award will be settled in shares of Stock, cash, other property or in any combination thereof;
- (f) to approve one or more forms of Award Agreement;
- (g) to amend, modify, extend, cancel or renew any Award or to waive any restrictions or conditions applicable to any Award or any shares acquired pursuant thereto;
- (h) to accelerate, continue, extend or defer the exercisability or vesting of any Award or any shares acquired pursuant thereto, including with respect to the period following a Participant's termination of Service;
- (i) to prescribe, amend or rescind rules, guidelines and policies relating to the Plan, or to adopt sub-plans or supplements to, or alternative versions of, the Plan, including, without limitation, as the Committee deems necessary or desirable to comply with the laws of, or to accommodate the tax policy, accounting principles or custom of, foreign jurisdictions whose residents may be granted Awards; and
- (j) to correct any defect, supply any omission or reconcile any inconsistency in the Plan or any Award Agreement and to make all other determinations and take such other actions with respect to the Plan or any Award as the Committee may deem advisable to the extent not inconsistent with the provisions of the Plan or applicable law.

3.5 Option or SAR Repricing. Without stockholder approval, the Committee shall not approve a program providing for either (a) the cancellation of outstanding Options or SARs having exercise prices per share greater than the then Fair Market Value of a share of Stock ("*Underwater Awards*") and the grant in substitution therefor of new Options or SARs having a lower exercise price, Full Value Awards or payments in cash, or (b) the amendment of outstanding Underwater Awards to reduce the exercise price thereof. This Section shall not be construed to apply to (i) "issuing or assuming a stock option in a transaction to which Section 424(a) applies," within the meaning of Section 424 of the Code, (ii) adjustments pursuant to the assumption of or substitution for an Option or SAR in a manner that would comply with Section 409A, or (iii) an adjustment pursuant to Section 4.4.

3.6 Indemnification. In addition to such other rights of indemnification as they may have as members of the Board or the Committee or as officers or employees of the Participating Company Group, to the extent permitted by applicable law, members of the Board or the Committee and any officers or employees of the Participating Company Group to whom authority to act for the Board, the Committee or the Company is delegated shall be indemnified by the Company against all reasonable expenses, including attorneys' fees, actually and necessarily incurred in connection with the defense of any action, suit or proceeding, or in connection with any appeal therein, to which they or any of them may be a party by reason of any action taken or failure to act under or in connection with the Plan, or any right granted hereunder, and against all amounts paid by them in settlement thereof (provided such settlement is approved by independent legal counsel selected by the Company) or paid by them in satisfaction of a judgment in any such action, suit or proceeding, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such person is liable for gross negligence, bad faith or intentional misconduct in duties; provided, however, that within sixty (60) days after the institution of such action, suit or proceeding, such person shall offer to the Company, in writing, the opportunity at its own expense to handle and defend the same.

4. Shares Subject to Plan.

4.1 Maximum Number of Shares Issuable. Subject to adjustment as provided in Sections 4.2, 4.3 and 4.4, the maximum aggregate number of shares of Stock that may be issued under the Plan shall be equal to Twenty Million Four Hundred Sixty-Five Thousand (20,465,000) shares and shall consist of authorized but unissued or reacquired shares of Stock or any combination thereof.

4.2 Adjustment for Unissued or Forfeited Predecessor Plan Shares. The maximum aggregate number of shares of Stock that may be issued under the Plan as set forth in Section 4.1 shall be cumulatively increased from time to time by:

(a) the number of shares of Stock subject to that portion of any option or other award outstanding pursuant to the Predecessor Plan as of the Effective Date which, on or after the Effective Date, expires or is terminated or canceled for any reason without having been exercised or settled in full; and

(b) the number of shares of Stock acquired pursuant to the Predecessor Plan subject to forfeiture or repurchase by the Company for an amount not greater than the Participant's purchase price which, on or after the Effective Date, is so forfeited or repurchased; provided, however, that the aggregate number of shares of Stock authorized for issuance under the Predecessor Plan that may become authorized for issuance under the Plan pursuant to this Section 4.2 shall not exceed One Million Nine Hundred Thousand (1,900,000) shares.

4.3 Share Counting.

(a) Each share of Stock subject to an Award shall be counted against the limit set forth in Section 4.1 as one (1) share.

(b) If an outstanding Award for any reason expires or is terminated or canceled without having been exercised or settled in full, or if shares of Stock acquired pursuant to an Award subject to forfeiture or repurchase are forfeited or repurchased by the Company for an amount not greater than the Participant's purchase price, the shares of Stock allocable to the terminated portion of such Award or such forfeited or repurchased shares of Stock shall again be available for issuance under the Plan. Shares of Stock shall not be deemed to have been issued pursuant to the Plan with respect to any portion of an Award that is settled in cash. Upon payment in shares of Stock pursuant to the exercise of a SAR, the number of shares available for issuance under the Plan shall be reduced by the gross number of shares for which the SAR is exercised. If the exercise price of an Option is paid by tender to the

Company, or attestation to the ownership, of shares of Stock owned by the Participant, or by means of a Net-Exercise, the number of shares available for issuance under the Plan shall be reduced by the gross number of shares for which the Option is exercised. Shares purchased in the open market with proceeds from the exercise of Options shall not be added to the limit set forth in Section 4.1. Shares withheld or reacquired by the Company in satisfaction of tax withholding obligations pursuant to the exercise or settlement of Options or SARs pursuant to Section 16.2 shall not again be available for issuance under the Plan. Shares withheld or reacquired by the Company in satisfaction of tax withholding obligations pursuant to the vesting or settlement of Full Value Awards pursuant to Section 16.2 shall not again become available for issuance under the Plan.

4.4 Adjustments for Changes in Capital Structure. Subject to any required action by the stockholders of the Company and the requirements of Sections 409A and 424 of the Code to the extent applicable, in the event of any change in the Stock effected without receipt of consideration by the Company, whether through merger, consolidation, reorganization, reincorporation, recapitalization, reclassification, stock dividend, stock split, reverse stock split, split-up, split-off, spin-off, combination of shares, exchange of shares, or similar change in the capital structure of the Company, or in the event of payment of a dividend or distribution to the stockholders of the Company in a form other than Stock (excepting regular, periodic cash dividends) that has a material effect on the Fair Market Value of shares of Stock, appropriate and proportionate adjustments shall be made in the number and kind of shares subject to the Plan and to any outstanding Awards, the Award limits set forth in Section 5.3 and Section 5.4 and Section 5.5, and in the exercise or purchase price per share under any outstanding Award in order to prevent dilution or enlargement of Participants' rights under the Plan. For purposes of the foregoing, conversion of any convertible securities of the Company shall not be treated as "effected without receipt of consideration by the Company." If a majority of the shares which are of the same class as the shares that are subject to outstanding Awards are exchanged for, converted into, or otherwise become (whether or not pursuant to an Ownership Change Event) shares of another corporation (the "*New Shares*"), the Committee may unilaterally amend the outstanding Awards to provide that such Awards are for New Shares. In the event of any such amendment, the number of shares subject to, and the exercise or purchase price per share of, the outstanding Awards shall be adjusted in a fair and equitable manner as determined by the Committee, in its discretion. Any fractional share resulting from an adjustment pursuant to this Section shall be rounded down to the nearest whole number and the exercise or purchase price per share shall be rounded up to the nearest whole cent. In no event may the exercise or purchase price, if any, under any Award be decreased to an amount less than the par value, if any, of the stock subject to such Award. The Committee in its discretion, may also make such adjustments in the terms of any Award to reflect, or related to, such changes in the capital structure of the Company or distributions as it deems appropriate, including modification of Performance Goals, Performance Award Formulas and Performance Periods. The adjustments determined by the Committee pursuant to this Section shall be final, binding and conclusive.

4.5 Assumption or Substitution of Awards. The Committee may, without affecting the number of shares of Stock reserved or available hereunder, authorize the issuance or assumption of benefits under this Plan in connection with any merger, consolidation, acquisition of property or stock, or reorganization upon such terms and conditions as it may deem appropriate, subject to compliance with Section 409A and any other applicable provisions of the Code.

5. Eligibility, Participation and Award Limitations.

5.1 Persons Eligible for Awards. Awards may be granted only to Employees, Consultants and Directors.

5.2 Participation in the Plan. Awards are granted solely at the discretion of the Committee. Eligible persons may be granted more than one Award. However, eligibility in accordance

with this Section shall not entitle any person to be granted an Award, or, having been granted an Award, to be granted an additional Award.

5.3 Incentive Stock Option Limitations.

(a) **Maximum Number of Shares Issuable Pursuant to Incentive Stock Options.** Subject to adjustment as provided in Section 4.4, the maximum aggregate number of shares of Stock that may be issued under the Plan pursuant to the exercise of Incentive Stock Options shall not exceed Twenty Million Four Hundred Sixty-Five Thousand (20,465,000) shares. The maximum aggregate number of shares of Stock that may be issued under the Plan pursuant to all Awards other than Incentive Stock Options shall be the number of shares determined in accordance with Section 4.1, subject to adjustment as provided in Sections 4.2, 4.3 and 4.4.

(b) **Persons Eligible.** An Incentive Stock Option may be granted only to a person who, on the effective date of grant, is an Employee of the Company, a Parent Corporation or a Subsidiary Corporation (each being an “*ISO-Qualifying Corporation*”). Any person who is not an Employee of an ISO-Qualifying Corporation on the effective date of the grant of an Option to such person may be granted only a Nonstatutory Stock Option.

(c) **Fair Market Value Limitation.** To the extent that options designated as Incentive Stock Options (granted under all stock plans of the Participating Company Group, including the Plan) become exercisable by a Participant for the first time during any calendar year for stock having a Fair Market Value greater than One Hundred Thousand Dollars (\$100,000), the portion of such options which exceeds such amount shall be treated as Nonstatutory Stock Options. For purposes of this Section, options designated as Incentive Stock Options shall be taken into account in the order in which they were granted, and the Fair Market Value of stock shall be determined as of the time the option with respect to such stock is granted. If the Code is amended to provide for a limitation different from that set forth in this Section, such different limitation shall be deemed incorporated herein effective as of the date and with respect to such Options as required or permitted by such amendment to the Code. If an Option is treated as an Incentive Stock Option in part and as a Nonstatutory Stock Option in part by reason of the limitation set forth in this Section, the Participant may designate which portion of such Option the Participant is exercising. In the absence of such designation, the Participant shall be deemed to have exercised the Incentive Stock Option portion of the Option first. Upon exercise the Option, shares issued pursuant to each such portion shall be separately identified.

5.4 Award Limits. Subject to adjustment as provided in Section 4.4, no Participant who is not a Nonemployee Director shall be granted within any fiscal year of the Company one or more Awards which in the aggregate are for more than Four Million (4,000,000) shares or with a Fair Market Value on the date of grant of more than Three Million Dollars (\$3,000,000.00) per fiscal year over which the Award vests.

5.5 Nonemployee Director Award Limits. Subject to adjustment as provided in Section 4.4, no Nonemployee Director shall be granted within any fiscal year of the Company one or more Nonemployee Director Awards which in the aggregate are for more than Three Hundred Thousand (300,000) shares.

5.6 Minimum Vesting. Except with respect to five percent (5%) of the maximum aggregate number of shares of Stock that may be issued under the Plan, as provided in Section 4, no Award which vests on the basis of the Participant’s continued Service shall vest earlier than one year following the date of grant of such Award, and no Award which vests on the basis of attainment of performance goals shall provide for a performance period of less than one year; provided, that Awards to Nonemployee Directors may vest on the Company’s next annual meeting of stockholders (provided that such annual meetings are at least fifty (50) weeks apart).

6. Stock Options.

Options shall be evidenced by Award Agreements specifying the number of shares of Stock covered thereby, in such form as the Committee shall establish. Such Award Agreements may incorporate all or any of the terms of the Plan by reference and shall comply with and be subject to the following terms and conditions:

6.1 Exercise Price. The exercise price for each Option shall be established in the discretion of the Committee; provided, however, that (a) the exercise price per share shall be not less than the Fair Market Value of a share of Stock on the effective date of grant of the Option and (b) no Incentive Stock Option granted to a Ten Percent Owner shall have an exercise price per share less than one hundred ten percent (110%) of the Fair Market Value of a share of Stock on the effective date of grant of the Option. Notwithstanding the foregoing, an Option (whether an Incentive Stock Option or a Nonstatutory Stock Option) may be granted with an exercise price lower than the minimum exercise price set forth above if such Option is granted pursuant to an assumption or substitution for another option in a manner that complies with the requirements set forth in the provisions of Section 409A or Section 424(a) of the Code.

6.2 Exercisability and Term of Options. Subject to the minimum vesting provisions of Section 5.6, Options shall be exercisable at such time or times, or upon such event or events, and subject to such terms, conditions, performance criteria and restrictions as shall be determined by the Committee and set forth in the Award Agreement evidencing such Option; provided, however, that (a) no Option shall be exercisable after the expiration of ten (10) years after the effective date of grant of such Option, and (b) no Incentive Stock Option granted to a Ten Percent Owner shall be exercisable after the expiration of five (5) years after the effective date of grant of such Option. Subject to the foregoing, unless otherwise specified by the Committee in the grant of an Option, each Option shall terminate ten (10) years after the effective date of grant of the Option, unless earlier terminated in accordance with its provisions. No Dividend Equivalent Rights will be paid with respect to Options.

6.3 Payment of Exercise Price.

(a) Forms of Consideration Authorized. Except as otherwise provided below, payment of the exercise price for the number of shares of Stock being purchased pursuant to any Option shall be made (i) in cash, by check or in cash equivalent; (ii) if permitted by the Committee and subject to the limitations contained in Section 6.3(b), by means of (1) a Cashless Exercise, (2) a Stock Tender Exercise or (3) a Net Exercise; (iii) by such other consideration as may be approved by the Committee from time to time to the extent permitted by applicable law, or (iv) by any combination thereof. The Committee may at any time or from time to time grant Options which do not permit all of the foregoing forms of consideration to be used in payment of the exercise price or which otherwise restrict one or more forms of consideration.

(b) Limitations on Forms of Consideration.

(i) Cashless Exercise. A “*Cashless Exercise*” means the delivery of a properly executed notice of exercise together with irrevocable instructions to a broker providing for the assignment to the Company of the proceeds of a sale or loan with respect to some or all of the shares being acquired upon the exercise of the Option (including, without limitation, through an exercise complying with the provisions of Regulation T as promulgated from time to time by the Board of Governors of the Federal Reserve System). The Company reserves, at any and all times, the right, in the Company’s sole and absolute discretion, to establish, decline to approve or terminate any program or procedures for the exercise of Options by means of a Cashless Exercise, including with respect to one or more Participants specified by the Company notwithstanding that such program or procedures may be available to other Participants.

(ii) **Stock Tender Exercise.** A “*Stock Tender Exercise*” means the delivery of a properly executed exercise notice accompanied by a Participant’s tender to the Company, or attestation to the ownership, in a form acceptable to the Company of whole shares of Stock owned by the Participant having a Fair Market Value that does not exceed the aggregate exercise price for the shares with respect to which the Option is exercised. A Stock Tender Exercise shall not be permitted if it would constitute a violation of the provisions of any law, regulation or agreement restricting the redemption of the Company’s stock. If required by the Company, an Option may not be exercised by tender to the Company, or attestation to the ownership, of shares of Stock unless such shares either have been owned by the Participant for a period of time determined by the Company (and not used for another option exercise by attestation during such period) or were not acquired, directly or indirectly, from the Company.

(iii) **Net Exercise.** A “*Net Exercise*” means the delivery of a properly executed exercise notice followed by a procedure pursuant to which (1) the Company will reduce the number of shares otherwise issuable to a Participant upon the exercise of an Option by the largest whole number of shares having a Fair Market Value that does not exceed the aggregate exercise price for the shares with respect to which the Option is exercised, and (2) the Participant shall pay to the Company in cash the remaining balance of such aggregate exercise price not satisfied by such reduction in the number of whole shares to be issued.

6.4 Effect of Termination of Service.

(a) **Option Exercisability.** Subject to earlier termination of the Option as otherwise provided by this Plan and unless otherwise provided by the Committee, an Option shall terminate immediately upon the Participant’s termination of Service to the extent that it is then unvested and shall be exercisable after the Participant’s termination of Service to the extent it is then vested only during the applicable time period determined in accordance with this Section and thereafter shall terminate.

(i) **Disability.** If the Participant’s Service terminates because of the Disability of the Participant, the Option, to the extent unexercised and exercisable for vested shares on the date on which the Participant’s Service terminated, may be exercised by the Participant (or the Participant’s guardian or legal representative) at any time prior to the expiration of twelve (12) months (or such longer or shorter period provided by the Award Agreement) after the date on which the Participant’s Service terminated, but in any event no later than the date of expiration of the Option’s term as set forth in the Award Agreement evidencing such Option (the “*Option Expiration Date*”).

(ii) **Death.** If the Participant’s Service terminates because of the death of the Participant, the Option, to the extent unexercised and exercisable for vested shares on the date on which the Participant’s Service terminated, may be exercised by the Participant’s legal representative or other person who acquired the right to exercise the Option by reason of the Participant’s death at any time prior to the expiration of twelve (12) months (or such longer or shorter period provided by the Award Agreement) after the date on which the Participant’s Service terminated, but in any event no later than the Option Expiration Date. The Participant’s Service shall be deemed to have terminated on account of death if the Participant dies within three (3) months (or such longer or shorter period provided by the Award Agreement) after the Participant’s termination of Service.

(iii) **Termination for Cause.** Notwithstanding any other provision of the Plan to the contrary, if the Participant’s Service is terminated for Cause or if, following the Participant’s termination of Service and during any period in which the Option otherwise would remain exercisable, the Participant engages in any act that would constitute Cause, the Option shall terminate in its entirety and cease to be exercisable immediately upon such termination of Service or act.

(iv) **Other Termination of Service.** If the Participant's Service terminates for any reason, except Disability, death or Cause, the Option, to the extent unexercised and exercisable for vested shares on the date on which the Participant's Service terminated, may be exercised by the Participant at any time prior to the expiration of three (3) months (or such longer or shorter period provided by the Award Agreement) after the date on which the Participant's Service terminated, but in any event no later than the Option Expiration Date.

(b) **Extension if Exercise Prevented by Law.** Notwithstanding the foregoing, other than termination of Service for Cause, if the exercise of an Option within the applicable time periods set forth in Section 6.4(a) is prevented by the provisions of Section 14 below, the Option shall remain exercisable until the later of (i) thirty (30) days after the date such exercise first would no longer be prevented by such provisions or (ii) the end of the applicable time period under Section 6.4(a), but in any event no later than the Option Expiration Date.

6.5 Transferability of Options. During the lifetime of the Participant, an Option shall be exercisable only by the Participant or the Participant's guardian or legal representative. An Option shall not be subject in any manner to anticipation, alienation, sale, exchange, transfer, assignment, pledge, encumbrance, or garnishment by creditors of the Participant or the Participant's beneficiary, except transfer by will or by the laws of descent and distribution. Notwithstanding the foregoing, to the extent permitted by the Committee, in its discretion, and set forth in the Award Agreement evidencing such Option, an Option shall be assignable or transferable subject to the applicable limitations, if any, described in the General Instructions to Form S-8 under the Securities Act or, in the case of an Incentive Stock Option, only as permitted by applicable regulations under Section 421 of the Code in a manner that does not disqualify such Option as an Incentive Stock Option.

7. Stock Appreciation Rights.

Stock Appreciation Rights shall be evidenced by Award Agreements specifying the number of shares of Stock subject to the Award, in such form as the Committee shall establish. Such Award Agreements may incorporate all or any of the terms of the Plan by reference and shall comply with and be subject to the following terms and conditions:

7.1 Types of SARs Authorized. SARs may be granted in tandem with all or any portion of a related Option (a "**Tandem SAR**") or may be granted independently of any Option (a "**Freestanding SAR**"). A Tandem SAR may only be granted concurrently with the grant of the related Option. No Dividend Equivalent Rights will be paid with respect to SARs.

7.2 Exercise Price. The exercise price for each SAR shall be established in the discretion of the Committee; provided, however, that (a) the exercise price per share subject to a Tandem SAR shall be the exercise price per share under the related Option and (b) the exercise price per share subject to a Freestanding SAR shall be not less than the Fair Market Value of a share of Stock on the effective date of grant of the SAR. Notwithstanding the foregoing, a SAR may be granted with an exercise price lower than the minimum exercise price set forth above if such SAR is granted pursuant to an assumption or substitution for another stock appreciation right in a manner that complies with the requirements set forth in the provisions of Section 409A of the Code.

7.3 Exercisability and Term of SARs.

(a) **Tandem SARs.** Tandem SARs shall be exercisable only at the time and to the extent, and only to the extent, that the related Option is exercisable, subject to such provisions as the Committee may specify where the Tandem SAR is granted with respect to less than the full number of shares of Stock subject to the related Option. The Committee may, in its discretion, provide in any Award Agreement evidencing a Tandem SAR that such SAR may not be exercised without the advance approval

of the Company and, if such approval is not given, then the Option shall nevertheless remain exercisable in accordance with its terms. A Tandem SAR shall terminate and cease to be exercisable no later than the date on which the related Option expires or is terminated or canceled. Upon the exercise of a Tandem SAR with respect to some or all of the shares subject to such SAR, the related Option shall be canceled automatically as to the number of shares with respect to which the Tandem SAR was exercised. Upon the exercise of an Option related to a Tandem SAR as to some or all of the shares subject to such Option, the related Tandem SAR shall be canceled automatically as to the number of shares with respect to which the related Option was exercised.

(b) *Freestanding SARs.* Subject to the minimum vesting provisions of Section 5.6, freestanding SARs shall be exercisable at such time or times, or upon such event or events, and subject to such terms, conditions, performance criteria and restrictions as shall be determined by the Committee and set forth in the Award Agreement evidencing such SAR; provided, however, that no Freestanding SAR shall be exercisable after the expiration of ten (10) years after the effective date of grant of such SAR. Subject to the foregoing, unless otherwise specified by the Committee in the grant of a Freestanding SAR, each Freestanding SAR shall terminate ten (10) years after the effective date of grant of the SAR, unless earlier terminated in accordance with its provisions.

7.4 *Exercise of SARs.* Upon the exercise (or deemed exercise pursuant to Section 7.5) of an SAR, the Participant (or the Participant's legal representative or other person who acquired the right to exercise the SAR by reason of the Participant's death) shall be entitled to receive payment of an amount for each share with respect to which the SAR is exercised equal to the excess, if any, of the Fair Market Value of a share of Stock on the date of exercise of the SAR over the exercise price. Payment of such amount shall be made (a) in the case of a Tandem SAR, solely in shares of Stock in a lump sum upon the date of exercise of the SAR and (b) in the case of a Freestanding SAR, in cash, shares of Stock, or any combination thereof as determined by the Committee, in a lump sum upon the date of exercise of the SAR. When payment is to be made in shares of Stock, the number of shares to be issued shall be determined on the basis of the Fair Market Value of a share of Stock on the date of exercise of the SAR. For purposes of Section 7, an SAR shall be deemed exercised on the date on which the Company receives notice of exercise from the Participant or as otherwise provided in Section 7.5.

7.5 *Deemed Exercise of SARs.* If, on the date on which an SAR would otherwise terminate or expire, the SAR by its terms remains exercisable immediately prior to such termination or expiration and, if so exercised, would result in a payment to the holder of such SAR, then any portion of such SAR which has not previously been exercised shall automatically be deemed to be exercised as of such date with respect to such portion.

7.6 *Effect of Termination of Service.* Subject to earlier termination of the SAR as otherwise provided herein and unless otherwise provided by the Committee, a SAR shall be exercisable after a Participant's termination of Service only to the extent and during the applicable time period determined in accordance with Section 6.4 (treating the SAR as if it were an Option) and thereafter shall terminate.

7.7 *Transferability of SARs.* During the lifetime of the Participant, a SAR shall be exercisable only by the Participant or the Participant's guardian or legal representative. A SAR shall not be subject in any manner to anticipation, alienation, sale, exchange, transfer, assignment, pledge, encumbrance, or garnishment by creditors of the Participant or the Participant's beneficiary, except transfer by will or by the laws of descent and distribution. Notwithstanding the foregoing, to the extent permitted by the Committee, in its discretion, and set forth in the Award Agreement evidencing such Award, a Tandem SAR related to a Nonstatutory Stock Option or a Freestanding SAR shall be assignable or transferable subject to the applicable limitations, if any, described in the General Instructions to Form S-8 under the Securities Act.

8. Restricted Stock Awards.

Restricted Stock Awards shall be evidenced by Award Agreements specifying whether the Award is a Restricted Stock Bonus or a Restricted Stock Purchase Right and the number of shares of Stock subject to the Award, in such form as the Committee shall establish. Such Award Agreements may incorporate all or any of the terms of the Plan by reference and shall comply with and be subject to the following terms and conditions:

8.1 Types of Restricted Stock Awards Authorized. Restricted Stock Awards may be granted in the form of either a Restricted Stock Bonus or a Restricted Stock Purchase Right. Restricted Stock Awards may be granted upon such conditions as the Committee shall determine, including, without limitation, upon the attainment of one or more Performance Goals described in Section 10.4. If either the grant of or satisfaction of Vesting Conditions applicable to a Restricted Stock Award is to be contingent upon the attainment of one or more Performance Goals, the Committee shall follow procedures substantially equivalent to those set forth in Section 10.

8.2 Purchase Price. The purchase price for shares of Stock issuable under each Restricted Stock Purchase Right shall be established by the Committee in its discretion. No monetary payment (other than applicable tax withholding) shall be required as a condition of receiving shares of Stock pursuant to a Restricted Stock Bonus, the consideration for which shall be services actually rendered to a Participating Company or for its benefit. Notwithstanding the foregoing, if required by applicable state corporate law, the Participant shall furnish consideration in the form of cash or past services rendered to a Participating Company or for its benefit having a value not less than the par value of the shares of Stock subject to a Restricted Stock Award.

8.3 Purchase Period. A Restricted Stock Purchase Right shall be exercisable within a period established by the Committee, which shall in no event exceed thirty (30) days from the effective date of the grant of the Restricted Stock Purchase Right.

8.4 Payment of Purchase Price. Except as otherwise provided below, payment of the purchase price for the number of shares of Stock being purchased pursuant to any Restricted Stock Purchase Right shall be made (a) in cash, by check or in cash equivalent, (b) by such other consideration as may be approved by the Committee from time to time to the extent permitted by applicable law, or (c) by any combination thereof.

8.5 Vesting and Restrictions on Transfer. Subject to the minimum vesting provisions of Section 5.6, shares issued pursuant to any Restricted Stock Award may be made subject to Vesting Conditions based upon the satisfaction of such Service requirements, conditions, restrictions or performance criteria, including, without limitation, Performance Goals as described in Section 10.4, as shall be established by the Committee and set forth in the Award Agreement evidencing such Award. During any period in which shares acquired pursuant to a Restricted Stock Award remain subject to Vesting Conditions, such shares may not be sold, exchanged, transferred, pledged, assigned or otherwise disposed of other than pursuant to an Ownership Change Event or as provided in Section 8.8. The Committee, in its discretion, may provide in any Award Agreement evidencing a Restricted Stock Award that, if the satisfaction of Vesting Conditions with respect to any shares subject to such Restricted Stock Award would otherwise occur on a day on which the sale of such shares would violate the provisions of the Trading Compliance Policy, then satisfaction of the Vesting Conditions automatically shall be determined on the next trading day on which the sale of such shares would not violate the Trading Compliance Policy. Upon request by the Company, each Participant shall execute any agreement evidencing such transfer restrictions prior to the receipt of shares of Stock hereunder and shall promptly present to the Company any and all certificates representing shares of Stock acquired hereunder for the placement on such certificates of appropriate legends evidencing any such transfer restrictions.

8.6 Voting Rights; Dividends and Distributions. Except as provided in this Section, Section 8.5 and any Award Agreement, during any period in which shares acquired pursuant to a Restricted Stock Award remain subject to Vesting Conditions, the Participant shall have all of the rights of a stockholder of the Company holding shares of Stock, including the right to vote such shares and to receive all dividends and other distributions paid with respect to such shares; provided, however, that such dividends and distributions shall be subject to the same Vesting Conditions as the shares subject to the Restricted Stock Award with respect to which such dividends or distributions were paid. In the event of a dividend or distribution paid in shares of Stock or other property or any other adjustment made upon a change in the capital structure of the Company as described in Section 4.4, any and all new, substituted or additional securities or other property (other than regular, periodic cash dividends) to which the Participant is entitled by reason of the Participant's Restricted Stock Award shall be immediately subject to the same Vesting Conditions as the shares subject to the Restricted Stock Award with respect to which such dividends or distributions were paid or adjustments were made.

8.7 Effect of Termination of Service. Unless otherwise provided by the Committee in the Award Agreement evidencing a Restricted Stock Award, if a Participant's Service terminates for any reason, whether voluntary or involuntary (including the Participant's death or disability), then (a) the Company shall have the option to repurchase for the purchase price paid by the Participant any shares acquired by the Participant pursuant to a Restricted Stock Purchase Right which remain subject to Vesting Conditions as of the date of the Participant's termination of Service and (b) the Participant shall forfeit to the Company any shares acquired by the Participant pursuant to a Restricted Stock Bonus which remain subject to Vesting Conditions as of the date of the Participant's termination of Service. The Company shall have the right to assign at any time any repurchase right it may have, whether or not such right is then exercisable, to one or more persons as may be selected by the Company.

8.8 Nontransferability of Restricted Stock Award Rights. Rights to acquire shares of Stock pursuant to a Restricted Stock Award shall not be subject in any manner to anticipation, alienation, sale, exchange, transfer, assignment, pledge, encumbrance or garnishment by creditors of the Participant or the Participant's beneficiary, except transfer by will or the laws of descent and distribution. All rights with respect to a Restricted Stock Award granted to a Participant hereunder shall be exercisable during his or her lifetime only by such Participant or the Participant's guardian or legal representative.

9. Restricted Stock Units.

Restricted Stock Unit Awards shall be evidenced by Award Agreements specifying the number of Restricted Stock Units subject to the Award, in such form as the Committee shall establish. Such Award Agreements may incorporate all or any of the terms of the Plan by reference and shall comply with and be subject to the following terms and conditions:

9.1 Grant of Restricted Stock Unit Awards. Restricted Stock Unit Awards may be granted upon such conditions as the Committee shall determine, including, without limitation, upon the attainment of one or more Performance Goals described in Section 10.4. If either the grant of a Restricted Stock Unit Award or the Vesting Conditions with respect to such Award is to be contingent upon the attainment of one or more Performance Goals, the Committee shall follow procedures substantially equivalent to those set forth in Section 10.

9.2 Purchase Price. No monetary payment (other than applicable tax withholding, if any) shall be required as a condition of receiving a Restricted Stock Unit Award, the consideration for which shall be services actually rendered to a Participating Company or for its benefit. Notwithstanding the foregoing, if required by applicable state corporate law, the Participant shall furnish consideration in the form of cash or past services rendered to a Participating Company or for its benefit having a value not less than the par value of the shares of Stock issued upon settlement of the Restricted Stock Unit Award.

9.3 Vesting. Subject to the minimum vesting provisions of Section 5.6, Restricted Stock Unit Awards may be made subject to Vesting Conditions based upon the satisfaction of such Service requirements, conditions, restrictions or performance criteria, including, without limitation, Performance Goals as described in Section 10.4, as shall be established by the Committee and set forth in the Award Agreement evidencing such Award. The Committee, in its discretion, may provide in any Award Agreement evidencing a Restricted Stock Unit Award that, if the satisfaction of Vesting Conditions with respect to any shares subject to the Award would otherwise occur on a day on which the sale of such shares would violate the provisions of the Trading Compliance Policy, then the satisfaction of the Vesting Conditions automatically shall be determined on the first to occur of (a) the next trading day on which the sale of such shares would not violate the Trading Compliance Policy or (b) the last day of the calendar year in which the original vesting date occurred.

9.4 Voting Rights, Dividend Equivalent Rights and Distributions. Participants shall have no voting rights with respect to shares of Stock represented by Restricted Stock Units until the date of the issuance of such shares (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). However, the Committee, in its discretion, may provide in the Award Agreement evidencing any Restricted Stock Unit Award that the Participant shall be entitled to Dividend Equivalent Rights with respect to the payment of cash dividends on Stock during the period beginning on the date such Award is granted and ending, with respect to each share subject to the Award, on the earlier of the date the Award is settled or the date on which it is terminated. Dividend Equivalent Rights, if any, shall be paid by crediting the Participant with a cash amount or with additional whole Restricted Stock Units as of the date of payment of such cash dividends on Stock, as determined by the Committee. The number of additional Restricted Stock Units (rounded to the nearest whole number), if any, to be credited shall be determined by dividing (a) the amount of cash dividends paid on the dividend payment date with respect to the number of shares of Stock represented by the Restricted Stock Units previously credited to the Participant by (b) the Fair Market Value per share of Stock on such date. Such cash amount or additional Restricted Stock Units shall be subject to the same terms and conditions, including vesting, and shall be settled in the same manner and at the same time as the Restricted Stock Units originally subject to the Restricted Stock Unit Award. In the event of a dividend or distribution paid in shares of Stock or other property or any other adjustment made upon a change in the capital structure of the Company as described in Section 4.4, appropriate adjustments shall be made in the Participant's Restricted Stock Unit Award so that it represents the right to receive upon settlement any and all new, substituted or additional securities or other property (other than regular, periodic cash dividends) to which the Participant would be entitled by reason of the shares of Stock issuable upon settlement of the Award, and all such new, substituted or additional securities or other property shall be immediately subject to the same Vesting Conditions as are applicable to the Award. Dividend Equivalent Rights shall not be paid on unvested Restricted Stock Units but may be accumulated and paid upon vesting or settlement of the Restricted Stock Units, as applicable.

9.5 Effect of Termination of Service. Unless otherwise provided by the Committee and set forth in the Award Agreement evidencing a Restricted Stock Unit Award, if a Participant's Service terminates for any reason, whether voluntary or involuntary (including the Participant's death or disability), then the Participant shall forfeit to the Company any Restricted Stock Units pursuant to the Award which remain subject to Vesting Conditions as of the date of the Participant's termination of Service.

9.6 Settlement of Restricted Stock Unit Awards. The Company shall issue to a Participant on the date on which Restricted Stock Units subject to the Participant's Restricted Stock Unit Award vest or on such other date determined by the Committee in compliance with Section 409A, if applicable, and set forth in the Award Agreement one (1) share of Stock (and/or any other new, substituted or additional securities or other property pursuant to an adjustment described in Section 4.4) for each

Restricted Stock Unit then becoming vested or otherwise to be settled on such date, subject to the withholding of applicable taxes, if any. If permitted by the Committee, the Participant may elect, consistent with the requirements of Section 409A, to defer receipt of all or any portion of the shares of Stock or other property otherwise issuable to the Participant pursuant to this Section, and such deferred issuance date(s) and amount(s) elected by the Participant shall be set forth in the Award Agreement. Notwithstanding the foregoing, the Committee, in its discretion, may provide for settlement of any Restricted Stock Unit Award by payment to the Participant in cash of an amount equal to the Fair Market Value on the payment date of the shares of Stock or other property otherwise issuable to the Participant pursuant to this Section.

9.7 Nontransferability of Restricted Stock Unit Awards. The right to receive shares pursuant to a Restricted Stock Unit Award shall not be subject in any manner to anticipation, alienation, sale, exchange, transfer, assignment, pledge, encumbrance, or garnishment by creditors of the Participant or the Participant's beneficiary, except transfer by will or by the laws of descent and distribution. All rights with respect to a Restricted Stock Unit Award granted to a Participant hereunder shall be exercisable during his or her lifetime only by such Participant or the Participant's guardian or legal representative.

10. Performance Awards.

Performance Awards shall be evidenced by Award Agreements in such form as the Committee shall establish. Such Award Agreements may incorporate all or any of the terms of the Plan by reference and shall comply with and be subject to the following terms and conditions:

10.1 Types of Performance Awards Authorized. Performance Awards may be granted in the form of either Performance Shares or Performance Units. Each Award Agreement evidencing a Performance Award shall specify the number of Performance Shares or Performance Units subject thereto, the Performance Award Formula, the Performance Goal(s) and Performance Period applicable to the Award, and the other terms, conditions and restrictions of the Award.

10.2 Initial Value of Performance Shares and Performance Units. Unless otherwise provided by the Committee in granting a Performance Award, each Performance Share shall have an initial monetary value equal to the Fair Market Value of one (1) share of Stock, subject to adjustment as provided in Section 4.4, on the effective date of grant of the Performance Share, and each Performance Unit shall have an initial monetary value established by the Committee at the time of grant. The final value payable to the Participant in settlement of a Performance Award determined on the basis of the applicable Performance Award Formula will depend on the extent to which Performance Goals established by the Committee are attained within the applicable Performance Period established by the Committee.

10.3 Establishment of Performance Period, Performance Goals and Performance Award Formula. In granting each Performance Award, the Committee shall establish in writing the applicable Performance Period (subject to the minimum vesting provisions of Section 5.6), Performance Award Formula and one or more Performance Goals which, when measured at the end of the Performance Period, shall determine on the basis of the Performance Award Formula the final value of the Performance Award to be paid to the Participant. The Company shall notify each Participant granted a Performance Award of the terms of such Award, including the Performance Period, Performance Goal(s) and Performance Award Formula.

10.4 Measurement of Performance Goals. Performance Goals shall be established by the Committee on the basis of targets to be attained ("*Performance Targets*") with respect to one or more measures of business or financial performance (each, a "*Performance Measure*"), subject to the following:

(a) Performance Measures. Performance Measures shall be calculated in accordance with the Company's financial statements, or, if such measures are not reported in the Company's financial statements, they shall be calculated in accordance with generally accepted accounting principles, a method used generally in the Company's industry, or in accordance with a methodology established by the Committee prior to the grant of the Performance Award. As specified by the Committee, Performance Measures may be calculated with respect to the Company and each Subsidiary Corporation consolidated therewith for financial reporting purposes, one or more Subsidiary Corporations or such division or other business unit of any of them selected by the Committee. Unless otherwise determined by the Committee prior to the grant of the Performance Award, the Performance Measures applicable to the Performance Award shall be calculated prior to the accrual of expense for any Performance Award for the same Performance Period and excluding the effect (whether positive or negative) on the Performance Measures of any change in accounting standards or any unusual or infrequently occurring event or transaction, as determined by the Committee, occurring after the establishment of the Performance Goals applicable to the Performance Award. Each such adjustment, if any, shall be made solely for the purpose of providing a consistent basis from period to period for the calculation of Performance Measures in order to prevent the dilution or enlargement of the Participant's rights with respect to a Performance Award. Performance Measures may be based upon one or more of the following, as determined by the Committee:

- (i)** revenue;
- (ii)** sales;
- (iii)** expenses;
- (iv)** operating income;
- (v)** gross margin;
- (vi)** operating margin;
- (vii)** earnings before any one or more of: stock-based compensation expense, interest, taxes, depreciation and amortization;
- (viii)** pre-tax profit;
- (ix)** net operating income;
- (x)** net income;
- (xi)** economic value added;
- (xii)** free cash flow;
- (xiii)** operating cash flow;
- (xiv)** balance of cash, cash equivalents and marketable securities;
- (xv)** stock price;
- (xvi)** earnings per share;
- (xvii)** return on stockholder equity;
- (xviii)** return on capital;
- (xix)** return on assets;
- (xx)** return on investment;
- (xxi)** total stockholder return;

- (xxii) employee satisfaction;
- (xxiii) employee retention;
- (xxiv) market share;
- (xxv) customer satisfaction;
- (xxvi) product development;
- (xxvii) research and development expenses;
- (xxviii) completion of an identified special project; and
- (xxix) completion of a joint venture or other corporate transaction.
- (xxx) growth in stockholder value relative to the moving average on the S&P 500 Index or another index.

(b) **Performance Targets.** Performance Targets may include a minimum, maximum, target level and intermediate levels of performance, with the final value of a Performance Award determined under the applicable Performance Award Formula by the Performance Target level attained during the applicable Performance Period. A Performance Target may be stated as an absolute value, an increase or decrease in a value, or as a value determined relative to an index, budget or other standard selected by the Committee.

10.5 Settlement of Performance Awards.

(a) **Determination of Final Value.** As soon as practicable following the completion of the Performance Period applicable to a Performance Award, the Committee shall certify in writing the extent to which the applicable Performance Goals have been attained and the resulting final value of the Award earned by the Participant and to be paid upon its settlement in accordance with the applicable Performance Award Formula.

(b) **Discretionary Adjustment of Award Formula.** In its discretion, the Committee may, either at the time it grants a Performance Award or at any time thereafter, provide for the positive or negative adjustment of the Performance Award Formula applicable to a Performance Award granted to any Participant to reflect such Participant's individual performance in his or her position with the Company or such other factors as the Committee may determine. If permitted under a Participant's Award Agreement, the Committee shall have the discretion, on the basis of such criteria as may be established by the Committee, to reduce some or all of the value of the Performance Award that would otherwise be paid to the Participant upon its settlement notwithstanding the attainment of any Performance Goal and the resulting value of the Performance Award determined in accordance with the Performance Award Formula.

(c) **Effect of Leaves of Absence.** Unless otherwise required by law or a Participant's Award Agreement, payment of the final value, if any, of a Performance Award held by a Participant who has taken in excess of thirty (30) days in unpaid leaves of absence during a Performance Period shall be prorated on the basis of the number of days of the Participant's Service during the Performance Period during which the Participant was not on an unpaid leave of absence.

(d) **Notice to Participants.** As soon as practicable following the Committee's determination and certification in accordance with Sections 10.5(a) and (b), the Company shall notify each Participant of the determination of the Committee.

(e) **Payment in Settlement of Performance Awards.** As soon as practicable following the Committee's determination and certification in accordance with Sections 10.5(a) and (b), but in any event within the Short-Term Deferral Period described in Section 15.1 (except as otherwise

provided below or consistent with the requirements of Section 409A), payment shall be made to each eligible Participant (or such Participant's legal representative or other person who acquired the right to receive such payment by reason of the Participant's death) of the final value of the Participant's Performance Award. Payment of such amount shall be made in cash, shares of Stock, or a combination thereof as determined by the Committee. Unless otherwise provided in the Award Agreement evidencing a Performance Award, payment shall be made in a lump sum. If permitted by the Committee, the Participant may elect, consistent with the requirements of Section 409A, to defer receipt of all or any portion of the payment to be made to the Participant pursuant to this Section, and such deferred payment date(s) elected by the Participant shall be set forth in the Award Agreement. If any payment is to be made on a deferred basis, the Committee may, but shall not be obligated to, provide for the payment during the deferral period of Dividend Equivalent Rights or interest.

(f) Provisions Applicable to Payment in Shares. If payment is to be made in shares of Stock, the number of such shares shall be determined by dividing the final value of the Performance Award by the Fair Market Value of a share of Stock determined by the method specified in the Award Agreement. Shares of Stock issued in payment of any Performance Award may be fully vested and freely transferable shares or may be shares of Stock subject to Vesting Conditions as provided in Section 8.5. Any shares subject to Vesting Conditions shall be evidenced by an appropriate Award Agreement and shall be subject to the provisions of Sections 8.5 through 8.8 above.

10.6 Voting Rights; Dividend Equivalent Rights and Distributions. Participants shall have no voting rights with respect to shares of Stock represented by Performance Share Awards until the date of the issuance of such shares, if any (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). However, the Committee, in its discretion, may provide in the Award Agreement evidencing any Performance Share Award that the Participant shall be entitled to Dividend Equivalent Rights with respect to the payment of cash dividends on Stock during the period beginning on the date the Award is granted and ending, with respect to each share subject to the Award, on the earlier of the date on which the Performance Shares are settled or the date on which they are forfeited. Such Dividend Equivalent Rights, if any, shall be credited to the Participant either in cash or in the form of additional whole Performance Shares as of the date of payment of such cash dividends on Stock, as determined by the Committee. The number of additional Performance Shares (rounded to the nearest whole number), if any, to be so credited shall be determined by dividing (a) the amount of cash dividends paid on the dividend payment date with respect to the number of shares of Stock represented by the Performance Shares previously credited to the Participant by (b) the Fair Market Value per share of Stock on such date. Dividend Equivalent Rights, if any, shall be accumulated and paid to the extent that the related Performance Shares become nonforfeitable. Settlement of Dividend Equivalent Rights may be made in cash, shares of Stock, or a combination thereof as determined by the Committee, and may be paid on the same basis as settlement of the related Performance Share as provided in Section 10.5. Dividend Equivalent Rights shall not be paid with respect to Performance Units. In the event of a dividend or distribution paid in shares of Stock or other property or any other adjustment made upon a change in the capital structure of the Company as described in Section 4.4, appropriate adjustments shall be made in the Participant's Performance Share Award so that it represents the right to receive upon settlement any and all new, substituted or additional securities or other property (other than regular, periodic cash dividends) to which the Participant would be entitled by reason of the shares of Stock issuable upon settlement of the Performance Share Award, and all such new, substituted or additional securities or other property shall be immediately subject to the same Performance Goals as are applicable to the Award.

10.7 Effect of Termination of Service. Unless otherwise provided by the Committee and set forth in the Award Agreement evidencing a Performance Award, the effect of a Participant's termination of Service on the Performance Award shall be as follows:

(a) ***Death or Disability.*** If the Participant's Service terminates because of the death or Disability of the Participant before the completion of the Performance Period applicable to the Performance Award, the final value of the Participant's Performance Award shall be determined by the extent to which the applicable Performance Goals have been attained with respect to the entire Performance Period and shall be prorated based on the number of months of the Participant's Service during the Performance Period. Payment shall be made following the end of the Performance Period in any manner permitted by Section 10.5.

(b) ***Other Termination of Service.*** If the Participant's Service terminates for any reason except death or Disability before the completion of the Performance Period applicable to the Performance Award, such Award shall be forfeited in its entirety; provided, however, that in the event of an involuntary termination of the Participant's Service, the Committee, in its discretion, may waive the automatic forfeiture of all or any portion of any such Award and determine the final value of the Performance Award in the manner provided by Section 10.7(a). Payment of any amount pursuant to this Section shall be made following the end of the Performance Period in any manner permitted by Section 10.5.

10.8 Nontransferability of Performance Awards. Prior to settlement in accordance with the provisions of the Plan, no Performance Award shall be subject in any manner to anticipation, alienation, sale, exchange, transfer, assignment, pledge, encumbrance, or garnishment by creditors of the Participant or the Participant's beneficiary, except transfer by will or by the laws of descent and distribution. All rights with respect to a Performance Award granted to a Participant hereunder shall be exercisable during his or her lifetime only by such Participant or the Participant's guardian or legal representative.

11. Cash-Based Awards and Other Stock-Based Awards.

Cash-Based Awards and Other Stock-Based Awards shall be evidenced by Award Agreements in such form as the Committee shall establish. Such Award Agreements may incorporate all or any of the terms of the Plan by reference and shall comply with and be subject to the following terms and conditions:

11.1 Grant of Cash-Based Awards. Subject to the provisions of the Plan, the Committee, at any time and from time to time, may grant Cash-Based Awards to Participants in such amounts and upon such terms and conditions, including the achievement of performance criteria, as the Committee may determine.

11.2 Grant of Other Stock-Based Awards. The Committee may grant other types of equity-based or equity-related Awards not otherwise described by the terms of this Plan (including the grant or offer for sale of unrestricted securities, stock-equivalent units, stock appreciation units, securities or debentures convertible into common stock or other forms determined by the Committee) in such amounts and subject to such terms and conditions as the Committee shall determine. Other Stock-Based Awards may be made available as a form of payment in the settlement of other Awards or as payment in lieu of compensation to which a Participant is otherwise entitled. Other Stock-Based Awards may involve the transfer of actual shares of Stock to Participants, or payment in cash or otherwise of amounts based on the value of Stock and may include, without limitation, Awards designed to comply with or take advantage of the applicable local laws of jurisdictions other than the United States.

11.3 Value of Cash-Based and Other Stock-Based Awards. Each Cash-Based Award shall specify a monetary payment amount or payment range as determined by the Committee. Each Other Stock-Based Award shall be expressed in terms of shares of Stock or units based on such shares of Stock, as determined by the Committee. Subject to the minimum vesting provisions of Section 5.6, the Committee may require the satisfaction of such Service requirements, conditions, restrictions or

performance criteria, including, without limitation, Performance Goals as described in Section 10.4, as shall be established by the Committee and set forth in the Award Agreement evidencing such Award. If the Committee exercises its discretion to establish performance criteria, the final value of Cash-Based Awards or Other Stock-Based Awards that will be paid to the Participant will depend on the extent to which the performance criteria are met. The establishment of performance criteria with respect to the grant or vesting of any Cash-Based Award or Other Stock-Based Award shall follow procedures substantially equivalent to those applicable to Performance Awards set forth in Section 10.

11.4 Payment or Settlement of Cash-Based Awards and Other Stock-Based Awards. Payment or settlement, if any, with respect to a Cash-Based Award or an Other Stock-Based Award shall be made in accordance with the terms of the Award, in cash, shares of Stock or other securities or any combination thereof as the Committee determines. The determination and certification of the final value with respect to any Cash-Based Award or Other Stock-Based Award shall comply with the requirements applicable to Performance Awards set forth in Section 10. To the extent applicable, payment or settlement with respect to each Cash-Based Award and Other Stock-Based Award shall be made in compliance with the requirements of Section 409A.

11.5 Voting Rights; Dividend Equivalent Rights and Distributions. Participants shall have no voting rights with respect to shares of Stock represented by Other Stock-Based Awards until the date of the issuance of such shares of Stock (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), if any, in settlement of such Award. However, the Committee, in its discretion, may provide in the Award Agreement evidencing any Other Stock-Based Award that the Participant shall be entitled to Dividend Equivalent Rights with respect to the payment of cash dividends on Stock during the period beginning on the date such Award is granted and ending, with respect to each share subject to the Award, on the earlier of the date the Award is settled or the date on which it is terminated. Such Dividend Equivalent Rights, if any, shall be paid in accordance with the provisions set forth in Section 9.4. Dividend Equivalent Rights shall not be granted with respect to Cash-Based Awards. In the event of a dividend or distribution paid in shares of Stock or other property or any other adjustment made upon a change in the capital structure of the Company as described in Section 4.4, appropriate adjustments shall be made in the Participant's Other Stock-Based Award so that it represents the right to receive upon settlement any and all new, substituted or additional securities or other property (other than regular, periodic cash dividends) to which the Participant would be entitled by reason of the shares of Stock issuable upon settlement of such Award, and all such new, substituted or additional securities or other property shall be immediately subject to the same Vesting Conditions and performance criteria, if any, as are applicable to the Award.

11.6 Effect of Termination of Service. Each Award Agreement evidencing a Cash-Based Award or Other Stock-Based Award shall set forth the extent to which the Participant shall have the right to retain such Award following termination of the Participant's Service. Such provisions shall be determined in the discretion of the Committee, need not be uniform among all Cash-Based Awards or Other Stock-Based Awards, and may reflect distinctions based on the reasons for termination, subject to the requirements of Section 409A, if applicable.

11.7 Nontransferability of Cash-Based Awards and Other Stock-Based Awards. Prior to the payment or settlement of a Cash-Based Award or Other Stock-Based Award, the Award shall not be subject in any manner to anticipation, alienation, sale, exchange, transfer, assignment, pledge, encumbrance, or garnishment by creditors of the Participant or the Participant's beneficiary, except transfer by will or by the laws of descent and distribution. The Committee may impose such additional restrictions on any shares of Stock issued in settlement of Cash-Based Awards and Other Stock-Based Awards as it may deem advisable, including, without limitation, minimum holding period requirements, restrictions under applicable federal securities laws, under the requirements of any stock exchange or

market upon which such shares of Stock are then listed and/or traded, or under any state securities laws or foreign law applicable to such shares of Stock.

12. Standard Forms of Award Agreement.

12.1 Award Agreements. Each Award shall comply with and be subject to the terms and conditions set forth in the appropriate form of Award Agreement approved by the Committee and as amended from time to time. No Award or purported Award shall be a valid and binding obligation of the Company unless evidenced by a fully executed Award Agreement, which execution may be evidenced by electronic means.

12.2 Authority to Vary Terms. The Committee shall have the authority from time to time to vary the terms of any standard form of Award Agreement either in connection with the grant or amendment of an individual Award or in connection with the authorization of a new standard form or forms; provided, however, that the terms and conditions of any such new, revised or amended standard form or forms of Award Agreement are not inconsistent with the terms of the Plan.

13. Change in Control.

13.1 Effect of Change in Control on Awards. Subject to the requirements and limitations of Section 409A, if applicable, the Committee may provide for any one or more of the following:

(a) ***Accelerated Vesting.*** The Committee may provide in the grant of any Award or at any other time may take such action as it deems appropriate to provide for acceleration of the exercisability, vesting and/or settlement in connection with a Change in Control of each or any outstanding Award or portion thereof and shares acquired pursuant thereto only if (i) the Award is not assumed, continued, or substituted by the Acquiror as described in Section 13.1(b), or (ii) the Award is assumed, continued, or substituted by the Acquiror as described in Section 13.1(b) and the Participant's Service terminates as a result of Involuntary Termination; provided, however, that the vesting of Awards that are performance-based will be determined in either case based on the greater of (x) assumed achievement of the applicable performance goals at 100% of target with the result prorated based on the period of the Participant's actual Service during the applicable full performance period, or (y) actual achievement of the applicable performance goals through the date of the Change in Control or the Involuntary Termination, as applicable.

For purposes of the foregoing, "***Involuntary Termination***" means, as to a particular Participant, the occurrence of any of the following upon or within a period of time established by the Committee (not exceeding twenty-four (24) months) following a Change in Control: (i) the Participant's Service is terminated without Cause or (ii) the Participant terminates his or her Service for Good Reason; provided the Participant has given the Company written notice of the existence of a condition constituting Good Reason within sixty (60) days following the initial occurrence of such condition, the Company fails to remedy such condition within thirty (30) days following such written notice, and the Participant's resignation from Service is effective no later than six (6) months following the initial occurrence of such condition. Involuntary Termination shall not include any termination of the Participant's Service which is (i) for Cause, (ii) a result of the Participant's death or Disability, or (iii) a result of the Participant's voluntary termination of Service other than for Good Reason.

For purposes of the foregoing, "***Good Reason***" means, unless such term or an equivalent term is otherwise defined by the applicable Award Agreement or a written employment or services or similar agreement between a Participant and a Participating Company applicable to an Award, any of the following with respect to a particular Participant without the Participant's informed written consent: (i) a material diminution of the Participant's authority, duties or responsibilities causing the Participant's

authority, duties or responsibilities to be of materially lesser rank within the Company or an equivalent business unit of its parent, as measured against the Participant's authority, duties and responsibilities immediately prior to such diminution; (ii) a material reduction by the Company of the Participant's base salary, other than any such material reduction that occurs in connection with a reduction that is imposed on all Participants at the time of such reduction; or (iii) the relocation of the Participant's work place for the Company to a location that increases the Participant's regular one-way commute distance between the Participant's residence and work place by more than fifty (50) miles. The existence of Good Reason shall not be affected by the Participant's temporary incapacity due to physical or mental illness not constituting a Disability.

(b) ***Assumption, Continuation or Substitution.*** In the event of a Change in Control, the surviving, continuing, successor, or purchasing corporation or other business entity or parent thereof, as the case may be (the "***Acquiror***"), may, without the consent of any Participant, assume or continue the Company's rights and obligations under each or any Award or portion thereof outstanding immediately prior to the Change in Control or substitute for each or any such outstanding Award or portion thereof a substantially equivalent award with respect to the Acquiror's stock, as applicable. For purposes of this Section, if so determined by the Committee in its discretion, an Award denominated in shares of Stock shall be deemed assumed if, following the Change in Control, the Award confers the right to receive, subject to the terms and conditions of the Plan and the applicable Award Agreement, for each share of Stock subject to the Award immediately prior to the Change in Control, the consideration (whether stock, cash, other securities or property or a combination thereof) to which a holder of a share of Stock on the effective date of the Change in Control was entitled (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding shares of Stock); provided, however, that if such consideration is not solely common stock of the Acquiror, the Committee may, with the consent of the Acquiror, provide for the consideration to be received upon the exercise or settlement of the Award, for each share of Stock subject to the Award, to consist solely of common stock of the Acquiror equal in Fair Market Value to the per share consideration received by holders of Stock pursuant to the Change in Control. Any Award or portion thereof which is neither assumed or continued by the Acquiror in connection with the Change in Control nor exercised or settled as of the time of consummation of the Change in Control shall terminate and cease to be outstanding effective as of the time of consummation of the Change in Control.

(c) ***Cash-Out of Outstanding Stock-Based Awards.*** The Committee may, in its discretion and without the consent of any Participant, determine that, upon the occurrence of a Change in Control, each or any Award denominated in shares of Stock or portion thereof outstanding immediately prior to the Change in Control and not previously exercised or settled shall be canceled in exchange for a payment with respect to each vested share (and each unvested share, if so determined by the Committee) of Stock subject to such canceled Award in (i) cash, (ii) stock of the Company or of a corporation or other business entity a party to the Change in Control, or (iii) other property which, in any such case, shall be in an amount having a Fair Market Value equal to the Fair Market Value of the consideration to be paid per share of Stock in the Change in Control, reduced (but not below zero) by the exercise or purchase price per share, if any, under such Award. In the event such determination is made by the Committee, an Award having an exercise or purchase price per share equal to or greater than the Fair Market Value of the consideration to be paid per share of Stock in the Change in Control may be canceled without payment of consideration to the holder thereof. Payment pursuant to this Section (reduced by applicable withholding taxes, if any) shall be made to Participants in respect of the vested portions of their canceled Awards as soon as practicable following the date of the Change in Control and in respect of the unvested portions of their canceled Awards in accordance with the vesting schedules applicable to such Awards.

13.2 Effect of Change in Control on Nonemployee Director Awards. Subject to the requirements and limitations of Section 409A, if applicable, including as provided by Section 15.4(f), in

the event of a Change in Control, each outstanding Nonemployee Director Award shall become immediately vested in full and, if applicable, exercisable and, except to the extent assumed, continued or substituted for pursuant to Section 13.1(b), shall be settled effective immediately prior to the time of consummation of the Change in Control.

13.3 Federal Excise Tax Under Section 4999 of the Code.

(a) ***Excess Parachute Payment.*** If any acceleration of vesting pursuant to an Award and any other payment or benefit received or to be received by a Participant would subject the Participant to any excise tax pursuant to Section 4999 of the Code due to the characterization of such acceleration of vesting, payment or benefit as an “excess parachute payment” under Section 280G of the Code, then, provided such election would not subject the Participant to taxation under Section 409A, the Participant may elect to reduce the amount of any acceleration of vesting called for under the Award in order to avoid such characterization.

(b) ***Determination by Independent Accountants.*** To aid the Participant in making any election called for under Section 13.3(a), no later than the date of the occurrence of any event that might reasonably be anticipated to result in an “excess parachute payment” to the Participant as described in Section 13.3(a), the Company shall request a determination in writing by the professional firm engaged by the Company for general tax purposes, or, if the tax firm so engaged by the Company is serving as accountant or auditor for the Acquiror, the Company will appoint a nationally recognized tax firm to make the determinations required by this Section. (the “***Tax Firm***”). As soon as practicable thereafter, the Tax Firm shall determine and report to the Company and the Participant the amount of such acceleration of vesting, payments and benefits which would produce the greatest after-tax benefit to the Participant. For the purposes of such determination, the Tax Firm may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Company and the Participant shall furnish to the Tax Firm such information and documents as the Tax Firm may reasonably request in order to make its required determination. The Company shall bear all fees and expenses the Tax Firm charge in connection with its services contemplated by this Section.

14. Compliance with Securities Law.

The grant of Awards and the issuance of shares of Stock pursuant to any Award shall be subject to compliance with all applicable requirements of federal, state and foreign law with respect to such securities and the requirements of any stock exchange or market system upon which the Stock may then be listed. In addition, no Award may be exercised or shares issued pursuant to an Award unless (a) a registration statement under the Securities Act shall at the time of such exercise or issuance be in effect with respect to the shares issuable pursuant to the Award, or (b) in the opinion of legal counsel to the Company, the shares issuable pursuant to the Award may be issued in accordance with the terms of an applicable exemption from the registration requirements of the Securities Act. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company’s legal counsel to be necessary to the lawful issuance and sale of any shares under the Plan shall relieve the Company of any liability in respect of the failure to issue or sell such shares as to which such requisite authority shall not have been obtained. As a condition to issuance of any Stock, the Company may require the Participant to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect thereto as may be requested by the Company.

15. Compliance with Section 409A.

15.1 Awards Subject to Section 409A. The Company intends that Awards granted pursuant to the Plan shall either be exempt from or comply with Section 409A, and the Plan shall be so construed. The provisions of this Section 15 shall apply to any Award or portion thereof that constitutes

or provides for payment of Section 409A Deferred Compensation. Such Awards may include, without limitation:

(a) A Nonstatutory Stock Option or SAR that includes any feature for the deferral of compensation other than the deferral of recognition of income until the later of (i) the exercise or disposition of the Award or (ii) the time the stock acquired pursuant to the exercise of the Award first becomes substantially vested.

(b) Any Restricted Stock Unit Award, Performance Award, Cash-Based Award or Other Stock-Based Award that either (i) provides by its terms for settlement of all or any portion of the Award at a time or upon an event that will or may occur later than the end of the Short-Term Deferral Period (as defined below) or (ii) permits the Participant granted the Award to elect one or more dates or events upon which the Award will be settled after the end of the Short-Term Deferral Period.

Subject to the provisions of Section 409A, the term “*Short-Term Deferral Period*” means the 2½ month period ending on the later of (i) the 15th day of the third month following the end of the Participant’s taxable year in which the right to payment under the applicable portion of the Award is no longer subject to a substantial risk of forfeiture or (ii) the 15th day of the third month following the end of the Company’s taxable year in which the right to payment under the applicable portion of the Award is no longer subject to a substantial risk of forfeiture. For this purpose, the term “substantial risk of forfeiture” shall have the meaning provided by Section 409A.

15.2 Deferral and/or Distribution Elections. Except as otherwise permitted or required by Section 409A, the following rules shall apply to any compensation deferral and/or payment elections (each, an “*Election*”) that may be permitted or required by the Committee pursuant to an Award providing Section 409A Deferred Compensation:

(a) Elections must be in writing and specify the amount of the payment in settlement of an Award being deferred, as well as the time and form of payment as permitted by this Plan.

(b) Elections shall be made by the end of the Participant’s taxable year prior to the year in which services commence for which an Award may be granted to the Participant.

(c) Elections shall continue in effect until a written revocation or change in Election is received by the Company, except that a written revocation or change in Election must be received by the Company prior to the last day for making the Election determined in accordance with paragraph (b) above or as permitted by Section 15.3.

15.3 Subsequent Elections. Except as otherwise permitted or required by Section 409A, any Award providing Section 409A Deferred Compensation which permits a subsequent Election to delay the payment or change the form of payment in settlement of such Award shall comply with the following requirements:

(a) No subsequent Election may take effect until at least twelve (12) months after the date on which the subsequent Election is made.

(b) Each subsequent Election related to a payment in settlement of an Award not described in Section 15.4(a)(ii), 15.4(a)(iii) or 15.4(a)(vi) must result in a delay of the payment for a period of not less than five (5) years from the date on which such payment would otherwise have been made.

(c) No subsequent Election related to a payment pursuant to Section 15.4(a)(iv) shall be made less than twelve (12) months before the date on which such payment would otherwise have been made.

(d) Subsequent Elections shall continue in effect until a written revocation or change in the subsequent Election is received by the Company, except that a written revocation or change in a subsequent Election must be received by the Company prior to the last day for making the subsequent Election determined in accordance the preceding paragraphs of this Section 15.3.

15.4 Payment of Section 409A Deferred Compensation.

(a) **Permissible Payments.** Except as otherwise permitted or required by Section 409A, an Award providing Section 409A Deferred Compensation must provide for payment in settlement of the Award only upon one or more of the following:

(i) The Participant's "separation from service" (as defined by Section 409A);

(ii) The Participant's becoming "disabled" (as defined by Section 409A);

(iii) The Participant's death;

(iv) A time or fixed schedule that is either (i) specified by the Committee upon the grant of an Award and set forth in the Award Agreement evidencing such Award or (ii) specified by the Participant in an Election complying with the requirements of Section 15.2 or 15.3, as applicable;

(v) A change in the ownership or effective control of the Company or in the ownership of a substantial portion of the assets of the Company determined in accordance with Section 409A; or

(vi) The occurrence of an "unforeseeable emergency" (as defined by Section 409A).

(b) **Installment Payments.** It is the intent of this Plan that any right of a Participant to receive installment payments (within the meaning of Section 409A) shall, for all purposes of Section 409A, be treated as a right to a series of separate payments.

(c) **Required Delay in Payment to Specified Employee Pursuant to Separation from Service.** Notwithstanding any provision of the Plan or an Award Agreement to the contrary, except as otherwise permitted by Section 409A, no payment pursuant to Section 15.4(a)(i) in settlement of an Award providing for Section 409A Deferred Compensation may be made to a Participant who is a "specified employee" (as defined by Section 409A) as of the date of the Participant's separation from service before the date (the "**Delayed Payment Date**") that is six (6) months after the date of such Participant's separation from service, or, if earlier, the date of the Participant's death. All such amounts that would, but for this paragraph, become payable prior to the Delayed Payment Date shall be accumulated and paid on the Delayed Payment Date.

(d) **Payment Upon Disability.** All distributions of Section 409A Deferred Compensation payable pursuant to Section 15.4(a)(ii) by reason of a Participant becoming disabled shall be paid in a lump sum or in periodic installments as established by the Participant's Election. If the Participant has made no Election with respect to distributions of Section 409A Deferred Compensation upon becoming disabled, all such distributions shall be paid in a lump sum upon the determination that the Participant has become disabled.

(e) **Payment Upon Death.** If a Participant dies before complete distribution of amounts payable upon settlement of an Award subject to Section 409A, such undistributed amounts shall be distributed to his or her beneficiary under the distribution method for death established by the Participant's Election upon receipt by the Committee of satisfactory notice and confirmation of the Participant's death. If the Participant has made no Election with respect to distributions of Section 409A

Deferred Compensation upon death, all such distributions shall be paid in a lump sum upon receipt by the Committee of satisfactory notice and confirmation of the Participant's death.

(f) ***Payment Upon Change in Control.*** Notwithstanding any provision of the Plan or an Award Agreement to the contrary, to the extent that any amount constituting Section 409A Deferred Compensation would become payable under this Plan by reason of a Change in Control, such amount shall become payable only if the event constituting a Change in Control would also constitute a change in ownership or effective control of the Company or a change in the ownership of a substantial portion of the assets of the Company within the meaning of Section 409A. Any Award which constitutes Section 409A Deferred Compensation and which would vest and otherwise become payable upon a Change in Control as a result of the failure of the Acquiror to assume, continue or substitute for such Award in accordance with Section 13.1(b) shall vest to the extent provided by such Award and shall be converted automatically at the effective time of such Change in Control into a right to receive, in cash on the date or dates such award would have been settled in accordance with its then existing settlement schedule (or as required by Section 15.4(c)), an amount or amounts equal in the aggregate to the intrinsic value of the Award at the time of the Change in Control.

(g) ***Payment Upon Unforeseeable Emergency.*** The Committee shall have the authority to provide in the Award Agreement evidencing any Award providing for Section 409A Deferred Compensation for payment pursuant to Section 15.4(a)(vi) in settlement of all or a portion of such Award in the event that a Participant establishes, to the satisfaction of the Committee, the occurrence of an unforeseeable emergency. In such event, the amount(s) distributed with respect to such unforeseeable emergency cannot exceed the amounts reasonably necessary to satisfy the emergency need plus amounts necessary to pay taxes reasonably anticipated as a result of such distribution(s), after taking into account the extent to which such emergency need is or may be relieved through reimbursement or compensation by insurance or otherwise, by liquidation of the Participant's assets (to the extent the liquidation of such assets would not itself cause severe financial hardship) or by cessation of deferrals under the Award. All distributions with respect to an unforeseeable emergency shall be made in a lump sum upon the Committee's determination that an unforeseeable emergency has occurred. The Committee's decision with respect to whether an unforeseeable emergency has occurred and the manner in which, if at all, the payment in settlement of an Award shall be altered or modified, shall be final, conclusive, and not subject to approval or appeal.

(h) ***Prohibition of Acceleration of Payments.*** Notwithstanding any provision of the Plan or an Award Agreement to the contrary, this Plan does not permit the acceleration of the time or schedule of any payment under an Award providing Section 409A Deferred Compensation, except as permitted by Section 409A.

(i) ***No Representation Regarding Section 409A Compliance.*** Notwithstanding any other provision of the Plan, the Company makes no representation that Awards shall be exempt from or comply with Section 409A. No Participating Company shall be liable for any tax, penalty or interest imposed on a Participant by Section 409A.

16. Tax Withholding.

16.1 Tax Withholding in General. The Company shall have the right to deduct from any and all payments made under the Plan, or to require the Participant, through payroll withholding, cash payment or otherwise, to make adequate provision for, the federal, state, local and foreign taxes (including social insurance), if any, required by law to be withheld by any Participating Company with respect to an Award or the shares acquired pursuant thereto. The Company shall have no obligation to deliver shares of Stock, to release shares of Stock from an escrow established pursuant to an Award Agreement, or to make

any payment in cash under the Plan until the Participating Company Group's tax withholding obligations have been satisfied by the Participant.

16.2 Withholding in or Directed Sale of Shares. The Company shall have the right, but not the obligation, to deduct from the shares of Stock issuable to a Participant upon the exercise or settlement of an Award, or to accept from the Participant the tender of, a number of whole shares of Stock having a Fair Market Value, as determined by the Company, equal to all or any part of the tax withholding obligations of any Participating Company. The Fair Market Value of any shares of Stock withheld or tendered to satisfy any such tax withholding obligations shall not exceed the amount determined by the applicable maximum statutory withholding rates (or such other rate as may be necessary to avoid an adverse accounting consequence or cost). The Company may require a Participant to direct a broker, upon the vesting, exercise or settlement of an Award, to sell a portion of the shares subject to the Award determined by the Company in its discretion to be sufficient to cover the tax withholding obligations of any Participating Company and to remit an amount equal to such tax withholding obligations to such Participating Company in cash.

17. Amendment, Suspension or Termination of Plan.

The Committee may amend, suspend or terminate the Plan at any time. However, without the approval of the Company's stockholders, there shall be (a) no increase in the maximum aggregate number of shares of Stock that may be issued under the Plan (except by operation of the provisions of Sections 4.2, 4.3 and 4.4), (b) no change in the class of persons eligible to receive Incentive Stock Options, and (c) no other amendment of the Plan that would require approval of the Company's stockholders under any applicable law, regulation or rule, including the rules of any stock exchange or quotation system upon which the Stock may then be listed or quoted. No amendment, suspension or termination of the Plan shall affect any then outstanding Award unless expressly provided by the Committee. Except as provided by the next sentence, no amendment, suspension or termination of the Plan may have a materially adverse effect on any then outstanding Award without the consent of the Participant. Notwithstanding any other provision of the Plan or any Award Agreement to the contrary, the Committee may, in its sole and absolute discretion and without the consent of any Participant, amend the Plan or any Award Agreement, to take effect retroactively or otherwise, as it deems necessary or advisable for the purpose of conforming the Plan or such Award Agreement to any present or future law, regulation or rule applicable to the Plan, including, but not limited to, Section 409A.

18. Miscellaneous Provisions.

18.1 Repurchase Rights. Shares issued under the Plan may be subject to one or more repurchase options, or other conditions and restrictions as determined by the Committee in its discretion at the time the Award is granted. The Company shall have the right to assign at any time any repurchase right it may have, whether or not such right is then exercisable, to one or more persons as may be selected by the Company. Upon request by the Company, each Participant shall execute any agreement evidencing such transfer restrictions prior to the receipt of shares of Stock hereunder and shall promptly present to the Company any and all certificates representing shares of Stock acquired hereunder for the placement on such certificates of appropriate legends evidencing any such transfer restrictions.

18.2 Forfeiture Events.

(a) The Committee may specify in an Award Agreement that the Participant's rights, payments, and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture, or recoupment upon the occurrence of specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Such events may include, but shall not be limited to, termination of Service for Cause or any act by a Participant, whether before or after termination of Service, that would constitute Cause for termination of Service, or any accounting restatement due to

material noncompliance of the Company with any financial reporting requirements of securities laws as a result of which, and to the extent that, such reduction, cancellation, forfeiture, or recoupment is required by applicable securities laws.

(b) If the Company is required to prepare an accounting restatement due to the material noncompliance of the Company, as a result of misconduct, with any financial reporting requirement under the securities laws, any Participant who knowingly or through gross negligence engaged in the misconduct, or who knowingly or through gross negligence failed to prevent the misconduct, and any Participant who is one of the individuals subject to automatic forfeiture under Section 304 of the Sarbanes-Oxley Act of 2002, shall reimburse the Company for (i) the amount of any payment in settlement of an Award received by such Participant during the twelve- (12-) month period following the first public issuance or filing with the United States Securities and Exchange Commission (whichever first occurred) of the financial document embodying such financial reporting requirement, and (ii) any profits realized by such Participant from the sale of securities of the Company during such twelve- (12-) month period.

18.3 Provision of Information. Each Participant shall be given access to information concerning the Company equivalent to that information generally made available to the Company's common stockholders.

18.4 Rights as Employee, Consultant or Director. No person, even though eligible pursuant to Section 5, shall have a right to be selected as a Participant, or, having been so selected, to be selected again as a Participant. Nothing in the Plan or any Award granted under the Plan shall confer on any Participant a right to remain an Employee, Consultant or Director or interfere with or limit in any way any right of a Participating Company to terminate the Participant's Service at any time. To the extent that an Employee of a Participating Company other than the Company receives an Award under the Plan, that Award shall in no event be understood or interpreted to mean that the Company is the Employee's employer or that the Employee has an employment relationship with the Company.

18.5 Rights as a Stockholder. A Participant shall have no rights as a stockholder with respect to any shares covered by an Award until the date of the issuance of such shares (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). No adjustment shall be made for dividends, distributions or other rights for which the record date is prior to the date such shares are issued, except as provided in Section 4.4 or another provision of the Plan.

18.6 Delivery of Title to Shares. Subject to any governing rules or regulations, the Company shall issue or cause to be issued the shares of Stock acquired pursuant to an Award and shall deliver such shares to or for the benefit of the Participant by means of one or more of the following: (a) by delivering to the Participant evidence of book entry shares of Stock credited to the account of the Participant, (b) by depositing such shares of Stock for the benefit of the Participant with any broker with which the Participant has an account relationship, or (c) by delivering such shares of Stock to the Participant in certificate form.

18.7 Fractional Shares. The Company shall not be required to issue fractional shares upon the exercise or settlement of any Award.

18.8 Retirement and Welfare Plans. Neither Awards made under this Plan nor shares of Stock or cash paid pursuant to such Awards may be included as "compensation" for purposes of computing the benefits payable to any Participant under any Participating Company's retirement plans (both qualified and non-qualified) or welfare benefit plans unless such other plan expressly provides that such compensation shall be taken into account in computing a Participant's benefit.

18.9 Beneficiary Designation. Subject to local laws and procedures, each Participant may file with the Company a written designation of a beneficiary who is to receive any benefit under the Plan to which the Participant is entitled in the event of such Participant's death before he or she receives any or all of such benefit. Each designation will revoke all prior designations by the same Participant, shall be in a form prescribed by the Company, and will be effective only when filed by the Participant in writing with the Company during the Participant's lifetime. If a married Participant designates a beneficiary other than the Participant's spouse, the effectiveness of such designation may be subject to the consent of the Participant's spouse. If a Participant dies without an effective designation of a beneficiary who is living at the time of the Participant's death, the Company will pay any remaining unpaid benefits to the Participant's legal representative.

18.10 Severability. If any one or more of the provisions (or any part thereof) of this Plan shall be held invalid, illegal or unenforceable in any respect, such provision shall be modified so as to make it valid, legal and enforceable, and the validity, legality and enforceability of the remaining provisions (or any part thereof) of the Plan shall not in any way be affected or impaired thereby.

18.11 No Constraint on Corporate Action. Nothing in this Plan shall be construed to: (a) limit, impair, or otherwise affect the Company's or another Participating Company's right or power to make adjustments, reclassifications, reorganizations, or changes of its capital or business structure, or to merge or consolidate, or dissolve, liquidate, sell, or transfer all or any part of its business or assets; or (b) limit the right or power of the Company or another Participating Company to take any action which such entity deems to be necessary or appropriate.

18.12 Unfunded Obligation. Participants shall have the status of general unsecured creditors of the Company. Any amounts payable to Participants pursuant to the Plan shall be considered unfunded and unsecured obligations for all purposes, including, without limitation, Title I of the Employee Retirement Income Security Act of 1974. No Participating Company shall be required to segregate any monies from its general funds, or to create any trusts, or establish any special accounts with respect to such obligations. The Company shall retain at all times beneficial ownership of any investments, including trust investments, which the Company may make to fulfill its payment obligations hereunder. Any investments or the creation or maintenance of any trust or any Participant account shall not create or constitute a trust or fiduciary relationship between the Committee or any Participating Company and a Participant, or otherwise create any vested or beneficial interest in any Participant or the Participant's creditors in any assets of any Participating Company. The Participants shall have no claim against any Participating Company for any changes in the value of any assets which may be invested or reinvested by the Company with respect to the Plan.

18.13 Choice of Law. Except to the extent governed by applicable federal law, the validity, interpretation, construction and performance of the Plan and each Award Agreement shall be governed by the laws of the State of Nevada, without regard to its conflict of law rules.

IN WITNESS WHEREOF, the undersigned Secretary of the Company certifies that the foregoing sets forth the Everi Holdings Inc. Amended and Restated 2014 Equity Incentive Plan as duly adopted by the Board on February 26, 2024, and approved by the stockholders of the Company on May 22, 2024.

Kate C. Lowenhar-Fisher, Secretary

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-K**

(Mark One)

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

For the fiscal 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: 001-32622

EVERI HOLDINGS INC.

(Exact name of registrant as specified in its charter)

Delaware

20-0723270

(State or other jurisdiction of incorporation or organization)

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

7250 S. Tenaya Way, Suite 100

Las Vegas

Nevada

89113

(Address of principal executive offices)

(Zip Code)

(800) 833-7110

(Registrant's telephone number, including area code)

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

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock, \$0.001 par value per share	EVRI	New York Stock Exchange

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

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

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the 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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

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. Yes No

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

As of June 30, 2023, the aggregate market value of the registrant's common stock held by non-affiliates was approximately \$1.2 billion based on the closing sale price as reported on the New York Stock Exchange.

There were 83,778,581 shares of the registrant's common stock issued and outstanding as of the close of business on February 23, 2024.

DOCUMENTS INCORPORATED BY REFERENCE

Certain portions of the registrant's Definitive Proxy Statement for its 2024 Annual Meeting of Stockholders (which is expected to be filed with the Securities and Exchange Commission within 120 days after the end of the registrant's 2023 fiscal year) are incorporated by reference into Part III of this Annual Report on Form 10-K. Except as expressly incorporated by reference, the registrant's Proxy Statement shall not be deemed to be a part of this Annual Report on Form 10-K.

EVERI HOLDINGS INC.

ANNUAL REPORT ON FORM 10-K
FOR FISCAL YEAR ENDED December 31, 2023

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In this filing, we refer to: (i) our audited consolidated financial statements and notes thereto as our “Financial Statements,” (ii) our audited Consolidated Statements of Operations and Comprehensive Income as our “Statements of Operations,” (iii) our audited Consolidated Balance Sheets as our “Balance Sheets,” (iv) our audited Consolidated Statements of Cash Flows as our “Statements of Cash Flows,” and (v) Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations as our “Results of Operations.”

CAUTIONARY INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

Everi Holdings Inc. (“Everi Holdings” or “Everi”) is a holding company, the assets of which are the issued and outstanding shares of capital stock of each of Everi Payments Inc. (“Everi FinTech” or “FinTech”) and Everi Games Holding Inc., which owns all of the issued and outstanding shares of capital stock of Everi Games Inc. (“Everi Games” or “Games”). Unless otherwise indicated, the terms the “Company,” “we,” “us,” and “our” refer to Everi Holdings together with its consolidated subsidiaries.

This Annual Report on Form 10-K (“Annual Report”) contains “forward-looking” statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and the Private Securities Litigation Reform Act of 1995, as do other materials or oral statements we release to the public. Forward-looking statements are neither historical facts nor assurances of future performance, but instead are based only on our current beliefs, expectations, and assumptions regarding the future of our business, plans and strategies, projections, anticipated events and trends, the economy, and other future conditions, as of the date on which this report is filed. Forward-looking statements often, but do not always, contain words such as “expect,” “anticipate,” “aim to,” “designed to,” “intend,” “plan,” “believe,” “goal,” “target,” “future,” “assume,” “estimate,” “indication,” “seek,” “project,” “may,” “can,” “could,” “should,” “favorably positioned,” or “will” and other words and terms of similar meaning. Readers are cautioned not to place undue reliance on the forward-looking statements contained herein, which are based only on information currently available to us and only as of the date hereof.

Forward-looking statements are subject to inherent risks, uncertainties, and changes in circumstances that are often difficult to predict and many of which are beyond our control, including, but not limited to, statements regarding trends, developments, and uncertainties impacting our business, including our ability to withstand: macro-economic impacts on consumer discretionary spending, interest rates and interest expense; global supply chain disruption; inflationary impact on supply chain costs; inflationary impact on labor costs and retention; equity incentive activity and compensation expense; our ability to maintain revenue, earnings, and cash flow momentum or lack thereof; changes in global market, business and regulatory conditions whether as a result of a pandemic, or other economic or geopolitical developments around the world, including availability of discretionary spending income of casino patrons as well as expectations for the closing or re-opening of casinos; product and technological innovations that address customer needs in a new and evolving operating environment or disrupt the industry, such as generative artificial intelligence; to enhance shareholder value in the long-term; trends in gaming operator and patron usage of our products; benefits realized by using our products and services; benefits and/or costs associated with mergers, acquisitions, and/or strategic alliances; product development, including the benefits from the release of new products, new product features, product enhancements, or product extensions; regulatory approvals and changes; gaming, financial regulatory, legal, card association, and statutory compliance and changes; the implementation of new or amended card association and payment network rules or interpretations; consumer collection activities; competition (including consolidations); tax liabilities; borrowings and debt repayments; goodwill impairment charges; international expansion or lack thereof; resolution of litigation or government investigations; our share repurchase and dividend policy; new customer contracts and contract renewals or lack thereof; and financial performance and results of operations (including revenue, expenses, margins, earnings, cash flow, and capital expenditures).

Our actual results and financial condition may differ materially from those indicated in forward-looking statements, and important factors that could cause them to do so include, but are not limited to, the following:

- our ability to generate profits in the future and to create incremental value for shareholders;

- our ability to withstand economic slowdowns, inflationary and other economic factors that pressure discretionary consumer spending;
- our ability to execute on mergers, acquisitions, and/or strategic alliances, including our ability to integrate and operate such acquisitions or alliances consistent with our forecasts in order to achieve future growth;
- our ability to execute on key initiatives and deliver ongoing improvements;
- expectations regarding growth for the Company's installed base and daily win per unit;
- expectations regarding placement fee agreements;
- inaccuracies in underlying operating assumptions;
- our ability to withstand direct and indirect impacts of a pandemic outbreak, or other public health crises of uncertain duration on our business and the businesses of our customers and suppliers, including as a result of actions taken in response to governments, regulators, markets and individual consumers;
- changes in global market, business, and regulatory conditions arising as a result of economic, geopolitical and other developments around the world, including a global pandemic, increased conflict and political turmoil, capital market disruptions and instability of financial institutions, climate change or currently unexpected crises or natural disasters;
- our leverage and the related covenants that restrict our operations;
- our ability to comply with our debt covenants and our ability to generate sufficient cash to service all of our indebtedness, fund working capital, and capital expenditures;
- our ability to withstand the loss of revenue during the closure of our customers' facilities;
- our ability to maintain our current customers;
- our ability to replace revenue associated with terminated contracts or margin degradation from contract renewals;
- expectations regarding customers' preferences and demands for future product and service offerings;
- our ability to successfully introduce new products and services, including third-party licensed content;
- gaming operator and patron preferences;
- failure to control product development costs and create successful new products;
- the overall growth or contraction of the gaming industry;
- anticipated sales performance;
- our ability to prevent, mitigate, or timely recover from cybersecurity breaches, attacks, compromises and other security vulnerabilities;
- national and international economic and industry conditions, including the prospect of a shutdown of the U.S. federal government;
- changes in gaming regulatory, financial regulatory, legal, card association, and statutory requirements;
- the impact of evolving legal and regulatory requirements, including emerging environmental, social and governance requirements;
- regulatory and licensing difficulties, competitive pressures and changes in the competitive environment;
- operational limitations;

- changes to tax laws;
- uncertainty of litigation outcomes;
- interest rate fluctuations;
- business prospects;
- unanticipated expenses or capital needs;
- technological obsolescence and our ability to adapt to evolving technologies, including generative artificial intelligence;
- employee hiring, turnover and retention;
- our ability to comply with regulatory requirements under the Payment Card Industry (“PCI”) Data Security Standards and maintain our certified status; and
- those other risks and uncertainties discussed in [“Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations”](#) and [“Item 1A. Risk Factors”](#) of this Annual Report.

We undertake no obligation to update or publicly revise any forward-looking statements as a result of new information, future developments or otherwise. All subsequent written or oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by this section. You are advised, however, to consult any further disclosures we make on related subjects in our reports and other filings with the Securities and Exchange Commission (the “SEC”).

PART I

Item 1. Business.

Overview

Everi develops and offers products and services that provide gaming entertainment, improve our customers' patron engagement, and help our casino customers operate their businesses more efficiently. We develop and supply entertaining game content, gaming machines and gaming systems and services for land-based and iGaming operators. Everi is a provider of financial technology solutions that power casino floors, improve operational efficiencies, and fulfill regulatory requirements. The Company also develops and supplies player loyalty tools and mobile-first applications that enhance patron engagement for our customers and venues in the casino, sports, entertainment, and hospitality industries.

Everi reports its financial performance, and organizes and manages its operations, across the following two business segments: (i) Games and (ii) Financial Technology Solutions ("FinTech").

Everi Games provides gaming operators with gaming technology and entertainment products and services, including: (i) gaming machines, primarily comprising Class II, Class III and Historic Horse Racing ("HHR") slot machines placed under participation and fixed-fee lease arrangements or sold to casino customers; (ii) providing and maintaining the central determinant systems for the video lottery terminals ("VLTs") installed in the State of New York and similar technology in certain tribal jurisdictions; (iii) business-to-business ("B2B") digital online gaming activities; and (iv) bingo solutions through consoles, integrated electronic gaming tablets and related systems.

Everi FinTech provides gaming operators with financial technology products and services, including: (i) financial access and related services supporting digital, cashless and physical cash options across mobile, assisted and self-service channels; (ii) loyalty and marketing software and tools, regulatory and compliance ("RegTech") software solutions, other information-related products and services, and hardware maintenance services; and (iii) associated casino patron self-service hardware that utilizes our financial access, software and other services. We also develop and offer mobile-first applications aimed at enhancing patron engagement for customers in the casino, sports, entertainment, and hospitality industries. Our solutions are secured using an end-to-end security suite to protect against cyber-related attacks allowing us to maintain appropriate levels of security. These solutions include: access to cash and cashless funding at gaming facilities via Automated Teller Machine ("ATM") debit withdrawals, credit card financial access transactions, and point of sale ("POS") debit card purchases at casino cages, kiosk and mobile POS devices; accounts for the CashClub Wallet, check warranty services, self-service loyalty and fully integrated kiosk maintenance services; self-service loyalty tools and promotion management software; compliance, audit, and data software; casino credit data and reporting services; marketing and promotional offering subscription-based services; and other ancillary offerings.

Macro-Economic Volatility and Global Instability, Employment Constraints and Supply Chain Disruptions

We have experienced an impact from macro-economic volatility as a result of inflation, interest rate movements and global instability, particularly as it relates to our supply chain, both from an upstream and downstream perspective, which impacts the delivery of our products; and we continue to evaluate the effects of interest rate movements on our variable rate debt and pricing pressures on our business.

We have experienced an impact from employment constraints as a result of inflation that has significantly increased over prior years. This has placed pressure on competitive wages, which has led to increases in wages and other related costs.

We have experienced an impact from supply chain disruptions that have resulted in additional costs incurred to develop, produce, and ship our products.

For additional information on our segments and the revenues generated by our products and services see ["Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations — Results of Operations"](#) and ["Note 19 — Segment Information"](#) included elsewhere in this Annual Report.

Our Products and Services

Everi Games

Our products and services include electronic gaming devices, such as Native American Class II offerings and other electronic bingo products, Class III slot machines and HHR gaming machines placed under participation or fixed-fee lease arrangements, or sold to casino customers, B2B digital online gaming activities, accounting and central determinant systems, and other back-office systems. We conduct our Games segment business based on results generated from the following major revenue streams: (i) Gaming Operations; and (ii) Gaming Equipment and Systems.

Gaming Operations

With respect to our Gaming operations revenue stream, we primarily provide: (i) leased gaming equipment, Class II, Class III and HHR offerings, on a revenue participation or a daily fixed-fee basis, including standard games and hardware and premium games and hardware, which include local-area progressive jackpot offerings and wide-area progressive (“WAP”) jackpot offerings; (ii) accounting and central determinant systems; (iii) digital online gaming activities; and (iv) bingo solutions through consoles, integrated electronic gaming tablets and related systems.

In connection with our leased gaming equipment, we retain ownership of the machines installed at customer facilities. We receive recurring revenue based on a percentage of the daily win per unit (i.e., cash/coin-in less patron win and jackpots paid) generated by the leased gaming equipment, a percentage of the total cash/coin-in, a daily fixed-fee based upon the number of gaming machines placed or a combination of these methods. We expect to continue to (i) increase our investment in research and development to innovate and introduce new gaming hardware and theme content; (ii) expand our offering of new standard and premium game hardware and theme content; and (iii) extend and expand our game placements into new gaming markets and additional jurisdictions. From our historical focus on game placements in the Oklahoma tribal market, Everi Games has diversified its installed base in recent years with entry into additional commercial and tribal markets. As of December 31, 2023, approximately 10,758 units, or 61.4% of the total installed base, were outside of the Oklahoma tribal market. Additionally, Everi Games maintained its premium game installations, with this portion of games representing approximately 48.6% of our total installed base as of December 31, 2023.

In connection with our WAP offering, machines placed under such arrangements fall into the premium leased gaming equipment category and we retain ownership of such machines. Currently spanning multiple product lines, our WAP is offered to customers on the *Player Classic*, *Player Classic Reserve*, *Player Classic Skyline*, *Player Classic Revolve*, *Core HDX Renegade*, *Empire 5527*, *Empire MPX*, *Empire Flex* and *Empire DCX* cabinets.

Gaming operations also include revenues generated under our arrangement to provide the New York State Gaming Commission with a central determinant, monitoring, and accounting system for the VLTs in operation at licensed State of New York gaming facilities. In November 2019, an agreement between Everi Games and the New York State Gaming Commission was approved and became effective on January 1, 2020. Under this agreement, Everi Games will provide and maintain the central determinant system for the New York Lottery through December 2029. As of December 31, 2023, there were approximately 17,400 VLTs connected to our central determinant system for the New York Lottery. Pursuant to our agreement with the New York State Gaming Commission, we receive a portion of the network-wide net win (generally, credits played less free pay allowances and prizes paid to patrons per day) in exchange for provision and maintenance of the central determinant system. We also provide the central determinant system technology to Native American tribes in other licensed jurisdictions, for which we receive a portion of the revenue generated from the VLTs that are connected to the system.

In connection with our digital online gaming activities, Everi provides our games to business customers, including both regulated real money and social casinos, which offer the games to consumers through their online gaming platforms. Everi has developed its own remote gaming server (“RGS”) that allows us to deliver a selection of games from our extensive library of land-based and internally developed content to our digital customers in a manner that allows for the game play features and functionality to operate in a manner similar to how these games were designed for our land-based customers. This RGS library contains casino-themed games available for real money

gaming (“RMG”) that are offered to regulated online casinos that operate in the RMG regulated markets, and social games that are offered to our business customers that operate play-for-fun social casinos on their mobile apps and websites. We enter into revenue share agreements with these online business customers.

Gaming operations also include revenues generated by bingo solutions through consoles, integrated electronic gaming tablets and related systems.

Gaming Equipment and Systems

Gaming equipment and systems revenues are derived from the sale of some combination of: (i) gaming equipment and player terminals; (ii) game content; (iii) license fees; and (iv) ancillary equipment, such as signage and lighting packages.

Games Products

Our Games products include mechanical and video reel games in Class II, Class III and HHR configurations and are offered in a variety of differentiated cabinets:

Classic Mechanical Reel Games. Our full range of classic mechanical reel games provides players with a traditional, high denomination slot gaming experience.

- *Player Classic Signature.* The *Player Classic Signature* was launched in 2022 and is an update to the successful *Player Classic* cabinet. The cabinet has newer components and technology with more on-screen merchandising capabilities.
- *Player Classic Reserve.* The *Player Classic Reserve* launched in 2023 is a high-profile three-reel mechanical cabinet with an extensive top box that can incorporate a variety of premium content and secondary bonusing.
- *Player Classic:* These games leverage our long-standing experience in building enduring brands, such as *Black Diamond*[®] and *Wild Wild Gems*[®], and feature a unique perspective on traditional slot games with eye-catching features, such as *Cash Machine*[™], a three-reel, one-line mechanical slot game that offers “win what you see” gameplay.
- *Player Classic Skyline:* These games utilize common recognizable light sequencing in the top box in sync with specific game themes such as Double Jackpot Gems and Triple Double Patriot along with licensed game themes such as Casper and Smokin’ Hot Stuff.
- *Player Classic Revolve:* Our premium linked products such as Cash Machine Jackpots and Gold Standard Jackpots builds upon the skyline cabinet and also includes a mechanical wheel top box and merchandising options for casino operators that can include overhead signage, and wedge kits.

Video Reel Games. We offer a growing range of video reel games that provide entertaining slot gaming experience. Below is a list of our video gaming cabinets and select games on these platforms.

- *Dynasty Vue.* *Dynasty Vue* is our unique “square-like” low-profile portrait screen, released in March of 2023 with themes such as *Octopus Gold* and *High Rollin Gems*.
- *Dynasty Sol.* *Dynasty Sol* is our newest 49-inch portrait screen, released in December of 2023 with games such as *Dynamite Pop* and *Destiny Link*.
- *Empire Flex.* The *Empire Flex* cabinet, released in December 2019, is part of the Empire Cabinet Series. The cabinet features a 49-inch flexed monitor capable of supporting 4K content, an enlarged glass button deck, and curved LED light bars that are available in standard or extended options. The cabinet officially launched with two games that are part of the *Wicked Wheel*[™] Series.

- *Empire DCX*. The *Empire DCX* is a premium video cabinet that features dual curved 43-inch displays that support 4K content with integrated edge lighting, premium 4.1 surround sound, and enhanced game-controlled lighting. The cabinet is available exclusively with licensed brand game themes having launched with Little Shop of Horrors Director's Cut™ slot game.

Everi FinTech

Our FinTech products and services include solutions that we offer to gaming operators to provide their patrons with financial access and funds-based services supporting digital, cashless and physical cash options across mobile, assisted and self-service channels along with related loyalty and marketing tools, and other information-related products and services. We also develop and offer mobile-first applications aimed at enhancing patron engagement for customers in the casino, sports, entertainment, and hospitality industries. These solutions include:

- access to cash at gaming facilities via ATM debit withdrawals, credit card financial access transactions, and POS debit card purchase at casino cages, kiosk and mobile POS devices;
- access to cashless funding through the CashClub Wallet® and QuikTicket;
- check warranty services;
- self-service fully integrated kiosks and related maintenance services;
- self-service loyalty tools, promotion management software and loyalty kiosks and related maintenance services;
- compliance, audit, and data software;
- a credit bureau focused on casino credit with data and reporting services;
- marketing and promotional based services; and
- other ancillary offerings.

We conduct our FinTech segment business based on results generated from the following major revenue streams: (i) Financial Access Services; (ii) Software and Other; and (iii) Hardware.

Financial Access Services

In connection with our Financial Access Services, we offer the following:

Funds Dispensed. Funds dispensed transactions represent the largest category of electronic payment transactions that we process, as measured by dollars processed and transaction volume. In a funds dispensed transaction, a patron directly accesses funds from either a standalone ATM or a device enabled with our funds dispensing service by using a debit card to withdraw funds from the patron's demand deposit account, using a credit card to access the patron's line of credit, or disbursing funds authorized by a third party through direct application programming interface integration. In any event, the patron must use the personal identification number ("PIN") associated with such card or other accepted authentication method. Our system then routes the transaction request through an electronic funds transfer ("EFT") network to the patron's bank or card issuer, or through a third party system, as applicable.

Depending on several factors, including the patron's account balance, their credit limit and/or the daily withdrawal limits (which limits are often set by the card issuer), the card issuer will either authorize or decline the transaction. If the transaction is authorized, then the funds dispensing-enabled device dispenses the cash to the patron. For a transaction using a debit card, the patron's demand deposit account is debited by the amount of cash disbursed plus a service fee that we assess the patron for the use of the funds dispensing service. For a transaction using a credit card with a PIN, the patron's credit card account is charged by the amount of the cash disbursed plus service fees assessed by the Company and by the card issuer for the use of the funds dispensing service. In both cases, our

service fee is currently a fixed dollar amount and not a percentage of the transaction size. We also receive a fee from the card issuer, which we refer to as the interchange reimbursement fee, for accommodating the card issuer's customer (the patron). In most circumstances, we pay a percentage of the service fee received from the patron and, in many circumstances, a portion of the interchange reimbursement fees received from the card issuer, as a commission to our gaming operator customers for the right to operate on their premises.

Funds Transmitted. Everi products are also able to transmit funds to a patron's external bank account or other approved account from physical devices such as our kiosks or via the CashClub Wallet. These funds may be sent via ACH, the debit card networks, or direct connections with third parties. In all cases, Everi will either charge a fee to the casino operator or share in revenue from the patron where fees are presented to them for the service.

Credit Card Financial Access Transactions and POS Debit Card Financial Access Transactions. Patrons can perform credit card financial access transactions and POS debit card financial access transactions using many of our enabled devices. A patron's credit card financial access limit is usually a sub-limit of the total credit line and is set by the card issuer, not Everi. These limits vary significantly and can be larger or smaller than the POS debit financial access limit. A credit card financial access transaction obligates the patron to repay the card issuer over time on terms that are preset by the cardholder agreement. A patron's POS debit card allows the patron to make cash withdrawals at the POS-enabled device in an amount equal to the lesser of the amount of funds in the account, or a daily limit that is generally five to ten times as large as the patron's daily ATM limit.

When a patron requests either a credit card or POS debit card financial access transaction, our processor routes the transaction request through one of the card associations, or EFT networks, to the card issuer. Depending upon several factors, such as the available credit or bank account balance, the transaction is either authorized or declined by the card issuer. If authorized, the patron's bank account is debited or the patron's credit card balance is increased, in both cases, by an amount equal to the funds requested plus our service fee. Our service fee is a fixed dollar amount, a percentage of the transaction size, or a combination of a fixed dollar amount and percentage of the transaction size. If the transaction is authorized, the device informs the patron that the transaction has been approved. The device then further instructs the patron to proceed to the gaming operator's cashier cage ("financial services center"), to complete the transaction, because both credit card and POS debit card financial access transactions must, in most circumstances, be completed in a face-to-face environment and a unique signature received in order to comply with rules of the card associations. We receive the transaction amount and the service fee from the card issuer, and we reimburse the gaming operator for the cash amount that it provided to the patron, and in addition, will pay the gaming operator a portion of the service fee we collected as a commission for the right to operate on its premises. We are also obligated to pay interchange fees to the card issuer and processing costs related to the electronic payment transaction to card associations.

Check Warranty Services. Everi provides a check warranty service that allows gaming operators to accept personal and/or payroll checks without the risk of default. When a patron presents a check to the cashier at a gaming operator, the check and patron information is sent through Everi's system to our third-party partner. The partner evaluates the information and returns to the cashier a warranty limit that a check or multiple checks can be cashed for on that business day. The partner may also return a decline code telling the cashier not to accept the check.

For a gaming operator that subscribes to the check warranty service, Everi will warranty any dishonored check that was approved, eliminating any risk of loss on check acceptance for the gaming operator. Everi's partner facilitates and manages the check processing, deposits, redeposits, and collections for any checks.

On our behalf, our third-party provider charges our customers a fee for the check warranty services, which is typically a percentage of the face amount of the check being warranted. In such circumstances, we receive the check warranty revenue associated with the fees we charge our customers for the initial check warranty services. We are exposed to risk for the losses associated with warranted checks that cannot be collected from patrons issuing the items. Warranty expenses are defined as any amounts paid by the third-party provider to gaming operators to purchase dishonored checks that will not be collectible from patrons. We also pay certain fees and expenses to our third-party provider in connection with the provision of such services.

CashClub® is a software payments platform that provides gaming operators with a personal computer workstation software user interface and point-of-sale terminal that streamlines credit and debit card financial access transaction processing and check warranty transactions for casino patrons. It allows for electronic signature capture and dynamic currency conversion. Several mobile versions, such as *CashClub Concierge*, are also available that enable operators to serve their patrons when, where, and how they are needed. It also interfaces with our *Everi Compliance* solutions (defined below) to assist casino operators with meeting regulatory requirements under Title 31 of the Bank Secrecy Act.

CashClub Wallet® is a digital payments platform for gaming operators to offer their patrons a digital cashless method to fund their entertainment experience, including funding at the gaming device, payments at point of sale for retail, online, hotel and food/beverage, igaming, and sports wagering. The wallet allows patrons various funding options including credit card financial access transactions and POS debit card financial access transactions, Automated Clearing House, and E-Check check warranty. It also interfaces with our *Everi Compliance* solutions (defined below) to assist casino operators with meeting regulatory requirements under Title 31 of the Bank Secrecy Act. The wallet also has capabilities to integrate with our *Loyalty* platform including our Enrollment and Promotional kiosks.

Software and Other

JackpotXpress is a full-featured jackpot payout and tax form management and filing platform that allows casino personnel to work through the complex jackpot process using a mobile tablet or kiosk. *JackpotXpress* allows gaming operators to reduce jackpot payout wait times, increase slot play, eliminate manually filling out cumbersome paper documents, and perform Know Your Customer (“KYC”) checks. It is fully integrated with our *Everi Compliance*, *CageConnect*, and *JackpotXchange* products. In addition to making jackpot operations more efficient, *JackpotXpress* also helps operators increase customer engagement which leads to improved loyalty and service.

Loyalty Platform provides a software platform that enables gaming operators to adopt and deliver new promotional strategies to attract, engage, reward, and retain their patrons. Gaming operators utilize the platform to deliver content and promotions on kiosks, tablets, and mobile devices. The software platform integrates with other casino applications to engage with patrons in a more relevant and personalized fashion. We provide the operators with a control panel to assist with the planning, personalization, and optimization of delivering messages and content via interactions within our platform depending on how much value the casino places on the patron. This allows our customers to unify the patron experience across all touchpoints within the casino and replaces outdated promotional and enrollment tactics by utilizing our content for promotions, drawings, targeted alerts, card signups, reprints, and geo-fencing. By providing a comprehensive set of integrated applications within our platform, we offer gaming operators the ease of use and simplicity to interact with their patrons. Additionally, our loyalty platform is integrated with other *Everi* applications for financial access and compliance tools.

Maintenance provides various levels of support and maintenance services for our fully integrated kiosks, loyalty kiosks, and related equipment. Our support operations, field service, and customer engagement teams provide quarterly and annual preventative maintenance on these products and software systems to help maximize the efficiency of our products.

Everi Compliance is a leading Anti-money Laundering (“AML”) management tool for the gaming industry. *Everi Compliance* encompasses many elements including filing Suspicious Activity Reports (“SARs”) and Currency Transaction Reports (“CTRs”), and assisting our customers in performing KYC activities. *Everi Compliance* automates much of the manual processes gaming operators employ to be compliant with those requirements, thus saving time, improving accuracy, and allowing operators to manage their compliance programs much more efficiently. In addition, *Everi Compliance* gives operators the ability to enter Multiple Transaction Log and Negotiable Instrument Log transactions, file Financial Crimes Enforcement Network (“FinCEN”) reports electronically, conduct transaction analysis, complete compliance audits, and review reports.

Central Credit is our gaming patron credit bureau service which, on a subscription basis, allows gaming operators to improve their credit-granting decisions by obtaining access to a database containing credit information and transaction data on millions of gaming patrons. Our gaming credit reports comprise information recorded from

patron credit histories at hundreds of gaming operators. We provide such information to gaming operators that subscribe to the service. These operators then use that data, among other things, to determine how much credit, if any, they will grant to a gaming patron. We typically charge our customers for access to gaming patron credit reports on a monthly basis and our fees are generally comprised of a fixed minimum amount plus per-transaction charges for certain requests.

Mobile-first Applications is centered around the *BeOn™ Mobile* platform. Fortified by the 2022 asset acquisition of Venuetize, Inc., a leading mobile platform provider in the sports, entertainment, and hospitality industries, we now have products and services formulated for casino operators, sports teams and other venues going through their mobile digital transformation. By offering turn-key solutions that simplify the entire process of the customer journey, digital offerings like our marketing technology associated with it, a mobile app now becomes a powerful tool for any casino operator or venue owner.

Hardware

Fully Integrated Kiosks are a complete line of products that provide multiple functions to gaming operators on their casino floors. This includes financial access functionality that enables funds dispensed cash withdrawals, POS debit card and credit card financial access transactions directly or by using our patented “Seamless Transition” technology, which is the Europay, MasterCard, and Visa global standard for cards equipped with security chip technology (“EMV”). The kiosks also provide functionality to perform check cashing transactions, slot machine ticket redemption, bill breaking, slot ticket purchase from a debit card, and loyalty program access, as well as integration with mobile and wallet technology. The availability of our financial access platform on these slot ticket redemption devices provides us with additional points of contact with gaming patrons at locations that are typically closer to gaming devices than traditional financial access devices that are generally located on the periphery of the gaming area and provides gaming patrons with more opportunities to access their cash with less cashier involvement.

Other Integrated Kiosk Solutions provide casinos with more efficient and streamlined methods for cash handling and transaction processing. These products are designed to be integrated with our financial access products and cage compliance software ensuring compliance with anti-money laundering regulations, and provide an automated way to process common tax forms, such as the Internal Revenue Service Form W-2G or Form 1042-S. In addition, we offer hardware in the form of standalone, non-funds dispensing terminals that perform authorizations for credit card financial access and POS debit card financial access transactions. Our kiosk solutions include the following products:

- *JackpotXchange* family of kiosks, *JXC 4.0*, and *JXC-L*, enable casino personnel to efficiently access funds to pay winning slot machine jackpots to their patrons. These kiosks are integrated with all major slot accounting systems to offer jackpot processing and payout in a combination of cash or slot tickets. These kiosks offer gaming operators the ability to reduce workload for cage operations and slot personnel.
- *CageConnect* is a cash dispensing device that helps streamline casino cage operations. With *CageConnect*, cash is securely vaulted, creating increased security while also reducing cash shrinkage and helping to improve cashier accuracy. Additional efficiencies are achieved from accelerating the process of cage cashiers obtaining money from the vault. *CageConnect* is integrated with *CashClub®* to create an efficient transaction for casino patrons.
- Our *Cash Recycling Solutions* allow casinos to fully automate the check in and check out process of money, saving time and expense. As gaming operators vary in size and complexity, these *Cash Recycling Solutions* support a number of diverse operations such as retail, food and beverage, entertainment, and gaming operations.

Loyalty Kiosk and Related Equipment provide gaming operators with self-service loyalty enrollment, player card issuance, and marketing equipment that manages and delivers a gaming operator's marketing programs through the patron interfaces. This loyalty-related equipment allows the customer to utilize and interact with the loyalty platform as the central hub for all the marketing offerings.

- *Enrollment Kiosk* is a self-service kiosk that allows casino patrons to either sign up for an initial loyalty card or print a replacement card. These kiosks provide an enhanced level of customer service when the club desk is busy or closed by creating patron self-service locations throughout the casino floor without costly infrastructure or additional overhead costs. Such kiosks also assist with updating contact information of card holders and to verify email or phone contact with a two-step verification process.
- *Promotional Kiosk* is a kiosk that engages casino patrons with the casino's loyalty programs, unifying patron service functions into a simple self-service solution. With a range of promotions and offers, the kiosk enables the customer to better manage their marketing efforts. A flexible interface and control panel functionality enable the kiosk to be responsive to customers' changing business conditions or plans. With the drawings feature, multiple point to entry conversion ratios can be controlled by the hour, as well as scheduled prize earnings. Customized content is shared throughout the solution with property amenities that include menus, photos, and video content. With a graphic-rich, statistically-optimized, and exciting promotions catalog library of more than 300 games, critical assets for instant win, episodic board games, and earn and wins, customers' patrons can easily access differentiated content.

Sales

As of December 31, 2023, we served more than 2,800 casinos and other gaming properties primarily in the United States, Canada and Australia, with additional customers in the United Kingdom, Europe, the Caribbean, Central America, and Asia.

In our Games and FinTech businesses, we sell and market our products and services primarily through direct sales force, which targets regulated gaming operators in the United States, Canada, and in certain international markets. Our sales and marketing efforts are directed by a team of customer service executives, each of whom has business development responsibility for gaming operators in specified geographic regions. These customer service executives direct their efforts at various gaming operator personnel, including: senior executives, finance professionals, marketing staff, slot directors, and cashiers, and seek to educate them on the benefits of our products and services. In some cases, our customer service executives are supported by field service and customer engagement teams, who provide on-site customer service. In other cases, our sales executives directly maintain the customer relationships. These customer service executives and field service and customer engagement teams generally reside in the vicinity of the specific gaming operators they support to provide a prompt response to the needs of those gaming operators. In some situations, we also have joint sales efforts with several strategic partners, including independent sales organizations, which allow us to market our products and services to gaming operators through channels other than our direct sales force.

Markets

Development Activities

We conduct research and development activities for both our Gaming and FinTech lines of business.

Our Games research and development activities are primarily to develop gaming systems, game engines, casino data management systems, central determination and other electronic bingo-outcome determination systems, video lottery outcome determination systems, gaming platforms and gaming content, and to enhance our existing product lines.

Our FinTech research and development activities are primarily to develop: (i) payments products, systems, and related capabilities including security, encryption, and business rule engines that deliver differentiated patron experiences and integrate with our other products; (ii) compliance products that increase efficiencies, profitability, enhance employee/patron relationships, and meet regulatory reporting requirements; and (iii) loyalty products,

systems, and features that attract, engage, and retain patrons in more intuitive and contextual ways than our competition.

We believe our ability to deliver differentiated, appealing products and services to the marketplace is based on our research and development investments, and we expect to continue to make such investments in the future. Research and development costs consist primarily of salaries and benefits, consulting fees, certification, and testing fees. Once the technological feasibility has been established, the project is capitalized until it becomes available for general release.

Competitive Conditions

With respect to our Games business, we compete across different gaming markets with a variety of gaming technology and equipment suppliers. Competition is generally based upon the: (i) amount of revenue our products generate for our customers relative to the amount of revenue generated by our competitors' products, which correlate directly to the appeal of these products to gaming patrons and (ii) prices and fees we and our competitors charge for products and services offered. To improve product attractiveness and drive customer demand, we work to develop a consistent pipeline of new game themes, game platforms, hardware cabinets, and systems that are expected to appeal to gaming patrons; obtain appropriate gaming regulatory approvals for such products; and offer these new products to the marketplace in a timely manner.

With respect to our FinTech business, we compete with other providers of financial access services to the gaming industry. Some of these other providers have established cooperative relationships with each other to expand their service offerings. We also face competition from: (i) other manufacturers that provide similar goods and services; (ii) independent sales organizations, which provide basic services often at aggressive pricing; and (iii) traditional transaction processors that have entered the gaming patron financial access services market. This competition amongst these various providers can result in pricing pressure and margin erosion with respect to our core financial access products and services. In addition to competing with various providers of financial access services, FinTech experiences competition from either those same providers or standalone providers of AML compliance products and self-service kiosks for ticket and jackpot redemption.

Resources

Manufacturing

We have assembly facilities in Las Vegas, Nevada and Sydney, Australia, where we assemble gaming machines and kiosk products, which comprise a variety of components, including cabinet hardware, computer assemblies, LCD screens, printers, bill validators and acceptors, power transformer and wiring harnesses.

We had assembly facilities in Austin, Texas until we transitioned to our new assembly facility in Las Vegas, Nevada during the fourth quarter of 2023.

We believe that our sources of supply of component parts and raw materials for our products are generally adequate. We utilize contract manufacturers to produce the cabinet hardware that make up our gaming machines, kiosk products, and certain other sub-assemblies.

Intellectual Property

We believe the ability to introduce and respond to technological innovation in the gaming industry will be an increasingly important qualification for the future success of any provider of financial access and gaming-related products and services. Our continued competitiveness will depend on: (i) the pace of our new product development; (ii) our patent, copyright, trademark, and trade secret protection; and (iii) our relationships with customers. Our business development personnel work with gaming operators, our technology and other strategic partners, and the suppliers of the financial services upon which our financial access services rely, to design and develop innovative products and services that appeal to gaming patrons.

We rely on a combination of patents, trademarks, copyrights, trade secrets, and contractual restrictions to protect our intellectual property. The expiration dates of these patents vary and are based on their filing and issuance dates. We intend to continue to actively file for patent protection, when such filings are commercially reasonable, within and outside the United States. We also seek trademark protection for our names and products and have registered hundreds of trademarks in the United States and various foreign countries. Under permission or license agreements with third parties, we also sell gaming products covered by independently filed copyrights, trademarks, or patents. Typically, these contracts require us to pay royalties to the licensing party. Royalty expenses are included in the cost of gaming equipment and systems in our Financial Statements included elsewhere in this Annual Report on Form 10-K. In addition to our patents, trademarks, and copyrights, we also rely on a broader scope of intellectual property including trade secrets, in-house know-how, and innovation.

Human Capital

Composition of our Workforce

As of December 31, 2023, Everi employed approximately 2,200 people, a vast majority of whom work in the United States. Approximately 1,000 people are employed within the Games segment and approximately 1,200 people are employed within the FinTech segment. None of our employees are party to a collective bargaining agreement and we have had no labor-related work stoppages.

Culture of our Workplace

In 2023, we reaffirmed our mission statement and continued to focus on our employees' collective imagination, talent, and innovation with our Company's objectives. At Everi, we are guided by our values of collaboration, integrity, inclusion, excellence, and fun. We (i) Harness the power of collaboration; (ii) Act with integrity; (iii) Value Everi-One; (iv) Exceed expectations and be bold. When we deliver on these values consistently, we H.A.V.E. (v) Fun! We live these values by investing in programs and implementing standards to promote ethical business conduct, diversity, sustainability, giving and volunteerism, and responsible gaming. These programs support our long-term business success while also empowering our team members.

Inspired by Author Simon Sinek's concept of the Golden Circle and the importance of identifying the "WHY" behind your business, Everi has established a company "WHY" statement. As part of our continued growth and our desire to define and share our Company "WHY" statement more broadly, we apply the Company "WHY" that puts our employees and their success front and center:

Elevate the Success of:

- Everi Employee
- Everi Customer
- Everi Day!

Diversity and Inclusion

At Everi, one of our fundamental values is inclusion, a principle we actively embrace and embody in our daily operations. We firmly believe that our strength lies in the diversity of our employees, customers, and the communities we serve. This belief drives our commitment to being an equal opportunity employer dedicated to fostering a diverse and inclusive work environment.

We work to uphold a workplace where every employee is treated with dignity and respect, free from any form of harassment or discrimination. Our policies and practices are designed to support a safe and supportive environment for all, regardless of race, color, age, gender, disability, sexual orientation, or any other protected characteristic. By steadfastly adhering to these principles, we not only honor our commitment to diversity and inclusion but also enhance our ability to innovate, understand our customers, and succeed as a company.

The Company activates its commitment to diversity and inclusion by employing a multi-pronged strategy: (i) promoting a fun, friendly, and supportive environment; (ii) valuing inclusion as a top priority and expectation; (iii) focusing resources on recruiting and retaining qualified employees from diverse backgrounds; and (iv) continuing to build awareness of the importance and benefits that diversity and inclusion provides to our Company and

employees. In addition, our Compensation Committee and Nominating and Governance Committee oversee initiatives and metrics concerning human capital management, including corporate culture, diversity, acceptance, inclusion, and attracting and retaining talent.

Our commitment to fostering a diverse and inclusive workplace is reinforced through mandatory company-wide training. This program is designed to address key challenges in advancing inclusion and supporting diversity, with a focus on understanding and mitigating unconscious bias and micro-inequities. Recognizing the pivotal role of hiring managers in promoting diversity, we have implemented specialized training for them. This training is aimed at building a foundational awareness of how biases influence decision-making, examining their effects on the selection process, and highlighting the advantages of bias-free hiring practices. Leadership by example is crucial in these efforts. Our executive leadership team leads the way, having participated in training focused on inclusive leadership. We take this top-down approach so that our commitment to diversity and inclusion is not only preached but also practiced at every level of our organization.

Everi is also working to increase the representation of women in our workforce. In 2017, the Company launched The Women's Leadership Initiative (WLI), which seeks to develop and advance gender diversity and create new opportunities and a clearer path for advancement. The WLI is committed to promoting and advocating gender diversity at all levels of leadership through awareness, training, development, and inspiration. Participants in the WLI engage and connect with other WLI members, Company employees and leaders, and diverse stakeholders in the gaming industry. WLI members also participate in educational programs such as "lunch and learn" events with internal business leaders and training opportunities with experts outside the industry. The WLI leads the Company's mentorship program for U.S. employees, providing the benefit of advice and insights from Everi mentors to all mentees. As a result of the success of the WLI initiative, we have expanded the program company wide and rebranded it as the Everi Leadership Initiative.

At Everi, we place great importance on recognizing and celebrating the rich and diverse heritage of our employees, customers, and the communities we serve. Throughout the year, we dedicate ourselves to various heritage celebrations, holidays, and commemorative events. Our approach includes engaging our employees through educational webinars and guest lectures, which are designed to build awareness and foster a deeper understanding of different cultures and traditions.

In addition to internal initiatives, our commitment extends to the communities around us. We actively support local charitable organizations that provide essential services and support. These donations are a vital part of our engagement, reflecting our dedication to not only acknowledging diversity but also contributing positively to the communities where we operate. Through these efforts, Everi strives to create an inclusive environment that values and celebrates the unique backgrounds and experiences of all individuals connected to our company.

Employee Engagement

At Everi, our core values of Inclusion and Collaboration, are at the forefront of our efforts to foster ongoing dialogue with our employees. Recognizing that over 70% of our workforce operates outside of an office, we understand the critical importance of maintaining robust employee engagement and providing avenues for employee input. To achieve this, we employ a variety of feedback mechanisms. These include annual employee surveys, regular company-wide email communications and periodic town hall meetings. These platforms serve a dual purpose: they not only disseminate crucial company updates from our leadership but also provide opportunities for active employee participation and involvement.

Our leadership team takes a hands-on approach to addressing the feedback received through these channels. This practice is a testament to our commitment to not just listen, but to act on employee input, working to foster a culture where every voice is valued and can lead to tangible, positive changes. This approach has been met with success, as evidenced by a notable increase in our employee satisfaction scores in 2023 compared to 2022.

In 2023, Everi proudly continued its recognition as an exemplary employer through various prestigious programs. Participating in both the 'Top Workplaces' and 'Great Place to Work' initiatives, we benchmark our employee experience against thousands of organizations nationwide. This year, the Company was honored with seven distinct national awards, underscoring our employees' confidence in our leadership, employee well-being, and

innovation among others. Notably, we maintained our status as a Nevada Top Workplace and again secured the Greater Austin Top Workplace title. Our overseas Technology Development Centers also continued their streak as a Great Place to Work in India. This marks the third consecutive year of Everi being recognized as both a Top Workplace and a Great Place to Work, a testament to our unwavering commitment to fostering an exceptional work environment.

Employee Development and Training

Everi is dedicated to fostering the growth and development of our employees through a multifaceted training program. We provide specialized leadership training and development courses for newly hired or promoted leaders, equipping them with the skills necessary for their new roles. Additionally, our online learning platform offers an extensive catalog of courses accessible to all employees. This catalog covers a broad spectrum of topics, essential for both leadership and professional development. Key areas include conflict management, effective delegation, understanding unconscious bias, recognizing team achievements, and techniques for coaching and delivering constructive feedback.

Recognizing the importance of holistic development, our program also includes training in vital soft skills. Courses on emotional intelligence, email etiquette, and developing a professional presence are designed to support each employee's personal and professional journey. We believe that investing in such diverse training opportunities not only enhances individual capabilities but also contributes significantly to the overall success and culture of our organization.

Talent Acquisition and Diverse Recruiting

The Recruitment Team at Everi is dedicated to sourcing talent from a wide array of channels, particularly recognizing the increasing prevalence of remote work. By leveraging advanced tools and systems, we minimize geographic limitations, thereby broadening our talent pool. This approach is especially beneficial in today's competitive job market, allowing us to fill a variety of roles, including those requiring specific, in-demand skills. We are regularly enhancing our recruitment strategies to identify and attract new, untapped talent, supporting the growth and diversification of our business.

At Everi, we understand that creativity and innovation are the fruits of diverse backgrounds and perspectives. To foster a more diverse workplace, we employ a blind resume screening process for initial applicants. This method focuses on evaluating talent, experience, and qualifications without the influence of certain demographic information to help provide a fair and unbiased selection process. Additionally, we are proactive in expanding our reach to new candidates. A dedicated member of our Recruitment Team actively collaborates with various educational institutions, professional associations and student organizations. This collaboration not only provides support and information to diverse groups of students and job seekers but also helps us discover potential candidates for our open positions. Through these efforts, we are committed to nurturing an inclusive and dynamic workforce that reflects the diverse world in which we operate.

Employee Health and Wellness

Everi considers the health and safety of our employees to be of paramount importance. We have policies in place to monitor the working conditions of our employees and implement measures to protect their health, safety, and well-being.

At Everi, we seek to recognize the diverse needs of our workforce and have tailored our benefits program accordingly. We aim to provide competitive and comprehensive options that are both valuable and accessible to our employees. Our benefits package encompasses a wide range of offerings. These include extensive medical, dental and wellness programs, flexible time-off plans and paid holidays, flexible spending accounts, and a 401(k) retirement plan complimented by a company match on employee contributions. Additionally, we offer financial wellness services to support our employees' overall financial health.

To align our benefits with our employees' needs, we conduct an annual employee benefits survey. This survey serves as a crucial tool for gathering feedback directly from our employees. We actively use this input to refine and

enhance our benefits offerings, demonstrating our commitment to regularly improving the work-life balance and overall satisfaction of our workforce.

Everi strives to be steadfast in its commitment to adhering to relevant laws and regulations concerning workplace health and safety, as well as emergency and disaster recovery protocols. Our approach is proactive and informed, as we consistently draw upon the expertise of leading national health organizations. This strategy is integral to our operations, particularly in navigating the macroenvironment and its challenges. Our primary objective is safeguarding our employees, protecting them from potential harm. By staying abreast of and responsive to the latest guidance and best practices, we strive to maintain a safe and secure working environment for all.

Seasonality

Our revenues and cash flows may fluctuate throughout the year driven by seasonality, among other factors. Historically, we have generally experienced higher operating income during the first half of a year and lower operating results during the second half of a year; however, such fluctuations do not have a material impact on our revenues and cash flow.

Government Regulation

General

We are subject to a number of gaming and financial institution laws and regulations and believe that we are in substantial compliance with these laws and regulations. We have designed a diligent internal compliance program governing our business activities, as well as legal requirements generally applicable to publicly traded companies. The compliance program is directed on a day-to-day basis by our Chief Legal Officer, who also serves as Chief Compliance Officer. Legal advice is provided by attorneys from the Company's legal department and outside experts. The compliance program is overseen by the Corporate Compliance Committee, which includes an independent member. While complying with these regulations can require significant time and resources, we do not believe it results in costs that materially impact our earnings, capital expenditures, or competitive position. Despite our compliance efforts, we can give no assurance that our business activities or the activities of our customers in the gaming industry will not be subject to any regulatory or legal enforcement proceedings in the future.

Gaming Regulation

The gaming industry is highly regulated under legal systems that frequently evolve and change based on governmental public policies. Various aspects of our business are subject to comprehensive laws, regulations, and ordinances applicable to the ownership, management, and operation of gambling operators, the manufacture and distribution of gaming devices, as well as certain financial services conducted at such operators. The stated policies and other purposes behind such laws, regulations, and ordinances are generally to: (i) secure the public's trust and confidence in legalized gambling through a system of mandated regulation, internal controls, accounting practices, and operating procedures; and (ii) promote economic activity for the state, county, and local governments through revenue opportunities emanating from taxes, licensing fees, and other economic benefits arising out of gambling and related activities.

A description of the material regulations to which we are subject is set forth below.

Gaming Authorities. We are regulated by various city, county, state, provincial, federal, tribal, and foreign government agencies (collectively, “Gaming Authorities”) in the jurisdictions where we conduct business as either a: (i) manufacturer of gaming devices, in those jurisdictions where we manufacture gaming devices and systems; (ii) distributor of gaming devices, in those jurisdictions where we distribute gaming devices and systems; (iii) supplier of “associated equipment,” in those jurisdictions where we sell and service fully integrated kiosks and other integrated kiosk solutions; and (iv) non-gaming supplier or vendor, in those jurisdictions where we provide financial access and Central Credit services only. We must maintain those licenses, registrations, or other approvals in good standing to continue our business. Gaming Authorities have broad discretion in determining whether to grant a license, registration, or other approval. Subject to complying with certain procedural requirements, Gaming Authorities may deny any application, or limit, condition, restrict, revoke, or suspend any license, registration, finding of suitability, qualification, or other approval for any cause deemed reasonable to them.

Approvals, Licensing, and Suitability

The process of obtaining necessary licenses, registrations, or other approvals often involves substantial disclosure of confidential or proprietary information about us and our officers, directors, key personnel and, in certain instances, beneficial owners of our debt or equity securities, and requires a determination by the regulators as to our suitability as a manufacturer, distributor, supplier, or vendor to gaming operators. Authorities have broad discretion and may require any beneficial holder of our securities, regardless of the number of shares of common stock or amount of debt securities owned, to file an application, make personal or confidential disclosures, be investigated, and be subject to a determination of suitability. Many jurisdictions require any person who acquires beneficial ownership of more than a certain percentage (most commonly 5%) of voting securities of a publicly-traded gaming company and, in some jurisdictions, non-voting securities, to report the acquisition to Gaming Authorities, and 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.

Product Approvals

Our gaming devices and certain other products and technologies must be certified or approved by Gaming Authorities in many jurisdictions where we conduct business. These Gaming Authorities test the gaming devices, systems, and related equipment directly or through an independent testing laboratory and may also require a field trial under the regulator’s technical standards before allowing us to sell the product. Although we collaborate closely with the Gaming Authorities and independent testing laboratories, we cannot control whether our products will be approved or the length of time it will take to review our products for sale to third parties. Moreover, there are no guarantees that we will be successful in obtaining and maintaining all necessary licenses, permits, and approvals; or in continuing to hold other necessary gaming licenses, permits, and approvals to conduct our businesses either as currently being conducted by us or to expand our businesses.

Our Native American customers are regulated by the National Indian Gaming Commission (“NIGC”), which was established by the Indian Gaming Regulatory Act of 1988 (“IGRA”). The NIGC has regulatory authority over certain aspects of Native American gaming and defines the boundaries of our dealings with the Native American marketplace and the level of regulatory authority to which these games are subject. IGRA establishes three classes of gaming, each with a different regulatory framework:

Class	Type of Games	Regulatory Oversight
I	Social gaming for minimal prizes and traditional Native American gaming.	Exclusive regulation and oversight by tribal governments.
II	Bingo (both in traditional and electronic form).	Regulation by tribal governments with NIGC oversight.
III	Casino style games (including slot machines, blackjack, craps, and roulette).	Must be permitted by the state in which the tribe is located. The state and the tribe must have negotiated a compact approved by NIGC, and the tribe must have adopted a gaming ordinance approved by the NIGC.

We provide our gaming devices and systems in both Class II and Class III markets.

Class III gaming on Native American tribal lands is usually subject to the negotiation of a compact between the tribe and the proximate state attendant to where the tribe intends to operate a gaming facility. These tribal-state compacts typically include provisions entitling the state to receive significant sums of money in exchange for the tribe’s operation of Class III gaming. While tribal-state compacts are intended to document the agreement between the state and a tribe, these tribal-state compacts can be subject to disputes relative to permitted Class III gaming operations.

The Johnson Act. The Johnson Act, as amended by the federal Gambling Devices Act of 1962 (the “Johnson Act”), requires that we register annually with the Criminal Division of the United States Department of Justice, and requires a wide variety of record keeping and equipment identification efforts on our part. Registration is required for us to sell, distribute, manufacture, transport, or receive gaming equipment, machines, or components across state lines. If we fail to comply with the requirements set forth under the Johnson Act, we could become subject to a variety of penalties, including, but not limited to, the seizure and forfeiture of equipment.

Internet and Online Gaming Regulation. Several states have passed legislation and regulations to allow certain intra-state, wager-based, online casino, or lottery games, such as online poker, online lottery, lottery ticket purchases, or lottery ticket subscriptions. To date, several states have authorized some form of Internet or online gaming or lottery activities. However, the legislative and regulatory framework governing these activities may continue to evolve in the future.

Financial Services Regulation

Our FinTech business is also subject to several financial services regulations:

Durbin Amendment. Rules promulgated by the Board of Governors of the Federal Reserve System, required as part of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the “Dodd-Frank Act”), including the so-called Durbin Amendment (the “Durbin Amendment”), establish, among other things, standards for assessing whether debit card interchange fees received by certain debit card issuers are reasonable and proportional to the costs incurred by issuers for electronic debit transactions. Debit card interchange fees are established by payment card networks and ultimately paid by merchants to debit card issuers for each debit transaction.

Anti-Money Laundering and Sanctions. The USA PATRIOT Act of 2001, other federal statutes, generally referred to as the Bank Secrecy Act, and implementing federal regulations require us to establish and maintain an anti-money laundering program. Our anti-money laundering program includes the following: internal policies, procedures, and controls designed to identify and report money laundering, a designated compliance officer, ongoing employee training programs, an independent audit function to test the program, and customer due diligence. In addition, the financial access services we provide are subject to record keeping and reporting obligations under the Bank Secrecy Act. Our gaming operator customers are required to file a SAR with the U.S. Treasury Department's Financial Crimes Enforcement Network to report any suspicious transactions relevant to a possible violation of law or regulation. We are also required to file a SAR in certain circumstances where we provide our financial access services directly to patrons. To be reportable, such a transaction must meet criteria that are designed to identify the hiding or disguising of funds derived from illegal activities. Our gaming operator customers, in situations where our financial access services are provided through gaming operator cashier personnel, and we, in situations where we provide our financial access services, are required to file a CTR of each deposit, withdrawal, exchange of currency, or other payment or transfer by, through, or to us which involves a transaction in currency of more than \$10,000 in a single day. Our CashClub® product can assist in identifying transactions that give rise to reporting obligations.

We also have a program designed to comply with applicable economic and trade sanctions programs, including those administered and enforced by the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC"). These sanctions are usually targeted against foreign countries, terrorists, international narcotics traffickers, and those believed to be involved in the proliferation of weapons of mass destruction. Regulations generally require either the blocking of accounts or other property of specified entities or individuals, but they may also require the rejection of certain transactions involving specified entities or individuals. We maintain policies, procedures and other internal controls designed to comply with these sanctions programs.

Fund Transfers. Our POS debit card financial access transactions, credit card financial access transactions, and funds dispensing services are subject to the Electronic Fund Transfer Act, which provides cardholders with rights with respect to electronic fund transfers, including the right to dispute unauthorized charges, charges that list the wrong date or amount, charges for goods and services that are not accepted or delivered as agreed, math errors, and charges for which a cardholder asks for an explanation or written proof of transaction along with a claimed error or request for clarification. We believe the necessary policies and procedures have been implemented throughout our organization to comply with the regulatory requirements for fund transfers.

State Money Transmission Laws. Many states where we complete credit card financial access and POS debit card financial access transactions or offer our online payment processing solution require us to have a money transmitter license, typically issued by the state's Financial Institutions Division. These state laws subject us to, among other requirements, examinations by state regulatory agencies, reporting requirements, net worth and bonding requirements, and consumer disclosure requirements.

Check Cashing. In jurisdictions in which we may provide check cashing services, we are required to be licensed by the applicable state banking regulator at the appropriate level for the services we deliver. Some states also impose restrictions on this activity, such as limits on the amounts of service fees that may be imposed on the cashing of certain types of checks, requirements as to records that must be kept with respect to dishonored checks, and requirements as to the contents of receipts that must be delivered to gaming patrons at the time a check is cashed.

Credit Reporting. Our Central Credit gaming patron credit bureau services and check verification and warranty services are subject to the Fair Credit Reporting Act (the "FCRA") and the Fair and Accurate Credit Transactions Act of 2003 (the "FACTA") and their implementing rules, which require consumer credit bureaus, such as Central Credit, to provide credit report information to businesses only for certain purposes and to otherwise safeguard credit report information, to disclose to consumers their credit report on request, and to permit consumers to dispute and correct inaccurate or incomplete information in their credit report. These laws and rules also govern the information that may be contained in a consumer credit report. We continue to implement policies and procedures as well as adapt our business practices in order to comply with these laws and regulations. In addition

to federal regulations, our Central Credit gaming patron credit bureau services are subject to the state credit reporting regulations that impose similar requirements to the FCRA and the FACTA.

Debt Collection. We currently outsource most of our debt collection efforts to third parties. However, we may engage in debt collection to collect on chargebacks on our financial access products and unpaid balances for services performed for our check services, Central Credit services, compliance services, receivables relating to the sale and service of our fully integrated kiosks and other integrated kiosk solutions, and other amounts owing to us in connection with performing various services for our customers. All such collection practices may be subject to the Fair Debt Collection Practices Act (the “FDCPA”), which prohibits unfair, deceptive, or abusive debt collection practices, as well as consumer-debt-collection laws and regulations adopted by the various states.

Consumer Financial Services. The Consumer Financial Protection Bureau and other federal, state, and local law enforcement and regulatory agencies have the authority to regulate consumer financial products. These agencies have broad statutory powers, including to promulgate rules, issue interpretations, and take enforcement actions that may affect our business.

Privacy Regulations. Our collection of information from patrons who use our financial products and services, such as our financial access services, are subject to the financial information privacy protection provisions of the Gramm-Leach-Bliley Act of 1999 (the “GLBA”) and its implementing federal regulations. We gather, as permitted by law, non-public, personally-identifiable financial information from patrons who use our financial access services, such as names, addresses, telephone numbers, bank and credit card account numbers, and transaction information. The GLBA requires us to safeguard and protect the privacy of such non-public personal information and requires us to make disclosures to patrons regarding our privacy and information sharing policies and give patrons the opportunity to direct us not to disclose information about them to unaffiliated third parties in certain situations. We are also subject to state privacy regulations which, in some cases, may be even stricter than federal law, including without limitation, the California Consumer Privacy Act which became effective as of January 1, 2020. We continue to implement policies and programs as well as adapt our business practices to comply with federal and state privacy laws and regulations. In addition, we are subject to foreign data protection and privacy laws including, but not limited to, the European Union General Data Protection Regulation, which became effective in May 2018 and requires companies to meet certain requirements regarding data privacy and security.

Funds Dispensed Operations. The Electronic Fund Transfer Act requires us to disclose certain notices regarding the fees that we charge for performing a funds dispensed transaction as well as to incorporate such notices on the ATM screens to notify patrons of such fees prior to completing a funds dispensed transaction. Our funds dispensed services are also subject to applicable state banking regulations in each jurisdiction in which we operate ATMs which require, among other things, that we register with the state banking regulators as an operator of ATMs, that we provide gaming patrons with notices of the transaction fees assessed upon use of our ATMs, that our transaction fees do not exceed designated maximums, that we offer gaming patrons a means of resolving disputes with us, and that we comply with prescribed safety and security requirements. In addition, the ATMs we operate are subject to requirements of the Americans with Disabilities Act, which in general require that ATMs be accessible to individuals with disabilities, such as visually-impaired persons.

Network and Card Association Regulations. In addition to the governmental regulations described above, some of our services are also subject to rules promulgated by various payment networks, EFT networks, and card associations. For example, we must comply with the PCI Data Security Standard. We have been designated as a compliant service provider under the PCI Data Security Standard. We must be certified to maintain our status as a compliant service provider on an annual basis.

The Europay, MasterCard, and Visa global standard for cards equipped with security chip technology (“EMV”) is designed to deter fraudulent card transactions related to identity theft, counterfeit cards, and the misuse of lost or stolen cards via enhanced card authentication, transaction authorization, and cardholder verification using chip-based smart-cards. EMV has been adopted in many regions of the world as the global standard for fraud deterrence in chip-based smart-card payments. Merchants whose devices are not capable of processing chip-based smart-card EMV transactions are responsible for chargebacks due to fraudulent transactions on such cards.

As a merchant of financial access transactions processed through MasterCard, Visa, Discover, and American Express, all who have adopted the EMV standard, and as an operator of ATMs, our POS, fully-integrated kiosk, and ATM devices are subject to the EMV standard. This requires us to maintain our fleet of U.S.-based POS, fully-integrated kiosk, and ATM devices to support the EMV standard.

International Regulation

We are also subject to a variety of gaming and financial services regulations and other laws, including the Foreign Corrupt Practices Act, in the international markets in which we operate. We expect to become subject to additional gaming and financial services regulations and other laws in the jurisdictions into which we expand our operations. Our expansion into new markets is dependent upon our ability to comply with the regulatory regimes adopted by such jurisdictions.

In addition, refer to “[Item 1A. Risk Factors — Risks Related to the Regulation of Our Industry](#)” for more information regarding industry, state, and federal regulations impacting our business and related risks and uncertainties.

Available Information

Our website address is www.everi.com. We make available, free of charge, on our website, our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to those reports filed, or furnished, pursuant to Section 13(a) or 15(d) of the Exchange Act, as soon as reasonably practicable after such reports are electronically filed with, or furnished to, the SEC. In addition, our earnings conference calls are webcast live via our website. The information on our website is not part of this Annual Report or our other filings with the SEC. In addition to visiting our website, you may read documents we file with the SEC at www.sec.gov.

Item 1A. Risk Factors.

The following section describes material risks and uncertainties that make an investment in our securities risky and may adversely affect our business, financial condition, results of operations, or the market price of our stock. These risk factors do not identify all risks that we face; our operations could also be affected by factors, events, or uncertainties that are not presently known to us or that we currently do not consider to present significant risks to our operations. This section should be read in conjunction with our Financial Statements and Results of Operations included elsewhere in this Annual Report on Form 10-K.

Risks Related to Our Business

Overall

- **Our operations are dependent upon business and consumer demand for gaming and overall economic trends specific to the gaming industry. Economic downturns or a decline in the popularity of gaming could reduce the number of patrons who use our products and services or the amounts of cash that they access using our services.**

We provide our gaming-related and financial access products and services almost exclusively to regulated gaming operators. As a result, our business depends on consumer demand for gaming. Gaming is a discretionary leisure activity, participation in which has in the past and may in the future decline during periods of (i) economic growth, due to changes in consumers' spending preferences; (ii) economic downturns, or periods of high inflation, due to decreases in our consumers' disposable income or general tourism activities; and (iii) declining consumer confidence, due to general economic conditions, domestic- and geo-political concerns, or other factors. Gaming competes with other leisure activities as a form of consumer entertainment and may lose popularity as new leisure activities arise or as other leisure activities become more popular. The popularity and acceptance of gaming is also influenced by the prevailing social mores and changes in social mores, including changes driven by social responsibility organizations that are dedicated to addressing responsible gaming, which could result in reduced acceptance of gaming as a leisure activity or litigation or lobbying efforts focused on limiting gaming activities. To the extent that the popularity or availability of gaming in the establishments of regulated gaming operators declines as a result of any of these factors, the demand for our financial access and gaming-related products and services, or the willingness of our customers to spend new capital on acquiring gaming equipment or utilize revenue share agreements, may decline and our business may be harmed.

- **If we are unable to develop and protect our intellectual property adequately or obtain intellectual property rights and agreements, we may lose valuable competitive advantages, be forced to incur costly litigation to protect our rights or be restricted in our ability to provide various products in our markets.**

Our success depends, in part, on developing and protecting our intellectual property. We rely on a combination of patents, trademarks, copyrights, trade secrets, and contractual restrictions to protect our intellectual property. We also rely on other confidentiality and contractual agreements and arrangements with our employees, affiliates, business partners, contractors and customers to establish and protect our intellectual property and similar proprietary rights. We cannot assure you that we will be successful in protecting these rights and, despite our efforts, our trade secrets and proprietary know-how could become known to, or independently developed by, competitors through malfeasance by employees, contractors or other insiders who may have access to our intellectual property; industrial, corporate or other espionage events; or unauthorized intrusions into our networks or those of our third-party vendors. Any litigation relating to the defense of our intellectual property, whether successful or unsuccessful, could result in substantial costs to us and potentially cause a diversion of our resources.

In addition, we rely on intellectual property licenses from one or more competitors, the loss of which could materially and adversely affect our business and the sale or placement of our products. Various third-party gaming manufacturers with which we compete are much larger than us and have substantially larger intellectual property asset portfolios. The gaming manufacturer industry is very competitive and litigious, and a lawsuit brought by one of our larger competitors, regardless of whether or not well-founded, may

have a material adverse effect on our business, financial condition, operations, or cash flows and our ability to sell or place our products.

In addition, we have faced and may again face claims of infringement that could interfere with our ability to use technology or other intellectual property rights that are material to our business operations. In the event a claim of infringement against us is successful, we may be required to pay royalties to use technology or other intellectual property rights that we had been using, or we may be required to enter into a license agreement and pay license fees, or we may be required to stop using the technology or other intellectual property rights that we had been using. We may be unable to obtain necessary licenses from third parties at a reasonable cost or within a reasonable amount of time. Any litigation of this type, whether successful or unsuccessful, could result in substantial costs to us and potentially cause a diversion of our resources.

- **We rely on technology provided by third-party vendors, the loss of which could materially and adversely affect our business, increase our costs, and delay deployment or suspend development of our financial services products, gaming systems and player terminals.**

We have entered into license agreements with third parties for the exclusive use of their technology and intellectual property rights in the gaming industry, such as our license to use portions of the software infrastructure upon which our financial access systems operate, and we also rely on third-party manufacturers to manufacture our gaming devices, fully integrated kiosks, and other integrated kiosk solutions. We rely on these other parties to maintain and protect this technology and the related intellectual property rights. If our licensors fail to protect their intellectual property rights in material that we license and we are unable to protect such intellectual property rights, the value of our licenses may diminish significantly, and our business could be significantly harmed. In addition, if these agreements expire and we are unable to renew them, or if this software or hardware, or functional equivalents of this software or hardware, were either no longer available to us or no longer offered to us on commercially reasonable terms, we may lose a valuable competitive advantage and our business could be harmed.

We have in the past and may again experience various difficulties related to our supply chain, particularly with respect to international third-party suppliers of our components, that could cause significant production delays. If we are unable to obtain these components from our established third-party vendors, we could be required to either redesign our products to function with alternate third-party products or to develop or manufacture these components ourselves, which would result in increased costs and could result in delays in the deployment of our financial service products, gaming systems and player terminals. Furthermore, we might be forced to limit the features available in our current or future offerings.

- **Our net operating losses and other tax credit carry-forwards are subject to limitations that could potentially reduce these tax assets.**

As of December 31, 2023, we had tax effected state net operating loss (“NOL”) carry-forwards of approximately \$4.1 million, federal research and development credit carry-forwards of approximately \$17.1 million, federal solar tax credit carry-forwards of approximately \$0.5 million, and Australia NOL carry-forwards of approximately \$1.1 million.

Our state NOL carry-forwards will expire between 2025 and 2041. Our federal research and development credits are limited to a 20 year carry-forward period and will begin to expire in varying amounts in 2037, if not utilized. Our federal solar tax credit is limited to a 22 year carry-forward period and will expire in 2045, if not utilized, at which time one-half of any unused credit can be deducted. Our Australia NOL carry-forwards can be carried forward indefinitely.

Based on the weight of available evidence, including both positive and negative indicators, if it is more likely than not that a portion, or all, of the deferred tax assets will not be realized, we must consider recording a valuation allowance. Greater weight is given to evidence that is objectively verifiable, most notably historical results. As of December 31, 2023, we placed a full valuation allowance on the Australia net deferred tax assets of \$1.1 million, among other foreign items, as we evaluated negative evidence noting a three-year

cumulative loss in Australia. As of December 31, 2023, approximately \$0.6 million of our valuation allowance relates to certain state NOL carry-forwards that we estimate are not more likely than not to be realized.

As of December 31, 2021, our U.S. operations emerged from a three-year cumulative loss position. Based on our analysis as of December 31, 2021, we removed the full valuation allowance in the federal and certain state jurisdictions, contributing to a \$67.9 million reduction in our valuation allowance in 2021. Our ability to utilize these NOL and other tax credit carry-forwards to reduce taxable income in future years may be limited, including the possibility that projected future taxable income is insufficient to realize the benefit of these NOL carry-forwards prior to their expiration. To the extent our results of operations decline, we may not have the ability to meet the more likely than not accounting standard which would require us to record an additional valuation allowance in the future.

In addition, our ability to use these tax assets could be adversely affected by the limitations of Sections 382, 383 and 384 of the Internal Revenue Code. In addition, a portion of our NOL's include amortization of goodwill for tax purposes associated with a restructuring that occurred in 2004, which is subject to audit by the IRS and thus may have an adverse effect on our NOL carry-forwards.

- **We operate our business in regions subject to natural disasters, public health issues, political instability and other potentially catastrophic events. Any interruption to our business resulting from such an event will adversely affect our revenues and results of operations.**

In the event of a natural or human-caused disaster or other catastrophic event, the operations of gaming operators could be negatively impacted or consumer demand for gaming could decline, or both, and as a result, our business could be interrupted, which could materially and adversely affect our revenues and results of operations. Adverse weather conditions, particularly flooding, hurricanes, tornadoes, heavy snowfall, and other extreme weather conditions often deter our customer's patrons from traveling to or make it difficult for them to frequent the sites where our games and FinTech equipment are installed. Similarly, public health crises, such as the outbreak of communicable diseases like COVID-19, often deter patrons from visiting our customer's gaming operators. If any of those sites, where a significant number of our games and FinTech equipment is installed, either individually or simultaneously experienced adverse weather conditions or other catastrophic events, our results of business, financial condition, and operations could be materially and adversely affected. From time to time, the impact of weather-related natural disasters has resulted in business disruption at certain of our locations as well as our customers' facilities and may do so in the future.

Similarly, many of the international third-party suppliers we rely on for the manufacture of our gaming and FinTech equipment are located in areas that are subject to natural disasters, public health issues, political instability and other potentially catastrophic events. When these events occur, our suppliers may not be able to fulfill their obligations to us, which has in the past resulted in uncertainty in our supply chain and could in the future result in disruptions to our supply chain that adversely affect our results of business, financial condition, and operations.

- **The global COVID-19 pandemic had, and may in the future have, a material adverse impact on our operations and financial performance, as well as on the operations and financial performance of the customers and suppliers in the gaming industry that we serve.**

The COVID-19 pandemic negatively impacted the global economy, with particular impact to the gaming industry, disrupted global supply chains, temporarily lowered equity market valuations, created significant volatility and disruption in the financial markets, and increased unemployment levels. Consequently, demand for our products and services could be impacted in the future as a result of decreases in gaming activity, whether resulting from the COVID-19 pandemic or other public health crises, uncertainty in the economy or industry, supply chain disruptions, or other for reasons. The extent to which the COVID-19 pandemic further impacts our business, results of operations, and financial condition, as well as our capital and liquidity ratios, will depend on future developments that are highly uncertain and cannot be predicted, including the scope and duration of the pandemic, the resurgence of its variants, and actions taken by

governmental authorities and other third parties in response to the pandemic. The COVID-19 pandemic may also exacerbate the risks disclosed in this section of our Annual Report.

- **The emergence of generative artificial intelligence (“GenAI”) may have material adverse impacts on our operations and financial performance, the gaming industry that we serve, our customers, and gaming patrons.**

GenAI is likely to have a variety of unforeseeable impacts, the nature of which are highly uncertain and cannot be predicted, on our business and the gaming industry. Existing and new competitors using GenAI may bring new gaming products to the market, increasing competition and choices for our customers and patrons, resulting in a decrease in demand for our products. New GenAI-based or GenAI-created non-gaming products and services may emerge and compete for consumers' leisure and entertainment spending, resulting in a decrease in spending on our gaming products and services. GenAI can be used to create false and misleading information, impersonate people, and increase the effectiveness of fraudulent activities and cyberattacks, leading to increased costs of fraud and cybersecurity detection and remediation, as well as a loss in operational efficiency, reputation and revenues. GenAI can create art, music and literature with little or no human intervention, leading to disruption in the gaming industry and job displacement among our employees, customers and patrons, and affecting spending on gaming-related leisure activities. The use of GenAI tools and content in the creation of intellectual property, games and content by our employees and suppliers, whether authorized or unauthorized, may lead to third-party claims related to that intellectual property or our inability to maintain full ownership over our intellectual property, resulting in litigation, damages and license fees, or the requirement that we withdraw certain content from the marketplace, leading to loss of revenue. The recent emergence and fast growth of GenAI technology means that the full range of impacts on the Company are unknowable at this time.

Games Business

- **Most of our leased gaming device contracts with our customers are short-term, and if we are unable to maintain our current customers on terms that are favorable to us, our business, financial condition, operations, or cash flows may suffer a material adverse effect.**

Most of our leased gaming device contracts with our customers are generally short-term, except for customers with whom we have entered into development and placement fee agreements. We do not rely upon the stated term of our gaming device contracts to retain the business of our customers. We rely instead upon providing competitive player terminals, games, and systems to give our customers the incentive to continue doing business with us. At any point in time, a significant portion of our gaming device business is subject to non-renewal, which may materially and adversely affect our earnings, financial condition, and cash flows. To renew or extend any of our customer contracts, generally, we may be required to accept financial and other terms that are less favorable to us than the terms of the expired contracts. In addition, we may not succeed in renewing customer contracts when they expire. If we are required to agree to other less favorable terms to retain our customers or we are not able to renew our relationships with our customers upon the expiration of our contracts, our business, financial condition, operations, or cash flows could suffer a material adverse effect.

- **Tribal gaming customers who have historically operated large numbers of Class II gaming units may negotiate arrangements with state governments or renegotiate existing gaming compacts that could impact the number of Class II gaming devices currently supplied by the Company, to the extent there is a desire to change to Class III gaming units. If we are unable to maintain our existing placement of units, then our business, financial condition, operations, or cash flows may suffer an adverse effect.**

As of December 31, 2023, we operated more than 10,558 Class II gaming units under lease or daily fixed-fee arrangements with our customers. Customers who enter into compacts with state governments may desire to change from Class II gaming units to Class III gaming units, as Class III units generally perform better than Class II units. This may result in the loss of placements under lease or daily fixed-fee arrangements as customers purchase or lease Class III units from other equipment suppliers to replace our existing Class II

units. If we are unable to replace these lost units with our proprietary Class III units, our business, financial condition, operations, or cash flows could be negatively impacted.

- **Tribal gaming customers that operate Class III gaming units do so under compacts with state governments. If these tribal gaming customers are unable to maintain or renew these existing gaming compacts, then our business, financial condition, operations, or cash flows may suffer an adverse effect.**

As of December 31, 2023, we operated approximately 3,584 Class III gaming units under lease or daily fixed-fee arrangements with our tribal gaming customers. As Class III units generally perform better than Class II units, the loss of these Class III placements under lease or daily fixed-fee arrangements, if these customers are unable to renew their Class III gaming compacts and we are unable to replace these lost units with our proprietary Class II units, may negatively impact our business, financial condition, operations, or cash flows.

- **We derive a significant portion of our revenue from tribal customers, and our ability to effectively operate in tribal gaming markets is vulnerable to legal and regulatory uncertainties, including the ability to enforce contractual rights on tribal land.**

We derive a significant percentage of our revenue from the provision of financial access and gaming-related products and services to gaming facilities operated on tribal lands. Tribes that are federally-recognized are considered “domestic dependent nations” with certain sovereign rights and, in the absence of a specific grant of authority by Congress to a state or a specific compact or agreement between a tribal entity and a state that would allow the state to regulate activities taking place on tribal lands, such tribes can enact their own laws and regulate gaming operations and contracts. In this capacity, tribes generally enjoy a degree of sovereign immunity, which, among other things, recognizes a tribe’s inherent authority of self-determination and self-governance, immunizes the tribe from certain lawsuits outside of tribal jurisdiction, and generally authorizes a tribe’s powers of taxation and spending over its federally-recognized nation. Accordingly, before we can seek to enforce contract rights with a tribe, or an agency or instrumentality of a tribe, we must obtain from the tribe a general or limited waiver of its sovereign immunity with respect to the matter in dispute, which we are not always able to do. Without a general or limited waiver of sovereign immunity, or if such waiver is held to be ineffective, we could be precluded from judicially enforcing any rights or remedies against a tribe, including the right to enter lands to retrieve our property in the event of a breach of contract by the tribal party to that contract. Governing law and venue provisions in our contracts with tribal customers vary widely and may not be enforceable.

Government enforcement, regulatory action, judicial decisions, and proposed legislative action have in the past affected, and will likely continue to affect our business, financial condition, operations, cash flows, and prospects in tribal lands. The legal and regulatory uncertainties surrounding our tribal agreements could result in a significant and immediate material adverse effect on our business, financial condition, operations, or cash flows. For example, certain of our agreements with tribes are subject to review by regulatory authorities. Additionally, such uncertainties could increase our cost of doing business and could take management’s attention away from operations. Regulatory action against our customers or equipment in these or other markets could result in machine seizures and significant revenue disruptions, among other adverse consequences. Moreover, tribal policies and procedures, as well as tribal selection of gaming vendors, are subject to the political and governance environment within each tribe. Changes in tribal leadership or tribal political pressure can affect our business relationships within markets.

- **We may not realize sufficient returns or be successful in renewing our existing or future placement and development fee agreements with casino operators to expand or develop gaming facilities.**

In our gaming business, we have entered into placement fee agreements with several customers to secure long-term revenue share arrangements which include a fixed number of player terminal placements in the gaming facility. These placement fee agreements sometimes provide for the removal of our player terminal placements in the event of poor game performance with no further obligation from the gaming customer.

- **An unexpectedly high level of chargebacks, as a result of fraud or otherwise, could materially and adversely affect our Financial Access business.**

When patrons use our financial access services, we either dispense cash or produce a negotiable instrument that can be exchanged for cash. If a completed financial access transaction is subsequently disputed, and if we are unsuccessful in establishing the validity of the transaction, we may not be able to collect payment for such transaction and such transaction becomes a chargeback. If we incur chargebacks in excess of specified levels, we could lose our sponsorship into the card associations or be censured by the card associations by way of fines or otherwise. Our failure to adequately manage our chargebacks could have a material adverse effect on our business, financial condition, operations, or cash flows.

- **Changes in consumers' willingness to pay a convenience fee to access their funds could reduce the demand for our Financial Access products and services.**

Our financial access business depends upon the willingness of patrons to pay a convenience fee to access their own funds on the premises of a gaming operator. In most retail environments, consumers typically do not pay an additional fee for using non-cash payment methods such as credit cards, POS debit cards, or checks. Gaming patrons could bring more cash with them to the establishments of gaming operators or access cash outside of gaming operators without paying a fee for the convenience of not having to leave the establishment. To the extent that gaming patrons become unwilling to pay these convenience fees or lower cost financial access alternatives become available, the demand for financial access services within the establishments of gaming operators may decline and our business could suffer.

- **We maintain a significant amount of cash within our ATMs, which is subject to potential loss due to theft or other events, including natural disasters.**

A loss of cash from the ATMs we own and for which we provide the cash to operate from our vault cash arrangements is generally our responsibility. The insurance we typically require our service providers, who either transport the cash or otherwise have access to the ATM safe, to maintain in the event cash losses occur as a result of theft, misconduct or negligence on the part of such providers may be insufficient. Cash losses at the ATM could occur in a variety of ways, such as natural disasters, fires, vandalism, and theft. Our insurance policies may not cover losses that may occur to the equipment, and any losses to the cash contained in those devices would be borne by us. An increase in the frequency and/or amounts of theft and other losses could lead to a material loss of cash and negatively impact our operating results.

Risks Related to Our Capital Structure

- **The leverage restrictions on our outstanding debt could have significant adverse effects on our business, financial condition and results of operations.**

As of December 31, 2023, our total indebtedness was approximately \$1.0 billion, which included the senior secured term loan and senior secured revolving credit facility ("Credit Facilities") and the senior unsecured notes due 2029 (the "2021 Unsecured Notes"), (as discussed in "[Note 13 - Long Term Debt](#)"), each of which contain restrictive covenants. Our existing borrowings could impact our ability to raise additional capital to fund our operations, limit our ability to react to changes in our industry or the economy, expose us to interest rate risk on our variable rate debt, and prevent us from meeting our obligations with respect to our indebtedness, any of which could have significant adverse effects on our business, financial condition and results of operations.

- **We may not be able to generate sufficient cash to service all of our indebtedness, including the Credit Facilities and the 2021 Unsecured Notes, and fund our working capital and capital expenditures, and we may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.**

Our ability to make scheduled payments on our indebtedness will depend upon our future operating performance and on our ability to generate cash flow in the future, which is subject to general economic, financial, business, competitive, legislative, regulatory, and other factors that are beyond our control. We cannot assure you that our business will generate sufficient cash flow from operations or that future borrowings, including those under the Credit Facilities, will be available to us in an amount sufficient to pay our indebtedness or to fund other liquidity needs.

- **The agreements and instruments governing our debt impose restrictions that may limit our operating and financial flexibility.**

The Credit Facilities and the indenture governing the 2021 Unsecured Notes contain a number of significant restrictions and covenants that limit our ability, among other considerations, to: incur additional indebtedness; sell assets, or consolidate, or merge with or into other companies; pay dividends, or repurchase or redeem capital stock; make certain investments; issue capital stock of our subsidiaries; incur liens; prepay, redeem or repurchase subordinated debt; and enter into certain types of transactions with our affiliates. These covenants could have the effect of limiting our flexibility in planning for or reacting to changes in our business and the markets in which we compete.

In addition, to the extent we are found in default and if our indebtedness is accelerated, we may not be able to repay our debt or borrow sufficient funds to refinance it. Even if we are able to obtain new financing, it may not be on commercially reasonable terms, on terms that are acceptable to us, or at all. If our debt is in default for any reason, our business, financial condition, and results of operations could be materially and adversely affected. In addition, complying with these covenants may make it more difficult for us to successfully execute our business strategy and compete against companies that are not subject to such restrictions.

- **A material increase in market interest rates could adversely affect our business and results of operations.**

As of December 31, 2023, all of our indebtedness under our Senior Credit Facilities is at variable interest rates tied to the Secured Overnight Financing Rate (“SOFR”). Any material increases to SOFR could increase the amount of interest we are required to pay under the Senior Credit Facilities and adversely affect our business and results of operations.

In addition, we have commercial arrangements with third-party vendors to provide cash for certain of our fund dispensing devices. For the use of these funds, we pay a usage fee on either the average daily balance of funds utilized multiplied by a contractually defined usage rate or the amounts supplied multiplied by a contractually defined usage rate. Assuming no change in the amount of cash used to supply our ATMs, an increase in SOFR would result in higher monthly fees that we must pay to obtain this supply of cash, thereby increasing our ATM operating costs. Any increase in the amount of cash required to supply our ATMs would magnify the impact of an increase in SOFR and our business could be adversely affected.

Risks Related to Our Information Technology

- **We have experienced in the past and may experience in the future network or system failures, or service interruptions, including cybersecurity attacks, or other technology and privacy risks. Our inability to protect our systems and data against such risks could harm our business and reputation.**

Our ability to provide uninterrupted and high levels of services depends upon the performance of our internal network, systems and related infrastructure, and those of our third-party vendors. Any significant interruptions in, or degradation of, the quality of the services, including infrastructure storage and support, that these third parties provide to us could severely harm our business and reputation and lead to the loss of

customers and revenue. Our internal network, systems, and related infrastructure, in addition to the networks, systems, and related infrastructure of our third-party technology vendors, may be vulnerable to computer viruses and other malware that infiltrate such systems and networks, as well as physical or electronic security breaches, natural disasters, and similar disruptions. They have been and may continue to be the target of attempts to identify and exploit network and system vulnerabilities, penetrate or bypass security measures to interrupt or degrade the quality of the services we receive or provide, or otherwise gain unauthorized access to our networks and systems or those of our third-party vendors. These vulnerabilities or other attempts at access may result from, or be caused by, human error or technological failures, however, they may also be the product of malicious actions by third parties intending to harm our business. The methods that may be used by these third parties to cause service interruptions or failures or to obtain unauthorized access to information change frequently, are difficult to detect, evolve rapidly, and are increasingly sophisticated and hard to defend against. Our investment in security measures and other defensive measures, and those employed by our third-party vendors, may not be sufficient to defend against all such current and future methods.

Our careful vetting of third parties to provide technology services and the contractual requirements related to the security that we impose on our third-party vendors who have access to this data may not be sufficient to protect us from network or system failures or service interruptions.

Any actual or perceived security breach, whether experienced by us or a third-party vendor; the reporting or announcement of such an event, or reports of perceived security vulnerabilities of our systems or the systems of our third-party service providers whether accurate or not; or our failure or perceived failure to respond or remediate an event or make adequate or timely disclosures to the public, Gaming Authorities, regulatory or law enforcement agencies following any such event may be material and lead to harm to our financial condition, business reputation, and prospects of future business due to, among other factors: loss of customer confidence arising from interruptions or outages of our services, delays, failure to meet contractual obligations, and loss of data or public release of confidential data; increased regulatory scrutiny on us; compromised trade secret and intellectual property; exposure to costly uninsured liabilities such as material fines, penalties, liquidated damages, and overall margin compression due to renegotiation of contracts on less favorable terms or loss of business; liability for claims relating to misuse of personal information in violation of contractual obligations or data privacy laws; and potential theft of our intellectual property.

A security breach could occur and persist for an extended period of time without detection. We expect that any investigation of a security breach could take a substantial amount of time, and during such time we may not necessarily know the extent of the harm or how best to remediate it, and certain errors or actions could be repeated or compounded before they are discovered and remediated, all of which could further increase the costs and consequences of such a breach. Further, detecting and remediating such incidents may require specialized expertise and there can be no assurance that we will be able to retain or hire individuals who possess, or otherwise internally develop, such expertise. Our remediation efforts therefore may not be successful. The inability to implement, maintain, and upgrade adequate safeguards could have a material and adverse impact on our business, financial condition and results of operations. Moreover, there could be public announcements regarding any data security-related incidents and any steps we take to respond to or remediate such incidents.

The occurrence of any such failure may also subject us to costly lawsuits and claims for contractual indemnities and may negatively impact the status of our gaming regulatory licenses up to and including revocation, as well as divert valuable management, engineering, information technology, and marketing resources toward addressing these issues and delay our ability to achieve our strategic initiatives. In the event our EGMs or financial access products, systems, or networks are compromised, gaming operators may require us to remediate any abnormality, downtime, loss of use, or suspicious activity, or require us to indemnify casino operators for lost business and, potentially, their patrons. In addition, we gather, as permitted by law, non-public, personally-identifiable financial information from patrons who use our financial access services, such as names, addresses, telephone numbers, bank and credit card account

numbers and financial transaction information, and the compromise of such data, which may subject us to fines and other related costs of remediation.

Our insurance coverage may be insufficient to protect us against all losses and costs stemming from security breaches, cyberattacks and other types of unlawful activity, or any resulting disruptions from such events. We cannot be certain that cyber insurance will continue to be available to us on economically reasonable terms, or at all, or that any insurer will not deny coverage as to any future claim. The successful assertion of one or more large claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could have a material and adverse effect on our business, financial condition and results of operations.

Risks Related to Competition

- **The gaming industry is intensely competitive, and if we are unable to compete effectively, our business could be negatively impacted.**

The market for gaming devices, financial access products, and related services is highly competitive, and we expect competition to increase and intensify in the future. In both our Games and FinTech businesses, some of our competitors and potential competitors have significant advantages over us, including greater name recognition; longer operating histories; pre-existing relationships with current or potential customers; greater financial, research, design, development, marketing, technological, and other resources; and more ready access to capital resources, which allow them to respond more quickly to new or changing opportunities, be in a better position to compete and, in respect of our financial access business, to pay higher commissions or other incentives to gaming operators in order to gain new customers. In our FinTech business, we compete with other established providers of financial access products and services, including third-party transaction processors, financial institutions, and other regional and local banks that operate ATMs on the premises of gaming operators. To the extent that we lose customers to these competitors, or competitive pressures force us to offer incentives or less favorable pricing terms for us to establish or maintain relationships with gaming operators, our business, financial condition, operations, or cash flows could be materially and adversely affected.

- **Consolidation among our customers or competitors could have a material adverse effect on our revenues and profitability.**

We often execute contracts with customers pursuant to which we provide products and services at the establishments of multiple gaming operators. Accordingly, the expiration or termination of a single key contract can mean the loss of multiple gaming facilities at which many of our products and services are used. Consolidation among operators of gaming establishments may also result in the loss of customers, if one of our customers is acquired by a business that utilizes one of our competitors, or significant margin compression, if rates vary between acquiring and acquired customers. Consolidation among our competitors in either the Games or FinTech sectors will only increase advantages these competitors may have over us as we compete for these customers, including even greater financial, research, design, development, marketing, technological, and other resources, and the ability to offer customers more favorable rates and prices due to lower operating costs resulting from efficiencies of scale and varying margins of a larger product portfolio, among other factors.

- **Our business depends on our ability to introduce new, commercially viable games, products and services in a timely manner.**

Our success is dependent on our ability to develop and sell new games, products, and services that are attractive not only to our customers, but also to their customers, the gaming patrons. If our games, products, and services do not appeal to gaming operators and patrons, or do not meet or sustain revenue and profitability of contractual obligations and expectations, we may lose business to our competitors. Additionally, we may be unable to enhance existing games, products, and services in a timely manner in response to changing regulatory or legal requirements, market conditions, or customer requirements, or

preferences, or new games, products and services may not achieve market acceptance in new or existing markets. Delay in regulatory approvals of new gaming devices and equipment may adversely impact new product deployment. If we are unable to keep pace with rapid innovations in new technologies or product design and deployment or if we are unable to quickly adapt our development, manufacturing or sales processes to compete, our business, financial condition, operations or cash flows could suffer a material adverse effect.

Risks Related to the Regulation of Our Business

- **Unauthorized disclosure of cardholder and patron data or similar violations of applicable data privacy laws, whether through a security breach of our computer systems, our third-party processor's computer systems or otherwise, or through our unauthorized use or transmission of such data could subject us to costly fines, penalties, and legal claims.**

We collect and store personally identifiable information about cardholders and patrons, who perform certain financial access and Central Credit transactions, including names, addresses, social security numbers, driver's license numbers, and account numbers, and we maintain a database of cardholder and patron data, including account numbers, to process our financial access and Central Credit transactions. We also rely on our third-party processor and certain other technology partners to process and store cardholder and patron data relating to our financial access and Central Credit transactions. As a result, we, as well as our third-party processor, certain of our other technology providers, and some of our gaming operator customers, are required to comply with various foreign, federal, and state privacy statutes and regulations and the PCI Data Security Standard. Compliance with these regulations and requirements, which are subject to change at any time, is often difficult and costly, and our failure, or the failure of these other third parties, to comply may result in significant fines or civil penalties, regulatory enforcement action, liability to our sponsor bank, and termination of our agreements with our gaming operator customers, each of which could have a material adverse effect on our business, financial condition, operations, or cash flows. If our computer systems or those of our third-party processor or other technology providers suffer a security breach, we may be subject to liability, including claims for unauthorized transactions with misappropriated bank card information, impersonation, or similar fraud claims, as well as for any failure to comply with laws governing required notifications of such a breach, and these claims could result in protracted and costly litigation, penalties, or sanctions from the card associations and EFT payment networks, and damage to our reputation, which could reduce and limit our ability to provide financial access and related services to our gaming operator customers.

The personally identifiable information we collect also includes our patrons' transaction behavioral data and credit history data, which we may use to provide marketing and data intelligence services to gaming operators. This information is increasingly subject to federal, state, and card association laws and regulations, as well as laws and regulations in numerous jurisdictions around the world. Governmental regulations are typically intended to protect the privacy and security of such data and information as well as to regulate the collection, storage, transmission, transfer, use, and distribution of such data and information. We could be materially and adversely affected if domestic or international laws or regulations are expanded to require changes in our business practices, or if governing jurisdictions interpret or implement their laws or regulations in ways that negatively affect our business or even prohibit us from offering certain marketing and data intelligence or other services. Similarly, if we are required to allocate significant resources to modify our internal operating systems and procedures to enable enhanced protection of patron data that we transmit, store, and use, our business results could be adversely affected. In addition, we may face requirements that pose compliance challenges in new international markets that we seek to enter as various foreign jurisdictions have different laws and regulations concerning the storage, transmission, and use of gaming patron data. Such variation could subject us to costs, liabilities, or negative publicity that could impair our ability to expand our operations into some countries; therefore, it could limit our future growth.

- **We are subject to extensive governmental gaming regulation, which may harm our business.**

Our ability to conduct both our gaming and financial access businesses, expand operations, develop and distribute new games, products and systems, and expand into new gaming markets is also subject to significant federal, state, local, tribal, and foreign regulations, which vary from jurisdiction to jurisdiction. In the United States and many other countries, gaming must be expressly authorized by law. Once authorized, such activities are subject to extensive and evolving governmental regulation. The gaming laws, regulations, and ordinances generally concern the antecedents, acumen, financial stability, and character of our owners, officers, and directors, as well as those persons financially interested or involved in our companies; dictate the technical standards and regulations of our electronic player terminals, gaming systems, and certain other products; and set forth the process and manner by which the Gaming Authorities issue such licenses, findings of suitability, and product approvals. In addition, the suspension, revocation, non-renewal or limitation of any of our licenses or product approvals, or the inability to obtain or maintain requisite license or product approvals could have a material adverse effect on our business operations, financial condition, results of operations, and our ability to retain key employees. The Gaming Authorities may deny, limit, condition, suspend, or revoke a gaming license or related approval for violations of applicable gaming laws and regulations, and may impose substantial fines and take other actions, any one of which could have a significant adverse effect on our business, financial condition, and results of operations.

Further, changes in existing gaming laws or regulations, or new interpretations of existing gaming laws, may hinder or prevent us from continuing to operate in those jurisdictions where we currently do business, which could harm our operating results. In particular, the enactment of unfavorable legislation or government efforts affecting or directed at gaming manufacturers or gaming operators, such as referendums to increase gaming taxes, or requirements to use local distributors, or uncertainty as to the means and manner in which existing gaming laws may be interpreted and applied, either singly or together, could have a negative impact on our operations.

Moreover, in addition to the risk of enforcement action, we are also at risk of loss of business reputation in the event of any potential legal or regulatory investigation, regardless of whether we are ultimately accused of or found to have committed any violation. For a summary of gaming regulations that could affect our business, see [“Item 1. Business — Regulation.”](#)

- **Many of the financial services that we provide are subject to extensive rules and regulations, which may harm our business.**

Our Central Credit gaming patron credit bureau and warranty services are subject to the FCRA, the FACTA, and similar state laws. The collection practices that are used by our third-party providers and us may be subject to the FDCPA and applicable state laws relating to debt collection. All of our financial access services and patron marketing services are subject to the privacy provisions of state and federal law, including the Gramm-Leach-Bliley Act. Our POS debit card financial access transactions and funds dispensed withdrawal services are subject to the Electronic Fund Transfer Act. Our funds dispensed services are subject to the applicable state banking regulations in each jurisdiction in which we operate ATMs. Our funds dispensed services may also be subject to state and local regulations relating to the imposition of daily limits on the amounts that may be withdrawn from ATMs, the location of ATMs, our ability to surcharge cardholders who use our ATMs, and the form and type of notices that must be disclosed regarding the provision of our funds dispensed services. The financial access services we provide are subject to record keeping and reporting obligations under the Bank Secrecy Act and the USA PATRIOT Act of 2001, including as relates to our federally-mandated internal anti-money laundering program. We are required to file SARs with respect to transactions completed at all gaming operators’ establishments where we provide our financial access services through a gaming operator’s cashier or financial services center. If we are found to be noncompliant with these laws, we could be subject to substantial civil and criminal penalties. In jurisdictions in which we serve as a check casher, we are subject to the applicable state licensing requirements and regulations governing check cashing activities. We are also subject to various state licensing requirements and regulations governing money transmitters. We may be required to obtain additional licenses from federal or state financial authorities in connection with our products and services. There can be no assurance that we

will be able to obtain any such licenses, and, even if we were able to do so, there could be substantial costs and potential product changes involved in maintaining such licenses, which could have a material and adverse effect on our business.

We are subject to formal or informal audits, inquiries, examinations, or reviews from time to time by the regulatory authorities that enforce these financial services rules and regulations. In the event that any regulatory authority determines that the manner in which we provide financial access, patron marketing, or gaming patron credit bureau services is not in compliance with existing rules and regulations, or the regulatory authorities adopt new rules or regulations that prohibit or restrict the manner in which we provide financial access, patron marketing, or gaming patron credit bureau services, then these regulatory authorities may force us to modify the manner in which we operate or force us to stop processing certain types of financial access transactions or providing patron marketing or gaming patron credit bureau services altogether. We may also be required to pay substantial penalties and fines if we fail to comply with applicable rules and regulations. In addition, our failure to comply with applicable rules and regulations could subject us to private litigation.

- **Gaming and financial services laws and regulations are subject to change and uncertain application.**

Gaming and financial services laws and regulations are subject to change and evolving interpretations and application, including through legislative amendments, new and proposed regulations, executive orders, and agency interpretations, and it can be difficult to predict how they may be applied to our business. We may not be able to respond quickly or effectively to regulatory, legislative, and other developments, and these changes may in turn impair our ability to offer our existing or proposed products and services and/or increase our expenses in providing these products and services.

- **We are subject to extensive rules and regulations of card associations, including VISA, MasterCard, and EFT networks, that are always subject to change, which may harm our business.**

Our financial access business is subject to the extensive rules and regulations of the leading card associations, including VISA, MasterCard and EFT Networks. The failure by any such providers to comply with such standards could result in our being fined or being prohibited from processing transactions through VISA, MasterCard, and other card and payment networks. We also process transactions involving the use of the proprietary credit cards such as those offered by Discover Card and American Express, as well as other regional cards issued in certain international markets. The rules and regulations of the proprietary credit card networks that service these cards present risks to us that are similar to those posed by the rules and regulations of VISA, MasterCard, and other payment networks.

The card associations' and payment networks' rules and regulations are always subject to change, and the card associations or payment networks may modify their rules and regulations from time to time. Our inability to anticipate changes in rules and regulations, or the interpretation or application thereof, may result in substantial disruption to our business. In the event that the card associations, payment networks or our sponsoring banks determine that the manner in which we process certain types of card transactions is not in compliance with existing rules and regulations, or if the card associations or payment networks adopt new rules or regulations that prohibit or restrict the manner in which we process certain types of card transactions, we may be forced to pay a fine, modify the manner in which we operate our business, or stop processing certain types of financial access transactions altogether, any of which could have a material adverse effect on our business, financial condition, operations, or cash flows.

- **Card association and EFT network changes to interchange reimbursement rates or network operating fees or fees associated with the processing and settlement of our financial access transactions or other changes to their operating rules and regulations may affect our revenues, cost of revenues (exclusive of depreciation and amortization), net income, and our business generally.**

We receive income from issuers of ATM, credit, and debit cards for certain transactions performed on our ATMs related to cash dispensing or certain other transactions. The EFT networks may also charge certain fees related to the performance of these transactions. We refer to the net of this income and fees as

interchange reimbursement fees. The amount of this interchange reimbursement fee income is determined by the card associations and EFT networks, and this income is subject to decrease at their discretion.

We pay interchange and other network fees for services to the credit card associations and EFT networks that they provide in settling transactions routed through their networks. Collectively, we call these charges interchange fees. Subject to the limitations imposed by federal regulations such as the Durbin Amendment or other regulations that may be enacted, the amounts of these interchange fees are determined at the sole discretion of the card associations and EFT networks and are subject to increase at any time. We have been seeing such card association interchange fee increases with higher frequency in recent years and with disproportionate negative impact upon transaction categories into which our financial access transactions typically fall. Competitive pressures might prevent us from passing all or some of these fees through to our customers in the future. To the extent that we are unable to pass through to our customers all or any portion of any increase in interchange or other network processing fees, our cost of revenues (exclusive of depreciation and amortization) would increase and our net income would decrease, assuming no change in transaction volumes. Any such decrease in net income could have a material adverse effect on our business, financial condition, operations, or cash flows. In addition, proposed changes to the Dodd-Frank Act, such as the repeal of the Durbin Amendment, if adopted, or other regulation that could be implemented to limit the amount of surcharge or service fees charged for our financial access transactions could have a negative impact on revenue and gross margins (exclusive of depreciation and amortization) as a result of reduced service fee revenue and potential increases in interchange rates merchants pay for debit card transactions.

The card associations and EFT networks may also elect to impose new membership or other fees, or implement new rules and regulations with respect to processing transactions through their networks, and any such new fees, rules, or regulations could have a material adverse effect on our business, financial condition, operations, or cash flows.

- **The provision of our credit card access, POS debit, and funds dispensed services are dependent upon our continued sponsorship into the VISA and MasterCard card associations, and the suspension or termination of our sponsorship could result in a material adverse effect on our business, financial condition, operations, or cash flows.**

We process virtually all of our credit card financial access, POS debit, and funds dispensed service transactions through the VISA and MasterCard card associations, both domestically and internationally, and virtually all of the revenue that we derive from our credit card financial access, POS debit, and funds dispensed services is dependent upon our continued sponsorship into the VISA and MasterCard associations. We cannot provide these services without sponsorship into the VISA and MasterCard associations by a member financial institution. Our failure to maintain our current sponsorship arrangements or secure alternative sponsorship arrangements into the VISA and MasterCard associations could have a material adverse effect on our business, financial condition, operations, or cash flows.

- **Our funds dispensed service business is subject to extensive rules and regulations, which may harm our business.**

Our funds dispensed services are subject to the applicable federal, state, and local banking regulations in each jurisdiction in which we operate ATMs, which regulations relate to the imposition of daily limits on the amounts that may be withdrawn from ATMs, the location of ATMs, our ability to surcharge cardholders who use our ATMs, and the form and type of notices that must be disclosed with respect to the fees we charge to patrons in connection with our funds dispensed services. ATMs are also subject to requirements of the Americans with Disabilities Act, which in general require that ATMs be accessible to individuals with disabilities, such as visually-impaired persons. These laws and regulations may impose significant burdens on our ability to operate ATMs profitably in some locations, or at all, and our business, financial condition, operations, or cash flows could be materially adversely affected. Moreover, because these regulations are subject to change, we may be forced to modify our funds dispensed operations in a manner inconsistent with the assumptions upon which we relied when entering contracts to provide funds dispensed services at gaming operators' establishments. If federal, state, local, or foreign authorities adopt new laws or

regulations, or raise enforcement levels on existing laws and regulations that make it more difficult for us to operate our funds dispensed business, then our revenues and earnings may be negatively affected. If legislation or regulations are enacted in the future that adversely impact our funds dispensed business, we may be forced to modify our operations in a manner inconsistent with the assumptions upon which we relied when entering contracts to provide ATMs at gaming operators' establishments and our business, financial condition, operations, or cash flows could suffer a material adverse effect.

- **Changes to consumer privacy laws may require us to change our business practices or spend significant amounts on compliance with such laws.**

Certain of our products and services depend on the ability to collect and use non-public personal, financial transaction, and other information relating to patrons. To the extent that we collect, control, or process such information, federal, state, and foreign privacy laws and regulations, including, without limitation, California Consumer Privacy Act and General Data Protection Regulation, require us to make disclosures regarding our privacy and information sharing practices, safeguard and protect the privacy of such information, and, in some cases, provide patrons the opportunity to "opt out" of the use of their information for certain purposes. We must comply with federal, state, and foreign requirements regarding notice and consent to obtain, use, share, transmit and store such information.

Consumer protection and data privacy laws are rapidly evolving due to recent high-profile thefts and losses of sensitive consumer information from protected databases. Such laws may broaden the scope of protected information; impose new and/or stricter standards concerning the collection, control, use, sharing, and protection of consumer information; and/or require patrons to "opt-in" to the use of their information for specific purposes. Our compliance with any or all of such laws may be costly and challenging to operationalize across the uneven requirements of the numerous domestic and international jurisdictions in which we do business.

Changes in consumer protection and data privacy laws may require us to narrow or limit the data we collect; limit how, or how long, we may use it; or require us to purge data from our systems in response to consumer requests, which may hamper the provision of certain of our data-related services or diminish the value of such services to our customers and result in loss of business. To the extent that patrons exercise their right to "opt out," or are required to "opt in," our ability to leverage existing and future databases of information may be curtailed. Further, to continue to provide such products and services, we may be required to make material modifications to the products and services we offer in order to meet the changing standards, which may result in significant redesign and redeployment costs to us.

To the extent that we fail to comply with applicable consumer protection and data privacy laws, we may become subject to actions by individuals or regulatory authorities, which may result in the payment of fines or the imposition of other monetary or non-monetary penalties.

The failure or circumvention of how we safeguard and protect the privacy of information we gather may result in the dissemination of non-public personal information, which may harm our reputation and may expose us to liability to the affected individuals and regulatory enforcement proceedings or fines.

General Risk Factors

- **We are impacted by increasing stakeholder interest in and legislative or regulatory requirements regarding public company performance, disclosure, and goal-setting with respect to environmental, social and governance ("ESG") matters.**

In response to growing customer, investor, employee, governmental and other stakeholder interest in our ESG practices, including our procedures, standards, performance metrics, and goals, we have increased reporting of our ESG programs and performance and have established goals and other objectives related to ESG matters. These goal statements reflect our current plans and aspirations and are not guarantees that we will be able to achieve them. Our ability to achieve any goal or objective, including with respect to ESG initiatives, is subject to numerous risks, many of which are outside of our control. Examples of such risks

include, but are not limited to: (i) the availability and cost of low-energy sources and technologies; (ii) evolving regulatory requirements affecting ESG standards or disclosures; (iii) the availability of suppliers that can meet our sustainability, diversity and other standards; (iv) our ability to recruit, develop, and retain diverse talent in our labor markets; and (v) the impact of our organic growth and acquisitions of businesses or operations. In addition, frameworks for tracking and reporting on ESG matters have not been standardized and continue to evolve. Our processes and controls for reporting of ESG matters may not always comply with evolving and disparate standards for identifying, measuring, and reporting ESG metrics, our interpretation of reporting standards may differ from those of others, and such standards may change over time, any of which could result in significant revisions to our performance metrics, goals or reported progress in achieving such goals. In addition, certain of our products and services may be unattractive to certain investors and may cause us to be increasingly subject to ESG-driven investment practices that preclude investment in our debt and equity securities.

To the extent our ESG practices do not meet, or viewed as not meeting, evolving investor or other stakeholder expectations, then our reputation, our ability to attract or retain employees and our attractiveness as a gaming supplier, business partner or acquirer could be negatively impacted. Our failure, or perceived failure, to pursue or fulfill our goals, targets and objectives or to satisfy various reporting standards within the timelines we announce, or at all, could have similar negative impacts and expose us to government enforcement actions and private litigation.

- **We may not generate profits in the future.**

As a result of the interest payments on our indebtedness, amortization of intangible assets incurred in connection with our acquisitions, other related acquisition and financing costs, asset impairment charges, depreciation, and other amortization, we have experienced periods in which we were not profitable, and we may not always be able to generate profits in the future. Our ability to continue to generate net profits in the future depends, in part, on our ability to: establish strategic business relationships with new and existing customers; retain our existing customers and expand our relationships with existing customers; provide our products and services in new markets and to new customers in existing markets; develop new games or license third-party content in our Games business and develop new products and services in our FinTech business; effectively manage a larger and more diverse workforce and business; react to changes, including technological, security and regulatory changes, in the markets we target or operate in; respond to competitive developments and challenges; and attract and retain experienced and talented personnel.

We may not be able to do any of these successfully, and our failure to do so could have a material adverse effect on our business, financial condition, operations, or cash flows, which could, among other things, affect our ability to make payments under our debt agreements.

- **The price of our common stock may continue to fluctuate significantly.**

The market price of our common stock may fluctuate significantly in response to a number of factors, some of which are beyond our control, including, but not limited to, those described above in previous risk factor sub-captions.

Item 1B. Unresolved Staff Comments.

None.

Item 1C. Cybersecurity

Risk Management and Strategy

Everi recognizes the critical importance of developing, implementing, and maintaining the appropriate cybersecurity measures to safeguard our information systems and protect the confidentiality, integrity, and availability of our data and that of our customers or patrons. Everi has strategically integrated cybersecurity risk management into our broader risk management framework to establish a robust process for the monitoring and evaluation of cybersecurity risks in our business to promote a company-wide culture of cybersecurity risk management. This integration supports our efforts to assess and incorporate cybersecurity considerations into our decision-making processes.

Everi's Security department, Chief Information Security Officer (CISO), and Chief Information Officer (CIO), with oversight from the CEO, lead the cybersecurity detection and risk reduction and mitigation efforts for the Company. These efforts include, but are not limited to the following:

- Monitoring logs and alerts for security issues, events, and breaches;
- Preparing and regularly testing Everi's preparedness for attacks, incidents, and breaches, including the use of table-top exercises of simulated cyber incidents with the executive team;
- Developing policies and procedures to identify, classify, and define protection and management objectives, and define acceptable use of Company information assets;
- Deploying monitoring and data collection tools to monitor the security of devices and processes;
- Monitoring and reviewing physical and logical access to Everi data and properties to meet applicable security and regulatory requirements;
- Developing and maintaining a vulnerability identification and management program;
- Developing and maintaining a security awareness and training program; and
- Obtaining System and Organizational Controls Two certifications for products

Given the complexity and evolving nature of cybersecurity threats, Everi engages with a range of external experts, including cybersecurity assessors, consultants, and auditors in evaluating and testing our risk management systems. These partnerships enable us to leverage specialized knowledge and insights to maintain and enhance our cybersecurity strategies and processes. Our collaboration with these third-parties includes regular audits, threat assessments, and consultation on security enhancements.

We perform due diligence on select third-party vendors by collecting and reviewing certifications when available for our vendors. Certifications and reviews of third parties' security practices are no guarantee and of little assurance that a vendor will not suffer a breach or loss of Everi data. Along with due diligence efforts, we review vendor contracts for contractual controls, and to seek that legal recourse is available in cases of a breach and or data loss.

As of the date of this Annual Report, we have not experienced a cybersecurity incident that has or is reasonably likely to materially affect us, including our business strategy, results of operations or financial condition. While we have not experienced any material cybersecurity incidents, there can be no guarantee that we will not be the subject of future successful attacks, threats or incidents. Additional information on cybersecurity risks we face can be found in *Part I, Item 1A "Risk Factors" of this Annual Report on Form 10-K under the heading "Risks Related to Our Information Technology,"* which should be read in conjunction with the foregoing information.

Governance

The Board of Directors is primarily responsible for overseeing, and is regularly updated on the nature of, the Company's efforts to manage risks associated with cybersecurity threats.

The CISO and the CIO have significant experience in information technology and cybersecurity, including over 20 years of experience each in information security and compliance, multiple security certifications, and experience building vulnerability management, application security, and security operations groups. Additionally, their experience includes payments fraud prevention and enhancing the organization's ability to safeguard against financial cyber threats, among other intrusions. Our CIO and CISO combine leadership, familiarity with and resolution of various cyber-related perils, to help mitigate these types of risks for the Company. Due to their experience in the field, they play a pivotal role in informing the Board on cybersecurity risks. They provide briefings to the Board on a quarterly basis. These briefings encompass a broad range of topics, including:

- The current cybersecurity landscape and emerging threats;
- The status of ongoing cybersecurity initiatives and strategies;
- Incident reports and learnings from any cybersecurity events; and
- The Company's compliance with regulatory requirements and industry standards

Cybersecurity Risk, Data Risk, and Technology Infrastructure Risk are among the risks assessed by the Company's Enterprise Risk Management Program with the oversight of an executive-level Enterprise Risk Management Committee. Information Technology, Information Security, product development, and Internal Audit managers update the CISO, CIO and CEO on technology, cybersecurity, and privacy threats, risk mitigation efforts, penetration testing, and control testing at a regular Enterprise Security Meeting.

In addition to scheduled meetings, the CISO, CIO, and CEO maintain a regular dialogue regarding emerging or potential cybersecurity risks. Together, they receive updates on significant developments in the cybersecurity domain, as needed, but no less than quarterly, supporting the Board's proactive and responsive oversight of cybersecurity-related risks. This engagement also supports the consideration and integration of cybersecurity matters into the broader strategic objectives.

Item 2. Properties.

We occupy real estate properties mostly in the United States and, to a lesser degree, internationally that are under lease agreements. We believe that these facilities are adequate for our business needs as presently conducted.

We primarily occupy the following leased real estate properties:

Location	Sq. Ft	Purpose	Segment
Las Vegas, Nevada ⁽¹⁾	244,832	Corporate Headquarters and Operations	FinTech and Games
Austin, Texas ⁽¹⁾	51,000	Office	Games

- (1) We had assembly facilities in Austin, Texas until we transitioned to our new assembly facility in Las Vegas, Nevada during the fourth quarter of 2023.

In addition, we lease additional less significant real estate properties that are used to support our products and services.

Item 3. Legal Proceedings.

A discussion of our legal proceedings is contained in "Part II — Item 8 — Financial Statements and Supplementary Data — Notes to Consolidated Financial Statements — Note 14 — Commitments and Contingencies" of this Annual Report on Form 10-K and incorporated here by reference.

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.

Our common stock is listed for trading on the New York Stock Exchange under the symbol "EVRI." On February 23, 2024, there were 9 holders of record of our common stock. Many of our shares of common stock are held by brokers and other institutions on behalf of stockholders, which results in a significantly larger number of beneficial stockholders represented by these holders of record.

Dividends

We have not declared or paid any cash dividends on our capital stock as we intend to retain our earnings and utilize them for the repayment of outstanding debt and to finance the growth and development of our business. Any future change in our dividend policy will be made at the discretion of our Board of Directors, and will depend on our contractual restrictions, results of operations, earnings, capital requirements, and other factors considered relevant by our Board of Directors. In addition, the Credit Facilities and the indenture governing the 2021 Unsecured Notes limit our ability to declare and pay cash dividends.

Common Stock Repurchases

On May 3, 2023, our Board of Directors authorized and approved a new share repurchase program in an amount not to exceed \$180.0 million pursuant to which we may purchase outstanding Company common stock in open market or privately negotiated transactions over a period of eighteen (18) months through November 3, 2024, in accordance with Company and regulatory policies and trading plans established in accordance with Rules 10b5-1 and 10b-18 of the Securities Exchange Act of 1934. The actual number of shares to be purchased will depend upon market conditions and is subject to available liquidity, general market and economic conditions, alternative uses for capital and other factors. All shares purchased will be held in the Company's treasury for possible future use. There is no minimum number of shares that the Company is required to repurchase, and the program may be suspended or discontinued at any time without prior notice. This new repurchase program supersedes and replaces, in its entirety, the previous share repurchase program.

There were approximately 7.5 million and 5.0 million shares repurchased at an average price of \$13.40 and \$16.93 per share for an aggregate amount of \$100.0 million and \$84.3 million during the years ended December 31, 2023 and 2022, respectively. The remaining availability under the May 3, 2023 \$180.0 million share repurchase program was \$80.0 million as of December 31, 2023. There were no share repurchases during the year ended December 31, 2021.

Issuer Purchases and Withholding of Equity Securities

The following table includes the monthly repurchases or withholdings of our common stock during the fourth quarter ended December 31, 2023:

	Total Number of Shares Purchased or Withheld (in thousands)	Average Price Purchased or Withheld per Share ⁽³⁾	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs ⁽⁴⁾ (in thousands)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs ⁽⁴⁾ (in thousands)
Share Repurchases				
10/1/23 - 10/31/23	471.3 ⁽¹⁾	\$ 12.86	471.3	\$ 100,000.0
11/1/23 - 11/30/23	881.5 ⁽¹⁾	\$ 11.01	881.5	\$ 90,295.9
12/1/23 - 12/31/23	963.9 ⁽¹⁾	\$ 10.68	963.9	\$ 80,000.0
Sub-total	2,316.7	\$ 11.25	2,316.7	\$ 80,000.0
Tax Withholdings				
10/1/23 - 10/31/23	2.1 ⁽²⁾	\$ 10.76	—	\$ —
11/1/23 - 11/30/23	—	\$ —	—	\$ —
12/1/23 - 12/31/23	—	\$ —	—	\$ —
Sub-total	2.1	\$ 10.76	—	\$ —
Total	2,318.8	\$ 11.25	2,316.7	\$ 80,000.0

- (1) Represents the number of shares repurchased during the three months ended December 31, 2023 pursuant to the share repurchase program that our Board of Directors authorized and approved on May 3, 2023, giving us the authority to repurchase up to \$180 million of our outstanding common stock over an eighteen (18) months period through November 3, 2024, which commenced in the second quarter of 2023. This share repurchase program supersedes all prior share repurchase programs. Refer to [“Part II — Item 8 — Financial Statements and Supplementary Data — Notes to Consolidated Financial Statements — Note 15 — Shareholders' Equity”](#) for additional details.
- (2) Represents the shares of common stock that were withheld from restricted stock awards and the net settlement of stock option exercises to satisfy the applicable tax withholding obligations incident to the vesting of such restricted stock awards and the exercise of such stock options. There are no limitations on the number of shares of common stock that may be withheld from restricted stock awards or stock options to satisfy the tax withholding obligations incident to the vesting of restricted stock awards or exercise of stock options. We withheld approximately 0.6 million, 0.7 million, and 0.5 million shares of our common stock at an aggregate purchase price of approximately \$9.2 million, \$12.0 million and \$9.4 million for the years ended December 31, 2023, 2022 and 2021, respectively, to satisfy the minimum applicable tax withholding obligations incident to the vesting of such restricted stock awards and stock option exercises.
- (3) Represents the average price per share of common stock purchased or withheld on the date of withholding.
- (4) There were 2.3 million and 2.1 million shares repurchased at an average price of \$11.25 and \$17.00 per share for an aggregate amount of \$26.1 million and \$35.0 million during the three months ended December 31, 2023 and 2022, respectively. The remaining availability under the May 3, 2023 \$180.0 million share repurchase program was \$80.0 million as of December 31, 2023. There were no share repurchases during the three months ended December 31, 2021.

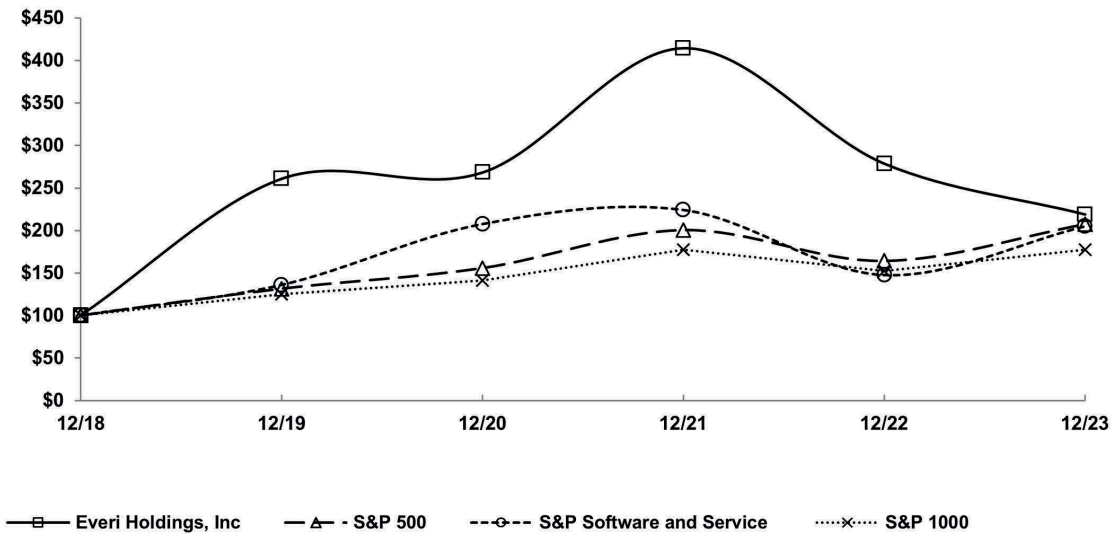
Stock Performance Graph

The line graph below compares the cumulative total stockholder return on our common stock with the cumulative total return of the Standard & Poor’s (“S&P”) 500 Index, the S&P 1000 Index and the S&P Software and Service Index during the five-year period ended December 31, 2023. We included the S&P Software and Service Index in the Stock Performance Graph as we believe it is a more comparable metric that includes small and mid-capitalization stocks, which are similar in capitalization to our Company.

The graph assumes that \$100 was invested on December 31, 2018 in our common stock, in the S&P 500 Index, the S&P 1000 Index and the S&P Software and Service Index, and that all dividends were reinvested. Research Data Group, Inc. furnished this data; and the cumulative total stockholder returns are based on the calendar month end closing prices. The comparisons in the graph are required by the SEC and are not intended to forecast or be indicative of possible future performance of our common stock.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN*

Among Everi Holdings, Inc, the S&P 500 Index, S&P 1000 Index and the S&P Software and Service Index



*\$100 invested on 12/31/18 in stock or index, including reinvestment of dividends. Fiscal year ending December 31.

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The performance graph and the related chart and text are being furnished solely to accompany this Annual Report on Form 10-K pursuant to Item 201(e) of Regulation S-K, and are not being filed for purposes of Section 18 of the Exchange Act and are not to be incorporated by reference in any filing by us under the Securities Act or the Exchange Act, whether made before or after the date hereof and irrespective of any general incorporation language in any such filing.

Item 6. Reserved.

Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis of financial condition and results of operations should be read in conjunction with “Item 1. Business” and our Financial Statements included elsewhere in this Annual Report on Form 10-K and the information included in our other filings with the SEC.

Overview

Everi develops and offers products and services that provide gaming entertainment, improve our customers’ patron engagement, and help our casino customers operate their businesses more efficiently. We develop and supply entertaining game content, gaming machines and gaming systems and services for land-based and iGaming operators. Everi is a leading innovator and provider of trusted financial technology solutions that power casino floors, improve operational efficiencies, and fulfill regulatory requirements. The Company also develops and supplies player loyalty tools and mobile-first applications that enhance patron engagement for our customers and venues in the casino, sports, entertainment, and hospitality industries.

Everi reports its financial performance, and organizes and manages its operations, across the following two business segments: (i) Games and (ii) Financial Technology Solutions (“FinTech”).

Everi Games provides gaming operators with gaming technology and entertainment products and services, including: (i) gaming machines, primarily comprising Class II, Class III and Historic Horse Racing (“HHR”) slot machines placed under participation and fixed-fee lease arrangements or sold to casino customers; (ii) providing and maintaining the central determinant systems for the video lottery terminals (“VLTs”) installed in the State of New York and similar technology in certain tribal jurisdictions; (iii) business-to-business (“B2B”) digital online gaming activities; and (iv) bingo solutions through consoles, integrated electronic gaming tablets and related systems.

Everi FinTech provides gaming operators with financial technology products and services, including: (i) financial access and related services supporting digital, cashless and physical cash options across mobile, assisted and self-service channels; (ii) loyalty and marketing software and tools, regulatory and compliance (“RegTech”) software solutions, other information-related products and services, and hardware maintenance services; and (iii) associated casino patron self-service hardware that utilizes our financial access, software and other services. We also develop and offer mobile-first applications aimed at enhancing patron engagement for customers in the casino, sports, entertainment, and hospitality industries. Our solutions are secured using an end-to-end security suite to protect against cyber-related attacks allowing us to maintain appropriate levels of security. These solutions include: access to cash and cashless funding at gaming facilities via Automated Teller Machine (“ATM”) debit withdrawals, credit card financial access transactions, and point of sale (“POS”) debit card purchases at casino cages, kiosk and mobile POS devices; accounts for the CashClub Wallet, check warranty services, self-service loyalty and fully integrated kiosk maintenance services; self-service loyalty tools and promotion management software; compliance, audit, and data software; casino credit data and reporting services; marketing and promotional offering subscription-based services; and other ancillary offerings.

Impact of Macro-Economic Volatility and Global Instability, Employment Constraints and Supply Chain Disruptions

We have experienced an impact from macro-economic volatility as a result of inflation, interest rate movements and global instability, particularly as it relates to our supply chain, both from an upstream and downstream perspective, which impacts the delivery of our products; and we continue to evaluate the effects of interest rate movements on our variable rate debt and pricing pressures on our business.

We have experienced an impact from employment constraints as a result of inflation that has significantly increased over prior years. This has placed pressure on competitive wages, which has led to increases in wages and other related costs.

We have experienced an impact from supply chain disruptions that have resulted in additional costs incurred to develop, produce, and ship our products.

Additional Items Impacting Comparability of Results of Operations and Financial Condition

Our Financial Statements included in this report reflect the following additional items impacting the comparability of results of operations:

- During the year 2023, we acquired certain strategic assets of VKGS LLC (“Video King”), a privately owned provider of integrated electronic bingo gaming tablets, video gaming content, instant win games and systems. Under the terms of the purchase agreement, we paid the seller approximately \$61.0 million, inclusive of a net working capital payment during the second quarter of 2023. We also made an additional net working capital payment of \$0.3 million post-closing, early in the third quarter of 2023. In addition, we expect to pay approximately \$0.2 million related to an indemnity holdback, which is scheduled for release on the eighteen-month anniversary of the acquisition date. The acquisition did not have a significant impact on our financial condition or results of operations as of and for the period ended December 31, 2023.
- During the fourth quarter of 2023, we recorded a partial write-down of the definite-lived customer relationships intangible asset associated with the Intuicode Gaming Corporation (“Intuicode”) acquisition, reflected in our Games segment. The impairment loss of approximately \$11.7 million was included within Operating Expenses of our Statements of Operations. The customer relationships intangible asset had a revised cost basis of \$0.5 million and a remaining life of five years at December 31, 2023. In connection with this impairment recorded during the fourth quarter of 2023, we also recorded an adjustment of \$1.7 million based on our revised estimate of the second earn-out payment related to the Intuicode acquisition reflected within Operating Expenses of our Statements of Operations.
- During the year 2023, we incurred an increase in interest expense, net of interest income, of \$21.9 million as a result of rising interest rates in the macroeconomic environment that impacted our variable rate debt.
- During the second quarter of 2023, our Board of Directors authorized and approved a new share repurchase program in an amount not to exceed \$180.0 million pursuant to which we may purchase outstanding Company common stock in open market or privately negotiated transactions over a period of eighteen (18) months through November 3, 2024. There were 7.5 million shares repurchased during the year ended December 31, 2023 at an average price of \$13.40 per share for an aggregate amount of \$100.0 million. The remaining availability under the May 2023 \$180.0 million share repurchase program was \$80.0 million as of December 31, 2023. This new repurchase program supersedes and replaces, in its entirety, the previous share repurchase program.
- During the year 2022, we acquired the stock of eCash Holdings Pty Limited and wholly-owned subsidiaries (collectively “eCash”), Intuicode, and certain strategic assets of Venuetize, Inc. (“Venuetize”) and made an initial cash payment of \$15.0 million, \$12.5 million and \$18.2 million at the closing of each transaction, respectively. The acquisitions did not have a significant impact on our financial condition or results of operations as of and for the period ended December 31, 2023.

As a result of these events, together with macro-economic volatility and global instability, our employment constraints and supply chain disruptions, our results of operations and earnings per share in the periods covered by our Financial Statements may not be directly comparable.

Trends and Developments Impacting our Business

Our strategic planning and forecasting processes include the consideration of economic and industry-wide trends that may impact our Games and FinTech businesses. Below we have identified a number of trends that could have a material impact on our business:

- Casino gaming is dependent upon discretionary consumer spending, which is typically the first type of spending that is restrained by consumers when they are uncertain about their jobs and income. Global economic uncertainty in the marketplace may have an impact on casino gaming, gaming operator capital budgets, and ultimately the demand for new gaming equipment, which impacts both of our segments.

- We face continued macro-economic volatility, global instability, inflationary pricing pressures and interest rate movements, which impacts both our segments.
- Disruption of global supply chains related to macro-economic volatility, including inflation and interest rate movements, and global instability may negatively impact the anticipated increase in sales of gaming equipment in 2024.
- We face continued competition from competitors in the gaming financial access market, as well as from larger gaming equipment manufacturers and systems providers. This competition continues to contribute to ongoing pricing pressure for both our Games and FinTech businesses.
- We continue to remain competitive in the gaming supplier space by launching new cabinet form factors and game theme software titles, which may be either delayed or not received well by casino operators that could negatively impact our outlook of sales in 2024.
- Transaction processing and related fees have increased in recent years. We expect the financial services and payments industry to respond to these changes, including in ways that could negatively impact our FinTech business in the future.
- We derive a significant portion of our revenue from Native American tribal customers, and our ability to effectively operate in Native American gaming markets is vulnerable to legal and regulatory uncertainties, including the ability to enforce contractual rights on Native American land.
- Casino operators continue to broaden their appeal by focusing on investments in non-gaming amenities for their facilities, which could impact casino operator's capital allocations for games and payment solution products and services that impact both of our operating segments.

Operating Segments

We report our financial performance within two operating segments: (i) Games; and (ii) FinTech. For additional information on our segments see [“Item 1. Business”](#) and [“Part II — Item 8 — Financial Statements and Supplementary Data — Notes to Consolidated Financial Statements — Note 19 — Segment Information”](#) included in this Annual Report on Form 10-K.

Results of Operations

Year ended December 31, 2023 compared to the year ended December 31, 2022

The following table presents our Results of Operations as reported for the year ended December 31, 2023 compared to the year ended December 31, 2022 (amounts in thousands)*:

	Year Ended					
	December 31, 2023		December 31, 2022		2023 vs 2022	
	\$	%	\$	%	\$	%
Revenues						
Games revenues						
Gaming operations	\$ 304,132	38 %	\$ 292,873	37 %	\$ 11,259	4 %
Gaming equipment and systems	125,022	15 %	143,553	18 %	(18,531)	(13)%
Games total revenues	429,154	53 %	436,426	56 %	(7,272)	(2)%
FinTech revenues						
Financial access services	225,054	28 %	206,860	26 %	18,194	9 %
Software and other	99,490	12 %	80,232	10 %	19,258	24 %
Hardware	54,123	7 %	59,001	8 %	(4,878)	(8)%
FinTech total revenues	378,667	47 %	346,093	44 %	32,574	9 %
Total revenues	807,821	100 %	782,519	100 %	25,302	3 %
Costs and expenses						
Games cost of revenues ⁽¹⁾						
Gaming operations	35,205	4 %	25,153	3 %	10,052	40 %
Gaming equipment and systems	72,191	9 %	86,638	11 %	(14,447)	(17)%
Games total cost of revenues	107,396	13 %	111,791	14 %	(4,395)	(4)%
FinTech cost of revenues ⁽¹⁾						
Financial access services	11,064	1 %	10,186	1 %	878	9 %
Software and other	6,159	1 %	4,125	1 %	2,034	49 %
Hardware	36,621	5 %	39,220	5 %	(2,599)	(7)%
FinTech total cost of revenues	53,844	7 %	53,531	7 %	313	1 %
Operating expenses	260,931	32 %	216,959	28 %	43,972	20 %
Research and development	67,633	8 %	60,527	8 %	7,106	12 %
Depreciation	78,691	10 %	66,801	9 %	11,890	18 %
Amortization	60,042	7 %	59,558	8 %	484	1 %
Total costs and expenses	628,537	78 %	569,167	73 %	59,370	10 %
Operating income	179,284	22 %	213,352	27 %	(34,068)	(16)%

* Rounding may cause variances.

(1) Exclusive of depreciation and amortization.

	Year Ended					
	December 31, 2023		December 31, 2022		2023 vs 2022	
	\$	%	\$	%	\$	%
Other expenses						
Interest expense, net of interest income	77,693	10 %	55,752	7 %	21,941	39 %
Total other expenses	77,693	10 %	55,752	7 %	21,941	39 %
Income before income tax	101,591	13 %	157,600	20 %	(56,009)	(36)%
Income tax provision	17,594	2 %	37,111	5 %	(19,517)	(53)%
Net income	\$ 83,997	10 %	\$ 120,489	15 %	\$ (36,492)	(30)%

* Rounding may cause variances.

Total Revenues

Total revenues increased by approximately \$25.3 million, or 3%, to approximately \$807.8 million for the year ended December 31, 2023, as compared to the prior year. This was primarily due to lower Games revenues, partially offset by the higher FinTech revenues described below.

Games revenues decreased by approximately \$7.3 million, or 2%, to approximately \$429.2 million for the year ended December 31, 2023, as compared to the prior year. This change was primarily due to a decrease in the number of electronic gaming machines sold, partially offset by over a \$600 higher average selling price per unit and continued results from our HHR and bingo solutions reflected in our gaming equipment and systems revenues. The decrease in Games revenues was also partially offset by the contribution from our bingo solutions and growth in our interactive and digital offerings reflected in our gaming operations revenues.

FinTech revenues increased by approximately \$32.6 million, or 9%, to approximately \$378.7 million for the year ended December 31, 2023, as compared to the prior year. This change was primarily due to an increase in both transaction and dollar volumes reflected in our financial access services revenues associated with continued strength in the gaming industry. In addition, we had continued results from software sales and support related services attributable to our kiosk, loyalty and compliance solutions and from acquired businesses reflected in our software and other revenues. The increase in FinTech revenues was partially offset by fewer kiosks unit sales, tempered by more loyalty unit sales with higher average selling prices reflected in our hardware revenues.

Costs and Expenses

Total costs and expenses increased by approximately \$59.4 million, or 10%, to approximately \$628.5 million for the year ended December 31, 2023, as compared to the prior year. This was primarily due to the movements in costs and expenses described below.

Games cost of revenues decreased by approximately \$4.4 million, or 4%, to approximately \$107.4 million for the year ended December 31, 2023, as compared to the prior year. This change was primarily due to the reduced variable costs associated with the lower unit sales reflected in our gaming equipment systems cost of revenues. The decrease in Games cost of revenues was partially offset by the additional costs related to our installed base of leased machines and the variable costs from our bingo integrated electronic gaming tablets reflected in our gaming operations cost of revenues.

FinTech cost of revenues increased by approximately \$0.3 million, or 1%, to approximately \$53.8 million for the year ended December 31, 2023, as compared to the prior year. This change was primarily due to the increased variable costs related to software from our kiosk and loyalty solutions, hardware from our loyalty unit sales, and financial access services from our check warranty offering. The increase in FinTech cost of revenues was partially offset by the reduced variable costs of hardware associated with the lower kiosk unit sales.

Operating expenses increased by approximately \$44.0 million, or 20%, to approximately \$260.9 million for the year ended December 31, 2023, as compared to the prior year. This was due in large part to an impairment charge of \$11.7 million with respect to a partial write-down of the definite-lived customer relationships intangible asset related to our Intuicode acquisition, partially offset by an adjustment recorded in connection with our second earn-out payment related to the same transaction, each of which were reflected in our Games segment. In addition, the increase in operating expenses was related to increases in inventory and occupancy costs mostly associated with the move to our new manufacturing facility in Las Vegas, Nevada during the fourth quarter of 2023 in an effort to consolidate our warehousing operations, which impacted both our Games and FinTech segments. We also incurred higher payroll and related expenses to support the growth of our existing operations and new employees from acquisitions in our FinTech and Games segments. We also incurred higher expenses for software licensing and additional employee travel and related costs in our Games and FinTech segments. The increase in operating expenses was partially offset by lower legal costs due to higher costs incurred in the prior period due to litigation activities from existing proceedings in our Games and FinTech segments.

Research and development expense increased by approximately \$7.1 million, or 12%, to approximately \$67.6 million for the year ended December 31, 2023, as compared to the prior year. This was primarily due to the growth in our operations and expenses from our acquired businesses in our Games and FinTech segments.

Depreciation expense increased by approximately \$11.9 million, or 18%, to approximately \$78.7 million for the year ended December 31, 2023, as compared to the prior year. This was primarily associated with the shortening of estimated remaining useful lives that were no longer supportable for certain fixed assets and an increase in capital spending related to acquired businesses in our Games segment.

Amortization expense was relatively consistent at \$60.0 million for the year ended December 31, 2023, as compared to the prior year.

Primarily as a result of the factors described above, our operating income decreased by approximately \$34.1 million, or 16%, and resulted in an operating income of approximately \$179.3 million for the year ended December 31, 2023, as compared to the prior year. The operating income margin was 22% for the year ended December 31, 2023 compared to an operating income margin of 27% for the prior year.

Interest expense, net of interest income, increased by approximately \$21.9 million, or 39%, to approximately \$77.7 million for the year ended December 31, 2023, as compared to the prior year. This was primarily due to higher interest rates on our variable debt and our vault cash as a result of inflationary pressures in the macro-economic environment and global instability. This was partially offset by interest earned of approximately \$12.1 million on our cash balances due to rising interest rates throughout the year.

Income tax provision decreased by \$19.5 million to approximately \$17.6 million for the year ended December 31, 2023, as compared to the prior year. The income tax provision for the year ended December 31, 2023 reflected an effective income tax rate of 17.3%, which was less than the statutory federal rate of 21.0%, primarily due to a research credit and the benefit from equity award activities, partially offset by state taxes, compensation deduction limitations and a net operating loss limitation. The income tax provision of \$37.1 million for the year ended December 31, 2022 reflected an effective income tax rate of 23.5%, which was greater than the statutory federal rate of 21.0%, primarily due to state taxes, compensation deduction limitations, a net operating loss limitation and an accrual for a foreign withholding tax, partially offset by both a research credit and the benefit from equity award activities. For additional information, refer to [“Part II — Item 8 — Financial Statements and Supplementary Data — Notes to Consolidated Financial Statements — Note 18 — Income Taxes”](#).

Primarily as a result of the factors described above, we had net income of approximately \$84.0 million for the year ended December 31, 2023, as compared to a prior year net income of approximately \$120.5 million.

Year ended December 31, 2022 compared to year ended December 31, 2021:

The following table presents our Results of Operations as reported for the year ended December 31, 2022 compared to the year ended December 31, 2021 (amounts in thousands)*:

	Year Ended					
	December 31, 2022		December 31, 2021		2022 vs 2021	
	\$	%	\$	%	\$	%
Revenues						
Games revenues						
Gaming operations	\$ 292,873	37 %	\$ 272,885	41 %	\$ 19,988	7 %
Gaming equipment and systems	143,553	18 %	103,844	16 %	39,709	38 %
Games total revenues	436,426	56 %	376,729	57 %	59,697	16 %
FinTech revenues						
Financial access services	206,860	26 %	178,019	28 %	28,841	16 %
Software and other	80,232	10 %	67,797	10 %	12,435	18 %
Hardware	59,001	8 %	37,840	6 %	21,161	56 %
FinTech total revenues	346,093	44 %	283,656	43 %	62,437	22 %
Total revenues	782,519	100 %	660,385	100 %	122,134	18 %
Costs and expenses						
Games cost of revenues ⁽¹⁾						
Gaming operations	25,153	3 %	21,663	3 %	3,490	16 %
Gaming equipment and systems	86,638	11 %	60,093	9 %	26,545	44 %
Games total cost of revenues	111,791	14 %	81,756	12 %	30,035	37 %
FinTech cost of revenues ⁽¹⁾						
Financial access services	10,186	1 %	6,779	1 %	3,407	50 %
Software and other	4,125	1 %	4,129	— %	(4)	— %
Hardware	39,220	5 %	22,785	3 %	16,435	72 %
FinTech total cost of revenues	53,531	7 %	33,693	5 %	19,838	59 %
Operating expenses	216,959	28 %	188,900	29 %	28,059	15 %
Research and development	60,527	8 %	39,051	6 %	21,476	55 %
Depreciation	66,801	9 %	61,487	9 %	5,314	9 %
Amortization	59,558	8 %	57,987	9 %	1,571	3 %
Total costs and expenses	569,167	73 %	462,874	70 %	106,293	23 %
Operating income	213,352	27 %	197,511	30 %	15,841	8 %

* Rounding may cause variances.

(1) Exclusive of depreciation and amortization.

	Year Ended					
	December 31, 2022		December 31, 2021		2022 vs 2021	
	\$	%	\$	%	\$	%
Other expenses						
Interest expense, net of interest income	55,752	7 %	62,097	9 %	(6,345)	(10)%
Loss on extinguishment of debt	—	— %	34,389	5 %	(34,389)	(100)%
Total other expenses	55,752	7 %	96,486	15 %	(40,734)	(42)%
Income before income tax	157,600	20 %	101,025	15 %	56,575	56 %
Income tax provision (benefit)	37,111	5 %	(51,900)	(8)%	89,011	172 %
Net income	<u>\$ 120,489</u>	<u>15 %</u>	<u>\$ 152,925</u>	<u>23 %</u>	<u>\$ (32,436)</u>	<u>(21)%</u>

* Rounding may cause variances.

Total Revenues

Total revenues increased by approximately \$122.1 million, or 18%, to approximately \$782.5 million for the year ended December 31, 2022, as compared to the prior year. This was primarily due to the higher Games and FinTech revenues described below.

Games revenues increased by approximately \$59.7 million, or 16%, to approximately \$436.4 million for the year ended December 31, 2022, as compared to the prior year. This was primarily due to: (i) an increase of 1,785 gaming machines sold (including those from the acquired HHR development company, Intuicode), with \$779 higher average selling price per unit, which resulted in additional gaming equipment revenues; (ii) a 1,072 unit increase in the number of units in our installed base from our gaming operations revenues; (iii) the recurring, participation revenue contributions from Intuicode, which is in our gaming operations revenues, and also in our gaming equipment revenues; and (iv) an \$8.7 million increase in our online digital and interactive solutions as a result of growth in the customer base and expansion of our product with existing customers, which were reflected in our gaming operations revenues.

FinTech revenues increased by approximately \$62.4 million, or 22%, to approximately \$346.1 million for the year ended December 31, 2022, as compared to the prior year. This was primarily due to contributions that included: (i) an increase in both transaction and dollar volumes attributable to more normalized operations in the gaming industry and new and renewed business from our financial access services revenues; (ii) contributions from acquired businesses, reflected mostly in our hardware revenues and software and financial access services revenues; and (iii) an increase in unit sales of our kiosks reflected in our hardware revenues.

Costs and Expenses

Total costs and expenses increased by approximately \$106.3 million, or 23%, to approximately \$569.2 million for the year ended December 31, 2022, as compared to the prior year. This was primarily due to higher Games and FinTech costs and expenses described below.

Games cost of revenues increased by approximately \$30.0 million, or 37%, to approximately \$111.8 million for the year ended December 31, 2022, as compared to the prior year. This was primarily due to the additional variable costs associated with the higher unit sales from our gaming equipment and systems activities, increased freight and delivery costs, and increased supply chain related costs. There were also additional costs associated with our installed base from our gaming operations activities, primarily from increased payroll related costs.

FinTech cost of revenues increased by approximately \$19.8 million, or 59%, to approximately \$53.5 million for the year ended December 31, 2022, as compared to the prior year. This was primarily due to additional variable costs associated with the higher unit sales from our hardware revenue, increased supply chain related costs, increased freight and delivery costs, and an additional \$3.4 million in check warranty expenses. Check warranty losses have been increasing in 2022 as declining or eliminated governmental stimulus efforts have been greatly reduced or ceased and nationwide patrons' cash balances have been declining. These check warranty losses are reported within our financial access services activities.

Operating expenses increased by approximately \$28.1 million, or 15%, to approximately \$217.0 million for the year ended December 31, 2022, as compared to the prior year. This was primarily due to higher payroll and related expenses to support the growth of our existing operations and new employees from acquisitions completed during the year in our Games and FinTech segments. We also incurred higher employee travel and related costs resulting from more normalized operations of our customers in our Games and FinTech segments. In addition, the increase was attributable to rising expenses for software licensing and information technology hardware support. The prior year operating expenses were partially offset by the recovery of a settlement from a dispute with an insurance carrier for a payment associated with the Fair and Accurate Credit Transactions Act legal matter of approximately \$1.9 million in our FinTech segment.

Research and development expense increased by approximately \$21.5 million, or 55%, to approximately \$60.5 million for the year ended December 31, 2022, as compared to the prior year. This increase was primarily the result of the growth in our operations, expense from our recently completed acquisitions and the continued investment in new products in our Games and FinTech segments.

Depreciation expense increased by approximately \$5.3 million, or 9%, to approximately \$66.8 million for the year ended December 31, 2022, as compared to the prior year, and was primarily associated with an increase in capital spending resulting in a higher asset base in our Games and FinTech segments.

Amortization expense increased by approximately \$1.6 million, or 3%, to approximately \$59.6 million for the year ended December 31, 2022, as compared to the prior year, and was primarily associated with an increase in intangible assets acquired in 2022 for our Games and FinTech segments.

Primarily as a result of the factors described above, our operating income increased by approximately \$15.8 million, or 8%, and resulted in an operating income of approximately \$213.4 million for the year ended December 31, 2022, as compared to the prior year. The operating income margin was 27% for the year ended December 31, 2022 compared to an operating income margin of 30% for the prior year.

Interest expense, net of interest income, decreased by approximately \$6.3 million, or 10%, to approximately \$55.8 million for the year ended December 31, 2022, as compared to the prior year. This was primarily due to interest savings achieved from a refinancing of our prior credit facilities and unsecured notes in the third quarter of 2021 that resulted in a lower amount of principal outstanding. This was partially offset by higher interest rates on our variable debt and our vault cash as a result of inflationary pressures in the macro-economic environment and global instability. Partially offsetting interest expense was approximately \$3.9 million in interest earned on our cash balances due to rising interest rates throughout the year and on certain customer receivables.

There was no loss on extinguishment of debt for the year ended December 31, 2022, as compared to \$34.4 million in the prior year resulting from a refinancing of our prior credit facilities and unsecured notes in the third quarter of 2021.

Income tax benefit increased by \$89.0 million to approximately \$37.1 million for the year ended December 31, 2022, as compared to the prior year. The income tax provision for the year ended December 31, 2022 reflected an effective income tax rate of 23.5%, which was greater than the statutory federal rate of 21.0%, primarily due to state taxes, compensation deduction limitations, a net operating loss limitation and an accrual for a foreign withholding tax, partially offset by both a research credit and the benefit from equity award activities. The income tax benefit of \$51.9 million for the year ended December 31, 2021 reflected an effective income tax rate of negative 51.4%, which was less than the statutory federal rate of 21.0%, primarily due to a decrease in our valuation allowance as we removed the full valuation allowance on our federal and certain states deferred tax

assets. For additional information, refer to [“Part II — Item 8 — Financial Statements and Supplementary Data — Notes to Consolidated Financial Statements — Note 18 — Income Taxes”](#).

Primarily as a result of the factors described above, we had net income of approximately \$120.5 million for the year ended December 31, 2022, as compared to a prior year net income of approximately \$152.9 million.

Critical Accounting Policies and Estimates

The preparation of our financial statements in conformity with U.S. generally accepted accounting principles (“GAAP”) requires us to make estimates and assumptions that affect our reported amounts of assets and liabilities, revenues and expenses, and related disclosures of contingent assets and liabilities in our Financial Statements. The SEC has defined critical accounting estimates as those that involve a significant level of estimation uncertainty and have had or are reasonably likely to have a material impact on the financial condition or results of operations of the registrant. Based on this definition, we have identified our critical accounting policies and estimates as those addressed below. We also have other key accounting policies that involve the use of estimates, judgments, and assumptions. Refer to [“Part II — Item 8 — Financial Statements and Supplementary Data — Notes to Consolidated Financial Statements — Note 2 — Basis of Presentation and Summary of Significant Accounting Policies”](#) included elsewhere in this Annual Report on Form 10-K for a summary of these policies. We believe that our estimates and assumptions are reasonable, based upon information presently available; however, actual results may differ from these estimates under different assumptions or conditions.

Business Combinations

We completed an acquisition for purchase consideration of approximately \$61.5 million during the year ended December 31, 2023, specifically the acquisition of VKGS LLC. This acquisition resulted in us recording a significant amount of identified intangible assets and goodwill.

The determination of fair values of the assets acquired and liabilities assumed for our acquisitions requires the use of various assumptions, estimates or judgments in the valuation process, such as: the methodology, the estimated future cash flows and the discount rate used to present value such cash flows and benchmarking rates, as applicable. We utilize the assistance of third-party specialists in connection with the valuation process, as applicable.

Our estimates of fair values require significant judgment and are based on assumptions we determined to be reasonable; however, they are unpredictable and inherently uncertain, including, but not limited to: estimates of future growth rates, operating margins, results of operations and financial condition.

Management performs its forecasting process, which, among other factors, includes reviewing recent historical results, company-specific variables and industry trends, among other considerations. This process is generally fluid throughout each year and considered in conjunction with the acquisition activities that occur during any given year. Changes in forecasted operations can significantly impact these estimates, which could materially affect our results of operations.

There can be no assurance that our estimates and assumptions made in our determination of fair values of the assets acquired and liabilities assumed from our acquisitions will prove to be accurate predictions of the future. To the extent our assumptions regarding business plans, competitive environments, anticipated growth rates, or expectations of results of operations and financial condition are not correct, we may be required to record adjustments in future periods, whether to goodwill during the measurement period or to the Statements of Operations upon the expiration of the measurement period, in the event items are present that were either known or knowable at the respective acquisition dates.

Goodwill

We had approximately \$737.8 million of goodwill, of which approximately \$484.4 million was related to our Games reporting unit, on our Balance Sheets at December 31, 2023 resulting from acquisitions of other businesses. We test for impairment annually on a reporting unit basis, at the beginning of our fourth fiscal quarter, or more often under certain circumstances. Our reporting units are identified as operating segments or one level

below and we evaluate our reporting units at least annually. Refer to [“Part II — Item 8 — Financial Statements and Supplementary Data — Notes to Consolidated Financial Statements — Note 11 — Goodwill and Other Intangible Assets”](#) included elsewhere in this Annual Report on Form 10-K for a further discussion.

The annual evaluation of goodwill requires the use of different assumptions, estimates, or judgments in the goodwill impairment testing process, such as: the methodology, the estimated future cash flows of our reporting units, the discount rate used to present value such cash flows, and the market multiples of comparable companies. Management performs its annual forecasting process, which, among other factors, includes reviewing recent historical results, company-specific variables, and industry trends. This process is generally fluid throughout each year and considered in conjunction with the annual goodwill impairment evaluation. Changes in forecasted operations can significantly impact these estimates, which could materially affect our results of operations. Our estimates of fair value require significant judgment and are based on assumptions we determined to be reasonable; however, they are unpredictable and inherently uncertain, including: estimates of future growth rates, operating margins, results of operations and financial condition, and assumptions about the overall economic climate as well as the competitive environment for our reporting units.

There can be no assurance that our estimates and assumptions made for purposes of our goodwill testing as of the time of testing will prove to be accurate predictions of the future. If our assumptions regarding business plans, competitive environments, anticipated growth rates, or expectations of results of operations and financial condition are not correct, we may be required to record goodwill impairment charges in future periods, whether in connection with our next annual impairment testing process, or earlier, in the event an indicator of impairment is present at such time during the year.

Recent Accounting Guidance

For a description of our recently adopted accounting guidance and recent accounting guidance not yet adopted, see [“Part II — Item 8 — Financial Statements and Supplementary Data — Notes to Consolidated Financial Statements — Note 2 — Basis of Presentation and Summary of Significant Accounting Policies — Recent Accounting Guidance”](#) included elsewhere in this Annual Report on Form 10-K.

Liquidity and Capital Resources

Overview

The following table presents selected information about our financial position (in thousands):

	At December 31,	
	2023	2022
Balance sheet data		
Total assets	\$ 2,123,870	\$ 1,918,243
Total borrowings	974,465	977,995
Total stockholders' equity	226,142	217,641
Cash available		
Cash and cash equivalents	\$ 267,215	\$ 293,394
Settlement receivables	441,852	263,745
Settlement liabilities	(662,967)	(467,903)
Net cash position ⁽¹⁾	46,100	89,236
Undrawn revolving credit facility	125,000	125,000
Net cash available ⁽¹⁾	<u>\$ 171,100</u>	<u>\$ 214,236</u>

(1) Non-GAAP financial measure. In order to enhance investor understanding of our cash balance, we are providing in this Annual Report on Form 10-K our Net Cash Position and Net Cash Available, which are not measures of financial position under GAAP. Accordingly, these measures should not be considered in isolation or as a substitute for GAAP measures, and should be read in conjunction with our balance sheets prepared in accordance with GAAP. We define our (i) Net Cash Position as cash and cash equivalents plus settlement receivables less settlement liabilities; and (ii) Net Cash Available as Net Cash Position plus undrawn amounts available under our Revolving Credit Facility. Our Net Cash Position and Net Cash Available change substantially based upon the timing of our receipt of funds for settlement receivables and payments we make to customers for our settlement liabilities. We present these non-GAAP measures as we monitor these amounts in connection with forecasting of cash flows and future cash requirements, both on a short-term and long-term basis.

Cash Resources

As of December 31, 2023, our cash balance, cash flows, and line of credit are expected to be sufficient to meet our recurring operating commitments and to fund our planned capital expenditures on both a short- and long-term basis. Cash and cash equivalents at December 31, 2023 included cash in non-U.S. jurisdictions of approximately \$22.0 million. Generally, these funds are available for operating and investment purposes within the jurisdiction in which they reside, and we may from time to time consider repatriating these foreign funds to the United States, subject to potential withholding tax obligations, based on operating requirements.

We expect that cash provided by operating activities will also be sufficient for our operating and debt servicing needs during the foreseeable future on both a short- and long-term basis. In addition, we have sufficient borrowings available under our senior secured revolving credit facility to meet further funding requirements. We monitor the financial strength of our lenders on an ongoing basis using publicly available information. Based upon available information, we believe our lenders should be able to honor their commitments under the Amended Credit Agreement (defined in "Note 13 — Long-Term Debt").

Cash Flows

The following table presents a summary of our cash flow activity for the years ended December 31, 2023, 2022 and 2021 (in thousands):

	Year Ended December 31,			\$ Change	
	2023	2022	2021	2023 vs 2022	2022 vs 2021
	As adjusted		As adjusted	As adjusted	
Cash flow activities					
Net cash provided by operating activities	\$ 292,230	\$ 272,094	\$ 360,165	\$ 20,136	\$ (88,071)
Net cash used in investing activities	(204,307)	(178,791)	(120,447)	(25,516)	(58,344)
Net cash used in financing activities	(110,941)	(100,568)	(188,359)	(10,373)	87,791
Effect of exchange rates on cash and cash equivalents	461	(1,398)	18	(1,859)	(1,416)
Cash and cash equivalents and restricted cash					
Net (decrease) increase for the period	(22,557)	(8,663)	51,377	(13,894)	(60,040)
Balance, beginning of the period	295,063	303,726	252,349	(8,663)	51,377
Balance, end of the period	\$ 272,506	\$ 295,063	\$ 303,726	\$ (22,557)	\$ (8,663)

Cash flows provided by operating activities increased by approximately \$20.1 million for the year ended December 31, 2023, as compared to the prior year. This was primarily attributable to changes in operating assets and liabilities, mostly associated with settlement activities from our FinTech segment. These receivables and liabilities are generally highly liquid in nature, with settlement receivables collected within one to three days of the financial access transaction performed by the patron and settlement liabilities repaid to our casino customers within three to five days of the original transaction date. As a result of the timing of weekends and holidays in relation to the close of an accounting period, the amount of uncollected settlement receivables and unpaid settlement liabilities can vary greatly. In addition, the changes in other operating assets and liabilities were related to cash receipts and disbursements in the normal course of business in both the Games and FinTech segments. Cash flows provided by operating activities decreased by approximately \$88.1 million for the year ended December 31, 2022, as compared to the prior year. This was primarily attributable to changes in operating assets and liabilities, mostly associated with settlement activities from our FinTech segment and reduced placement fees from our Games segment. In addition, the changes in other operating assets and liabilities were related to cash receipts and disbursements in the normal course of business in both the Games and FinTech segments.

Cash flows used in investing activities increased by approximately \$25.5 million for the year ended December 31, 2023, as compared to the prior year. This was primarily attributable to our acquisition activities and an increase in capital expenditures in our Games segment, partially offset by reduced capital expenditures in our FinTech segment. Cash flows used in investing activities increased by approximately \$58.3 million for the year ended December 31, 2022, as compared to the prior year. This was primarily attributable to our acquisition activities and an increase in capital expenditures in our Games and FinTech segments.

Cash flows used in financing activities increased by approximately \$10.4 million for the year ended December 31, 2023, as compared to the prior year. This was primarily attributable to share repurchase activities, together with payments of contingent consideration from our Games and FinTech segments, partially offset by proceeds from option exercise activities. Cash flows used in financing activities decreased by approximately \$87.8 million for the year ended December 31, 2022, as compared to the prior year. This was primarily attributable to the debt refinancing activities in the prior year, together with payments of contingent consideration from our FinTech segment, partially offset by increased share repurchase activities and reduced option exercise activities.

For additional information regarding the as adjusted prior year cash flow activities see "Reclassification of Balances" in "Item 8 — Financial Statements and Supplementary Data — Notes to Consolidated Financial Statements — Note 2 — Basis of Presentation and Summary of Significant Accounting Policies" and "Item 8 —

Capital Expenditures

For the year ended December 31, 2023, cash paid for capital expenditures totaled \$145.1 million, of which \$117.0 million and \$28.1 million were related to our Games and FinTech segments, respectively. For the year ended December 31, 2022, cash paid for capital expenditures totaled \$127.6 million, of which \$96.0 million and \$31.6 million, were related to our Games and FinTech segments, respectively.

Long-Term Debt

At December 31, 2023, we had approximately \$587 million of borrowings outstanding under the Term Loan and there were no borrowings outstanding under the Revolver. We had \$125 million of additional borrowing availability under the Revolver as of December 31, 2023. At December 31, 2023, we had \$400 million outstanding under our 2021 Unsecured Notes.

For additional information regarding our credit agreement and other debt as well as interest rate risk see “Contractual Obligations” in this Item 7 below, “Part II, Item 7A Quantitative and Qualitative Disclosures About Market Risk,” and “Item 8 — Financial Statements and Supplementary Data — Notes to Consolidated Financial Statements — Note 13 — Long-Term Debt.”

Contractual Obligations

Our contractual obligations are summarized below as of December 31, 2023 (in thousands):

	Total	2024	2025	2026	2027	2028	Thereafter
Contractual obligations							
Debt obligations ⁽¹⁾	\$ 986,500	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 562,500	\$ 400,000
Estimated interest obligations ⁽²⁾	268,487	63,483	55,849	54,351	54,343	20,461	20,000
Lease obligations ⁽³⁾	42,901	8,575	8,551	5,012	3,083	2,864	14,816
Purchase obligations ⁽⁴⁾	149,191	113,944	24,418	5,266	4,438	1,125	—
Acquisition related obligations ⁽⁵⁾	9,225	8,475	750	—	—	—	—
Total contractual obligations	\$ 1,456,304	\$ 200,477	\$ 95,568	\$ 70,629	\$ 67,864	\$ 586,950	\$ 434,816

- (1) In connection with the Term Loan, we are required to make quarterly principal payments with the remaining principal being due on the maturity date. The 2021 Unsecured Notes do not require a quarterly principal payment with the final principal repayment installment being due on the maturity date. For additional information see [Part II — Item 8 — Financial Statements and Supplementary Data — Notes to Consolidated Financial Statements — Note 13 — Long-Term Debt](#)”
- (2) Estimated interest payments were computed using the interest rate in effect at December 31, 2023 multiplied by the principal balance outstanding.
- (3) Our lease obligations primarily consist of real estate arrangements we enter into with third parties. During the fourth quarter of 2023, the Company commenced a real estate lease with a term of ten years and future minimum lease payments of approximately \$27.3 million. For additional information see [“Part II — Item 8 — Financial Statements and Supplementary Data — Notes to Consolidated Financial Statements — Note 4 — Leases.”](#)
- (4) The Company is a party to certain purchase obligations, which primarily include purchases of raw materials, capital expenditures, and other indirect purchases in connection with conducting our business. The purchase obligations represent open purchase orders with our suppliers that have not yet been received as these agreements generally allow us the option to cancel, reschedule and adjust terms based on our business needs prior to the delivery of goods or performance of services.

(5) Represents our obligations under the purchase agreements, including eCash, Intuicode, Venuetize and Video King. For additional information see [“Part II — Item 8 — Financial Statements and Supplementary Data — Notes to Consolidated Financial Statements — Note 5 — Business Combinations.”](#)

Other Liquidity Needs and Resources

We need cash to support our foreign operations. Depending on the jurisdiction and the treaty between different foreign jurisdictions, our applicable withholding tax rates could vary significantly. If we expand our business into new foreign jurisdictions, we will rely on treaty-favored cross-border transfers of funds, the cash generated by our operations in those foreign jurisdictions or alternate sources of working capital.

Off-Balance Sheet Arrangements

In the normal course of business, we have commercial arrangements with third-party vendors to provide cash for certain of our ATMs. For the use of these funds, we pay a usage fee on either the average daily balance of funds utilized multiplied by a contractually defined usage rate or the amounts supplied multiplied by a contractually defined usage rate. These usage fees, reflected as interest expense within the Consolidated Statements of Operations, were approximately \$20.4 million, \$9.3 million, and \$4.0 million for the years ended December 31, 2023, 2022, and 2021, respectively. The usage fees increased in the current year as compared to the prior year as a result of elevated funds dispensing volumes at our customer locations and higher interest rates as a result of macro-economic conditions.

We are exposed to interest rate risk to the extent that the applicable federal funds rate increases. Under these agreements, the currency supplied by third-party vendors remains their sole property until the funds are dispensed. As these funds are not our assets, supplied cash is not reflected on our Balance Sheets.

Our primary commercial arrangement, the Contract Cash Solutions Agreement, as amended, is with Wells Fargo, N.A. (“Wells Fargo”). Wells Fargo provides us with cash up to \$450 million with the ability to increase the amount permitted by the vault cash provider. The term of the agreement expires on December 1, 2026 and will automatically renew for additional one-year periods unless either party provides a ninety-day written notice of its intent not to renew. The outstanding balances of funds provided in connection with this arrangement were approximately \$388.5 million and \$444.6 million as of December 31, 2023 and 2022, respectively.

For additional information see [“Part II — Item 8 — Financial Statements and Supplementary Data — Notes to Consolidated Financial Statements — Note 6 — Funding Agreements.”](#)

We are responsible for any losses of cash in the fund dispensing devices under this agreement and we self-insure for this risk. We incurred no material losses related to this self-insurance for the years ended December 31, 2023, 2022, and 2021.

Effects of Inflation

Our monetary assets that primarily consist of cash, receivables, inventory, as well as our non-monetary assets that are mostly comprised of goodwill and other intangible assets, are not significantly affected by inflation. We believe that replacement costs of equipment, furniture, and leasehold improvements will not materially affect our operations. However, the rate of inflation affects our operating expenses, such as those for salaries and benefits, armored carrier expenses, telecommunications expenses, and equipment repair and maintenance services, which may not be readily recoverable in the financial terms under which we provide our Games and FinTech products and services to gaming operators.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk.

In the normal course of business, we are exposed to foreign currency exchange risk. We operate and conduct business in foreign countries and, as a result, are exposed to movements in foreign currency exchange rates. Our exposure to foreign currency exchange risk related to our foreign operations is not material to our results of operations, cash flows, or financial condition. At present, we do not hedge this exposure; however, we continue to evaluate such foreign currency exchange risk.

In the normal course of business, we have commercial arrangements with third-party vendors to provide cash for certain of our fund dispensing devices. Under the terms of these agreements, we pay a monthly fund usage fee that is generally based upon the target federal funds rate. We are, therefore, exposed to interest rate risk to the extent that the target federal funds rate increases. The outstanding balance of funds provided by our primary third-party vendor was approximately \$388.5 million as of December 31, 2023; therefore, each 100 basis points increase in the target federal funds rate would have approximately a \$3.9 million impact on income before tax over a 12-month period.

The senior secured term loan and senior secured revolving credit facility (“Credit Facilities”) bear interest at rates that can vary over time. We have the option of paying interest on the outstanding amounts under the Credit Facilities using a base rate or a benchmark rate, the secured overnight financing rate (“SOFR”). We have historically elected to pay interest based on the benchmark rate, and we expect to continue to do so for various maturities.

The weighted average interest rate on the Term Loan, which includes a 50 basis point floor, was 7.59% for the year ended December 31, 2023. Based upon the outstanding balance of the Term Loan of \$586.5 million as of December 31, 2023, each 100 basis points increase in the applicable SOFR would have a combined impact of approximately \$5.9 million on interest expense over a 12-month period.

The interest rate is fixed at 5.00% for the 2021 Unsecured Notes due 2029; therefore, changing interest rates have no impact on the related interest expense.

At present, we do not hedge the risk related to the changes in the interest rate; however, we continue to evaluate such interest rate exposure.

Item 8. Financial Statements and Supplementary Data.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of Everi Holdings Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of Everi Holdings Inc. and subsidiaries (the Company) as of December 31, 2023, the related consolidated statements of operations and comprehensive income, stockholders' equity and cash flows for the year ended December 31, 2023, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2023, and the results of its operations and its cash flows for the year ended December 31, 2023, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated February 29, 2024 expressed an unqualified opinion thereon.

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 audit. We are a public accounting firm registered with the 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 audit 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. Our audit 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 audit 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 audit provide a reasonable basis for our opinion.

Critical Audit Matter

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

Acquisition of Video King

Description of the Matter On May 1, 2023, the Company completed its acquisition of VKGS LLC (“Video King”) for net consideration of \$61.5 million, as disclosed in Note 5 to the consolidated financial statements. The transaction was accounted for as a business combination, which requires that the assets acquired and liabilities assumed be recognized at their acquisition date fair values.

Auditing the Company's accounting for its acquisition of Video King was complex due to the estimation in the Company's determination of the fair value of identified intangible assets of \$25.8 million, which principally consisted of developed technology and customer relationships. The Company used a discounted cash flow model to measure the developed technology and customer relationship intangible assets. The assumptions used to estimate the value of the intangible assets included discount rates and revenue growth rate, which are forward looking and could be affected by future economic and market conditions.

How We Addressed the Matter in Our Audit We obtained an understanding, evaluated the design and tested the Company's controls over its accounting for the Video King acquisition. For example, we tested controls over the valuation process supporting the recognition and measurement of consideration transferred, developed technology and customer-related intangible assets. We also tested management's review of assumptions used in the valuation models.

To test the estimated fair value of the developed technology and customer-related intangible assets, we performed audit procedures that included, among others, evaluating the Company's selection of the valuation methodology, evaluating the methods and assumptions used by the Company's valuation specialist, and evaluating the completeness and accuracy of the underlying data supporting the assumptions and estimates. We involved our valuation specialists to assist in the evaluation of the methodology and significant assumptions included in the fair value estimates. We also compared the significant assumptions used to third-party industry projections for the specific gaming market in which Video King operates.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2023.

Las Vegas, Nevada
February 29, 2024

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Shareholders and Board of Directors
Everi Holdings Inc. and Subsidiaries
Las Vegas, NV

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheet of Everi Holdings Inc. and subsidiaries (the “Company”) as of December 31, 2022, the related consolidated statements of operations and comprehensive income (loss), stockholders’ equity (deficit), and cash flows for each of the two years in the period ended December 31, 2022, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2022, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2022, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated 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 consolidated financial statements are free of material misstatement, whether due to error or fraud.

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

We served as the Company's auditor from 2015 to 2023.

/s/ BDO USA, LLP

Las Vegas, Nevada
February 28, 2023

EVERI HOLDINGS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(In thousands, except earnings per share amounts)

	Year Ended December 31,		
	2023	2022	2021
Revenues			
Games revenues			
Gaming operations	\$ 304,132	\$ 292,873	\$ 272,885
Gaming equipment and systems	125,022	143,553	103,844
Games total revenues	429,154	436,426	376,729
FinTech revenues			
Financial access services	225,054	206,860	178,019
Software and other	99,490	80,232	67,797
Hardware	54,123	59,001	37,840
FinTech total revenues	378,667	346,093	283,656
Total revenues	807,821	782,519	660,385
Costs and expenses			
Games cost of revenues ⁽¹⁾			
Gaming operations	35,205	25,153	21,663
Gaming equipment and systems	72,191	86,638	60,093
Games total cost of revenues	107,396	111,791	81,756
FinTech cost of revenues ⁽¹⁾			
Financial access services	11,064	10,186	6,779
Software and other	6,159	4,125	4,129
Hardware	36,621	39,220	22,785
FinTech total cost of revenues	53,844	53,531	33,693
Operating expenses	260,931	216,959	188,900
Research and development	67,633	60,527	39,051
Depreciation	78,691	66,801	61,487
Amortization	60,042	59,558	57,987
Total costs and expenses	628,537	569,167	462,874
Operating income	179,284	213,352	197,511
Other expenses			
Interest expense, net of interest income	77,693	55,752	62,097
Loss on extinguishment of debt	—	—	34,389
Total other expenses	77,693	55,752	96,486
Income before income tax	101,591	157,600	101,025
Income tax provision (benefit)	17,594	37,111	(51,900)
Net income	83,997	120,489	152,925
Foreign currency translation gain (loss)	730	(2,742)	(264)
Comprehensive income	\$ 84,727	\$ 117,747	\$ 152,661

(1) Exclusive of depreciation and amortization.

EVERI HOLDINGS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(In thousands, except earnings per share amounts)

	Year Ended December 31,		
	2023	2022	2021
Earnings per share			
Basic	\$ 0.96	\$ 1.33	\$ 1.71
Diluted	\$ 0.91	\$ 1.24	\$ 1.53
Weighted average common shares outstanding			
Basic	87,176	90,494	89,284
Diluted	91,985	97,507	99,967

See notes to consolidated financial statements.

EVERI HOLDINGS INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands, except par value amounts)

	At December 31,	
	2023	2022
ASSETS		
Current assets		
Cash and cash equivalents	\$ 267,215	\$ 293,394
Settlement receivables	441,852	263,745
Trade and other receivables, net of allowances for credit losses of \$5,210 and \$4,855 at December 31, 2023 and December 31, 2022, respectively	107,933	118,895
Inventory	70,624	58,350
Prepaid expenses and other current assets	43,906	38,822
Total current assets	931,530	773,206
Non-current assets		
Property and equipment, net	152,704	133,645
Goodwill	737,804	715,870
Other intangible assets, net	234,138	238,275
Other receivables	29,015	27,757
Deferred tax assets, net	598	1,584
Other assets	38,081	27,906
Total non-current assets	1,192,340	1,145,037
Total assets	\$ 2,123,870	\$ 1,918,243
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Settlement liabilities	\$ 662,967	\$ 467,903
Accounts payable and accrued expenses	215,530	217,424
Current portion of long-term debt	6,000	6,000
Total current liabilities	884,497	691,327
Non-current liabilities		
Deferred tax liabilities, net	13,762	5,994
Long-term debt, less current portion	968,465	971,995
Other accrued expenses and liabilities	31,004	31,286
Total non-current liabilities	1,013,231	1,009,275
Total liabilities	1,897,728	1,700,602
Commitments and contingencies (Note 14)		
Stockholders' equity		
Convertible preferred stock, \$0.001 par value, 50,000 shares authorized and no shares outstanding at December 31, 2023 and December 31, 2022, respectively	—	—
Common stock, \$0.001 par value, 500,000 shares authorized and 123,179 and 83,738 shares issued and outstanding at December 31, 2023, respectively, and 119,390 and 88,036 shares issued and outstanding at December 31, 2022, respectively	123	119
Additional paid-in capital	560,945	527,465
Retained earnings (accumulated deficit)	62,731	(21,266)
Accumulated other comprehensive loss	(3,467)	(4,197)
Treasury stock, at cost, 39,441 and 31,353 shares at December 31, 2023 and December 31, 2022, respectively	(394,190)	(284,480)
Total stockholders' equity	226,142	217,641
Total liabilities and stockholders' equity	\$ 2,123,870	\$ 1,918,243

See notes to consolidated financial statements.

EVERI HOLDINGS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Year Ended December 31,		
	2023	2022	2021
Cash flows from operating activities			
Net income	\$ 83,997	\$ 120,489	\$ 152,925
Adjustments to reconcile net income to cash provided by operating activities:			
Depreciation	78,691	66,801	61,487
Amortization	60,042	59,558	57,987
Non-cash lease expense	6,096	4,847	4,401
Amortization of financing costs and discounts	2,854	2,854	3,937
Loss on sale or disposal of assets	1,467	591	1,658
Accretion of contract rights	9,340	9,578	9,318
Provision for credit losses	11,623	10,115	7,540
Deferred income taxes	8,754	32,618	(52,077)
Reserve for inventory obsolescence	1,220	792	2,275
Write-down of assets	13,629	—	—
Loss on extinguishment of debt	—	—	34,389
Stock-based compensation	18,711	19,789	20,900
Adjustment to acquisition contingent consideration	(1,766)	—	—
Other non-cash items	—	—	53
Changes in operating assets and liabilities:			
Settlement receivables	(177,947)	(174,604)	(28,624)
Trade and other receivables	91	(30,974)	(37,617)
Inventory	(11,954)	(26,314)	(3,755)
Prepaid expenses and other assets	374	(25,717)	(10,219)
Settlement liabilities	194,878	176,274	118,651
Accounts payable and accrued expenses	(7,870)	25,944	48,401
Placement fee agreements	—	(547)	(31,465)
Net cash provided by operating activities	292,230	272,094	360,165
Cash flows from investing activities			
Capital expenditures	(145,108)	(127,568)	(104,708)
Acquisitions, net of cash acquired	(59,405)	(51,450)	(16,000)
Proceeds from sale of property and equipment	206	227	261
Net cash used in investing activities	(204,307)	(178,791)	(120,447)

EVERI HOLDINGS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Year Ended December 31,		
	2023	2022	2021
Cash flows from financing activities			
Proceeds from term loan	—	—	600,000
Repayments of term loan	(6,000)	(6,000)	(1,500)
Repayments of prior term loan	—	—	(735,500)
Repayment of prior incremental term loan	—	—	(124,375)
Proceeds from 2021 unsecured notes	—	—	400,000
Repayments of 2017 unsecured notes	—	—	(285,381)
Fees associated with debt transactions — new debt	—	—	(19,797)
Fees associated with debt transactions — prior debt	—	—	(20,828)
Proceeds from exercise of stock options	13,739	1,921	18,251
Treasury stock - equity award activities, net of shares withheld	(8,151)	(11,969)	(9,354)
Treasury stock - repurchase of shares	(100,000)	(84,347)	—
Payment of acquisition contingent consideration	(10,529)	(173)	(9,875)
Net cash used in financing activities	(110,941)	(100,568)	(188,359)
Effect of exchange rates on cash and cash equivalents	461	(1,398)	18
Cash, cash equivalents and restricted cash			
Net (decrease) increase for the period	(22,557)	(8,663)	51,377
Balance, beginning of the period	295,063	303,726	252,349
Balance, end of the period	\$ 272,506	\$ 295,063	\$ 303,726

	Year Ended December 31,		
	2023	2022	2021
Supplemental cash disclosures			
Cash paid for interest	\$ 86,528	\$ 54,749	\$ 51,224
Cash paid for income tax, net of refunds	5,481	4,522	1,062
Supplemental non-cash disclosures			
Accrued and unpaid capital expenditures	\$ 4,408	\$ 3,222	\$ 3,690
Transfer of leased gaming equipment to inventory	6,719	9,588	8,782

See notes to consolidated financial statements.

EVERI HOLDINGS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In thousands)

	Common Stock— Series A		Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Loss	Treasury Stock	Total Equity
	Number of Shares	Amount					
Balance, January 1, 2021	111,872	\$ 112	\$466,614	\$ (294,620)	\$ (1,191)	\$(178,813)	\$ (7,898)
Net income	—	—	—	152,925	—	—	152,925
Dissolution adjustment	—	—	—	(60)	—	—	(60)
Foreign currency translation	—	—	—	—	(264)	—	(264)
Stock-based compensation expense	—	—	20,900	—	—	—	20,900
Exercise of warrants	378	—	—	—	—	—	—
Exercise of options	3,180	3	18,248	—	—	—	18,251
Restricted stock vesting, net of shares withheld	1,566	2	(5)	—	—	(9,351)	(9,354)
Balance, December 31, 2021	116,996	\$ 117	\$505,757	\$ (141,755)	\$ (1,455)	\$(188,164)	\$174,500
Net income	—	—	—	120,489	—	—	120,489
Foreign currency translation	—	—	—	—	(2,742)	—	(2,742)
Stock-based compensation expense	—	—	19,789	—	—	—	19,789
Exercise of options	333	—	1,921	—	—	—	1,921
Restricted stock vesting, net of shares withheld	2,061	2	(2)	—	—	(11,969)	(11,969)
Repurchase of shares	—	—	—	—	—	(84,347)	(84,347)
Balance, December 31, 2022	119,390	\$ 119	\$527,465	\$ (21,266)	\$ (4,197)	\$(284,480)	\$217,641
Net income	—	—	—	83,997	—	—	83,997
Foreign currency translation	—	—	—	—	730	—	730
Stock-based compensation expense	—	—	18,711	—	—	—	18,711
Exercise of options, net of shares withheld	2,061	2	14,773	—	—	(1,056)	13,719
Restricted stock vesting, net of shares withheld	1,728	2	(4)	—	—	(8,149)	(8,151)
Repurchase of shares	—	—	—	—	—	(100,505)	(100,505)
Balance, December 31, 2023	123,179	\$ 123	\$560,945	\$ 62,731	\$ (3,467)	\$(394,190)	\$226,142

See notes to consolidated financial statements.

EVERI HOLDINGS INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

In this filing, we refer to: (i) our audited consolidated financial statements and notes thereto as our “Financial Statements”; (ii) our audited Consolidated Statements of Operations and Comprehensive Income as our “Statements of Operations”; (iii) our audited Consolidated Balance Sheets as our “Balance Sheets”; and (iv) our audited Consolidated Statements of Cash Flows as our “Statements of Cash Flows.”

1. BUSINESS

Everi Holdings Inc. (“Everi Holdings,” or “Everi”) is a holding company, the assets of which are the issued and outstanding shares of capital stock of each of Everi Payments Inc. (“Everi FinTech” or “FinTech”) and Everi Games Holding Inc., which owns all of the issued and outstanding shares of capital stock of Everi Games Inc. (“Everi Games” or “Games”). Unless otherwise indicated, the terms the “Company,” “we,” “us,” and “our” refer to Everi Holdings together with its consolidated subsidiaries.

Everi develops and offers products and services that provide gaming entertainment, improve our customers’ patron engagement, and help our casino customers operate their businesses more efficiently. We develop and supply entertaining game content, gaming machines and gaming systems and services for land-based and iGaming operators. Everi is a provider of financial technology solutions that power casino floors, provide operational efficiencies, and help fulfill regulatory requirements. The Company also develops and supplies player loyalty tools and mobile-first applications that enhance patron engagement for our customers and venues in the casino, sports, entertainment and hospitality industries. In addition, the Company provides bingo solutions through its consoles, electronic gaming tablets and related systems.

Everi reports its financial performance, and organizes and manages its operations, across the following two business segments: (i) Games and (ii) Financial Technology Solutions (“FinTech”).

Everi Games provides gaming operators with gaming technology and entertainment products and services, including: (i) gaming machines, primarily comprising Class II, Class III and Historic Horse Racing (“HHR”) slot machines placed under participation and fixed-fee lease arrangements or sold to casino customers; (ii) providing and maintaining the central determinant systems for the video lottery terminals (“VLTs”) installed in the State of New York and similar technology in certain tribal jurisdictions; (iii) business-to-business (“B2B”) digital online gaming activities; and (iv) bingo solutions through consoles, integrated electronic gaming tablets and related systems.

Everi FinTech provides gaming operators with financial technology products and services, including: (i) financial access and related services supporting digital, cashless and physical cash options across mobile, assisted and self-service channels; (ii) loyalty and marketing software and tools, regulatory and compliance (“RegTech”) software solutions, other information-related products and services, and hardware maintenance services; and (iii) associated casino patron self-service hardware that utilizes our financial access, software and other services. We also develop and offer mobile-first applications aimed at enhancing patron engagement for customers in the casino, sports, entertainment, and hospitality industries. Our solutions are secured using an end-to-end security suite to protect against cyber-related attacks allowing us to maintain appropriate levels of security. These solutions include: access to cash and cashless funding at gaming facilities via Automated Teller Machine (“ATM”) debit withdrawals, credit card financial access transactions, and point of sale (“POS”) debit card purchases at casino cages, kiosk and mobile POS devices; accounts for the CashClub Wallet, check warranty services, self-service loyalty and fully integrated kiosk maintenance services; self-service loyalty tools and promotion management software; compliance, audit, and data software; casino credit data and reporting services; marketing and promotional offering subscription-based services; and other ancillary offerings.

Macro-Economic Volatility and Global Instability, Employment Constraints and Supply Chain Disruptions

We have experienced an impact from macro-economic volatility as a result of inflation, interest rate movements and global instability, particularly as it relates to our supply chain, both from an upstream and downstream

perspective, which impacts the delivery of our products; and we continue to evaluate the effects of interest rate movements on our variable rate debt and pricing pressures on our business.

We have experienced an impact from employment constraints as a result of inflation that has significantly increased over prior years. This has placed pressure on competitive wages, which has led to increases in wages and other related costs.

We have experienced an impact from supply chain disruptions that have resulted in additional costs incurred to develop, produce, and ship our products.

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements are prepared under U.S. Generally Accepted Accounting Principles (GAAP) and include the accounts of the Company and its subsidiaries. All intercompany transactions and balances have been eliminated in consolidation.

Business Combinations

When we acquire a business, we recognize the assets acquired and the liabilities assumed, at their acquisition date fair values. Goodwill is measured and recognized as the excess of consideration transferred over the net of the acquisition date fair values of the assets acquired and the liabilities assumed. Significant estimates and assumptions are required to value assets acquired and liabilities assumed at the acquisition date as well as contingent consideration, where applicable. These estimates are preliminary and typically include the calculation of an appropriate discount rate and projection of the cash flows associated with each acquired asset over its estimated useful life. As a result, up to one year from the acquisition date, the Company may record adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill (referred to as the measurement period). In addition, deferred tax assets, deferred tax liabilities, uncertain tax positions, and tax related valuation allowances assumed in connection with a business combination are initially estimated as of the acquisition date. We reevaluate these items quarterly based upon facts and circumstances that existed as of the acquisition date and any adjustments to preliminary estimates are recorded to goodwill, in the period of identification, if identified within the measurement period. Upon the conclusion of the measurement period or final determination of the values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded in the Statements of Operations.

Cash and Cash Equivalents

Cash and cash equivalents include cash and balances on deposit in banks and financial institutions. We consider highly liquid investments with maturities of three months or less at the time of purchase to be cash and cash equivalents. Such balances generally exceed the federal insurance limits; however, we periodically evaluate the creditworthiness of these institutions to minimize risk.

ATM Funding Agreements

We obtain all of the cash required to operate our ATMs through various ATM Funding Agreements. Some gaming operators provide the cash utilized within the ATM ("Site-Funded"). The Site-Funded receivables generated for cash dispensed from transactions performed at our ATMs are owned by us and we are liable to the gaming operator for the face amount of the cash dispensed. In our Balance Sheets, the amount of the receivable for transactions processed on these funds dispensed transactions is included within settlement receivables and the amount due to the gaming operator for the face amount of dispensing transactions is included within settlement liabilities.

For the non-Site-Funded locations, we enter into commercial arrangements with third party vendors to provide us the currency needed for normal operating requirements for our ATMs. For the use of these funds, we pay a cash usage fee based upon the target federal funds rate. Under these agreements, the currency supplied by the third-party vendors remains the sole property of these suppliers until funds are dispensed, at which time the third-party

vendors obtain an interest in the corresponding settlement receivable. As the cash is an asset of these suppliers, it is therefore not reflected on our Balance Sheets. The usage fee for the cash supplied in these ATMs is included as interest expense in the Statements of Operations. Our rationale to record cash usage fees as interest expense is primarily due to the similar operational characteristics to a revolving line of credit, the fact that the fees are calculated on a financial index, and the fees are paid for access to a capital resource.

Settlement Receivables and Settlement Liabilities

We provide cash settlement services to gaming operators related to our financial access services, which involve the movement of funds between various parties involved in these types of transactions. We receive reimbursement from the patron's credit or debit card issuing financial institution for the amount owed to the gaming operator plus the fee charged to the patron. These activities result in amounts due to us at the end of each business day that we generally recover over the next few business days, which are classified as settlement receivables on our Balance Sheets. In addition, cash settlement services result in amounts due to gaming operators for the cash disbursed to patrons through the issuance of a negotiable instrument or through electronic settlement for the face amount provided to patrons that we generally remit over the next few business days, which are classified as settlement liabilities on our Balance Sheets.

Warranty Receivables

If a gaming operator chooses to have a check warranted, it sends a request to our third-party check warranty service provider, asking whether it would be willing to accept the risk of cashing the check. If the check warranty provider accepts the risk and warrants the check, the gaming operator negotiates the patron's check by providing cash for the face amount of the check. If the check is dishonored by the patron's bank upon presentment, the gaming operator invokes the warranty, and the check warranty service provider purchases the check from the gaming operator for the full check amount and then pursues collection activities on its own. In our Central Credit Check Warranty product under our agreement with the third-party service provider, we receive all of the check warranty revenue. We are exposed to risk for losses associated with any warranted items that cannot be collected from patrons issuing the items.

The warranty receivables amount is recorded in trade and other receivables, net on our Balance Sheets. On a monthly basis, the Company evaluates the collectability of the outstanding balances and establishes a reserve for the face amount of the expected losses on these receivables. The warranty expense associated with this reserve is included within cost of revenues (exclusive of depreciation and amortization) on our Statements of Operations.

Allowance for Credit Losses

We continually evaluate the collectability of outstanding balances and maintain an allowance for credit losses related to our trade and other receivables and notes receivable that have been determined to have a high risk of uncollectability, which represents our best estimates of the current expected credit losses to be incurred in the future. To derive our estimates, we analyze historical collection trends and changes in our customer payment patterns, current and expected conditions and market trends along with our operating forecasts, concentration, and creditworthiness when evaluating the adequacy of our allowance for credit losses. In addition, with respect to our check warranty receivables, we are exposed to risk for the losses associated with warranted items that cannot be collected from patrons issuing these items. We evaluate the collectability of the outstanding balances and establish a reserve for the face amount of the current expected credit losses related to these receivables. Account balances are charged against the provision when the Company believes it is probable the receivable will not be recovered. The provision for doubtful accounts receivable is included within operating expenses and the check warranty loss reserves are included within financial access services cost of revenues in the Statements of Operations.

Inventory

Our inventory primarily consists of component parts as well as finished goods and work-in-progress. The cost of inventory includes cost of materials, labor, overhead and freight. The inventory is stated at the lower of cost or net realizable value and accounted for using the first in, first out method ("FIFO").

Restricted Cash

Our restricted cash primarily consists of: (i) funds held in connection with certain customer agreements; (ii) funds held in connection with a sponsorship agreement; (iii) wide-area progressive (“WAP”)-related restricted funds; and (iv) financial access activities related to cashless balances held on behalf of patrons. The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the Balance Sheets that sum to the total of the same such amounts shown in the Statements of Cash Flows for the years ended December 31, 2023, 2022, and 2021, respectively (in thousands).

	Classification on our Balance Sheets	Year Ended December 31,		
		2023	2022	2021
Cash and cash equivalents	Cash and cash equivalents	\$ 267,215	\$ 293,394	\$ 302,009
Restricted cash — current	Prepaid expenses and other current assets	5,190	1,568	1,616
Restricted cash — non-current	Other assets	101	101	101
Total		\$ 272,506	\$ 295,063	\$ 303,726

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation, and are computed using the straight-line method over the estimated life of the assets, generally one to five years. Assets leased to customers are included within property and equipment are stated at cost, less accumulated depreciation, and are computed using the straight-line method over the estimated life of the assets, generally two to five years. Player terminals and related components and equipment are included in our rental pool. The rental pool can be further delineated as “rental pool – deployed,” which generally consists of assets deployed at customer sites under participation or fixed fee arrangements, and “rental pool – undeployed,” which consists of assets held by us that are available for customer use. Rental pool – undeployed also consists of previously deployed units currently back with us to be refurbished awaiting re-deployment. Routine maintenance of property, equipment and leased gaming equipment is expensed in the period incurred, while major component upgrades are capitalized and depreciated over the estimated remaining useful life of the component. Sales and retirements of depreciable property are recorded by removing the related cost and accumulated depreciation from the accounts. Gains or losses on sales and retirements of property are reflected in our Statements of Operations. Property, equipment and leased assets are reviewed for impairment whenever events or circumstances indicate that their carrying amounts may not be recoverable. Impairment is indicated when future cash flows, on an undiscounted basis, do not exceed the carrying value of the asset.

Placement Fee Agreements

Periodically, we enter into long-term agreements with certain gaming establishments to secure the placement of our electronic gaming machines (“EGMs”) on casino floors. Under the terms of these placement fee agreements that we generally pay in full at the start of the term, the Company has the ability to install EGMs on the gaming floor for an extended period of time (i.e., generally multi-year agreements, with our largest agreement covering 83 months) under right to use arrangements. The gaming operations revenues generated as a result of these agreements are reduced by the accretion of contract rights, which represents the related amortization of the contract rights recorded in connection with such agreements. To the extent payments are made for these placement fee agreements to certain gaming establishments, we classify the amounts as cash outflows from operating activities in our Statements of Cash Flows.

Goodwill

Goodwill represents the excess of the purchase price over the identifiable tangible and intangible assets acquired plus liabilities assumed arising from business combinations. We test for impairment annually on a reporting unit basis, at the beginning of our fourth fiscal quarter and between annual tests if events and circumstances indicate it is more likely than not that the fair value of a reporting unit is less than its carrying amount. The annual impairment test is completed using either: a qualitative “Step 0” assessment based on reviewing relevant events and circumstances; or a quantitative “Step 1” assessment, which determines the fair value of the reporting unit, using both an income approach that discounts future cash flows based on the estimated future results of our reporting units and a market approach that compares market multiples of comparable companies to determine whether or not any impairment exists. To the extent the carrying amount of a reporting unit is less than its estimated fair value, an impairment charge is recorded.

The evaluation of impairment of goodwill requires the use of estimates about future operating results. Changes in forecasted operations can materially affect these estimates, which could materially affect our results of operations and financial condition. The estimates of expected future cash flows require significant judgment and are based on assumptions we determined to be reasonable; however, they are unpredictable and inherently uncertain, including, estimates of future growth rates, operating margins, and assumptions about the overall economic climate as well as the competitive environment within which we operate. There can be no assurance that our estimates and assumptions made for purposes of our impairment assessments as of the time of evaluation will prove to be accurate predictions of the future. If our assumptions regarding business plans, competitive environments or anticipated growth rates are not correct, we may be required to record non-cash impairment charges in future periods, whether in connection with our normal review procedures periodically, or earlier, if an indicator of an impairment is present prior to such evaluation.

Our reporting units are identified as operating segments or one level below. Reporting units must: (i) engage in business activities from which they earn revenues and incur expenses; (ii) have operating results that are regularly reviewed by our segment management to ascertain the resources to be allocated to the segment and assess its performance; and (iii) have discrete financial information available. As of December 31, 2023, our reporting units included: (i) Games; (ii) Financial Access Services; (iii) Kiosk Sales and Services; (iv) Central Credit Services; (v) Compliance Sales and Services; (vi) Loyalty Sales and Services, and (vii) Mobile Technologies.

Other Intangible Assets

Other intangible assets are stated at cost, less accumulated amortization, and are amortized primarily using the straight-line method. Other intangible assets consist primarily of customer relationships (rights to provide Games and FinTech services to gaming operator customers), developed technology, including capitalized software development costs, trade names and trademarks, acquired through business combinations and contract rights. Customer relationships require us to make renewal assumptions, which impact the estimated useful lives of such assets. Capitalized software development costs require us to make certain judgments as to the stages of development and costs eligible for capitalization. Capitalized software costs placed in service are amortized over their useful lives, generally not to exceed six years. We review intangible assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Such events or circumstances include, but are not limited to, a significant decrease in the fair value of the underlying business or market price of the asset, a significant adverse change in legal factors or business climate that could affect the value of an asset, or a current period operating or cash flow loss combined with a history of operating or cash flow losses. We group intangible assets for impairment analysis at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. Recoverability of definite lived intangible assets is measured by a comparison of the carrying amount of the asset to future net cash flows expected to be generated by the asset, on an undiscounted basis and without interest or taxes. Any impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets.

Debt Issuance Costs

Debt issuance costs incurred in connection with long-term borrowings are capitalized and amortized to interest expense based upon the related debt agreements using the straight-line method, which approximates the effective interest method. Debt issuance costs related to line-of-credit arrangements are included in other assets, non-current, on our Balance Sheets. All other debt issuance costs are included as contra-liabilities in long-term debt.

Cost of Revenues (Exclusive of Depreciation and Amortization)

The cost of revenues (exclusive of depreciation and amortization) represents the direct costs required to perform revenue generating transactions, and are comprised primarily of inventory and related costs associated with the sale of our financial access and loyalty kiosks and software, electronic gaming machines and system sale, check cashing warranties, field service, and network operations personnel.

Advertising, Marketing, and Promotional Costs

We expense advertising, marketing, and promotional costs as incurred. Total advertising, marketing, and promotional costs, included in operating expenses in the Statements of Operations, were \$4.0 million, \$3.5 million, and \$2.6 million for the years ended December 31, 2023, 2022, and 2021, respectively.

Research and Development Costs

We conduct research and development activities for both our Games and FinTech segments. Our Gaming research and development activities are primarily to develop gaming systems, game engines, casino data management systems, central determination and other electronic bingo-outcome determination systems, video lottery outcome determination systems, gaming platforms and gaming content, and to enhance our existing product lines. Our FinTech research and development activities are primarily to develop: (i) payments products, systems, and related capabilities such as security, encryption and business rule engines that deliver differentiated patron experiences and integrate with our other products; (ii) compliance products that increase efficiencies, profitability, enhance employee/patron relationships, and meet regulatory reporting requirements; (iii) loyalty products, systems, and features that attract, engage, and retain patrons in more intuitive and contextual ways than our competition; (iv) cashless alternatives, such as the CashClub Wallet; and (v) mobile-first applications aimed at enhancing patron engagement for customers in the casino, sports, entertainment, and hospitality industries.

Research and development costs consist primarily of salaries and benefits, consulting fees, certification and testing fees. Once the technological feasibility has been established, the project is capitalized until it becomes available for general release.

Research and development costs were \$67.6 million, \$60.5 million, and \$39.1 million for the years ended December 31, 2023, 2022, and 2021, respectively.

Income Taxes

We are subject to income taxes in the United States as well as various states and foreign jurisdictions in which we operate. We account for income taxes in accordance with accounting guidance whereby deferred tax assets and liabilities are recognized for the expected future tax consequences of events that have been included in the financial statements or income tax returns. Deferred tax assets and liabilities are determined based upon differences between financial statement carrying amounts of existing assets and their respective tax bases using enacted tax rates expected to apply to taxable income in years in which those temporary differences are expected to be recovered or settled. The effect of a change in tax rates on the income tax provision and deferred tax assets and liabilities generally is recognized in the results of operations in the period that includes the enactment date. We evaluate the realization of our deferred tax assets based on all available evidence and establish a valuation allowance to reduce deferred tax assets when it is more likely than not that they will not be realized. This assessment considers all available positive and negative evidence, including our past operating results, forecasts of future earnings, the scheduled reversal of deferred tax liabilities, the duration of statutory carryforward periods and tax planning strategies.

We recognize tax benefits from an uncertain position only if it is more likely than not that the position will be sustained upon examination by taxing authorities based on the technical merits of the issue. The amount recognized is the largest benefit that we believe has greater than a 50% likelihood of being realized upon settlement.

Although we believe our assumptions, judgments and estimates are reasonable, changes in tax laws, and their interpretation, as well as the examination of our tax returns by taxing authorities, could significantly impact the amounts provided for income taxes in our consolidated financial statements. Our effective tax rate is affected by a number of factors including the actual results of operations, changes in our stock price for shares issued as employee compensation, changes in the valuation of our deferred tax assets or liabilities and changes in tax laws or rates for income taxes and other non-income taxes in various jurisdictions. The Organization for Economic Cooperation and Development’s (“OECD”) Base Erosion and Profit Shifting project involving negotiations among over 140 countries has the potential to substantially affect international tax policies, including the implementation of a minimum global effective tax rate of 15%. We are not currently subject to these rules as they are only applicable to multinational companies with global revenue of at least EUR 750 million. We will continue to monitor developments in the OECD’s project and policy changes in the countries in which we operate, as our effective tax rate and cash tax payments could increase when we become subject to these rules in future years.

Employee Benefits Plan

The Company provides a 401(k) Plan that allows employees to defer up to the lesser of the Internal Revenue Code prescribed maximum amount or 75% of their income on a pre-tax basis through contributions to the plan. As a benefit to employees, the Company matches a percentage of these employee contributions (as defined in the plan document). Expenses related to the matching portion of the contributions to the 401(k) Plan were \$6.3 million, \$4.6 million, and \$2.6 million for the years ended December 31, 2023, 2022, and 2021, respectively.

Fair Values of Financial Instruments

The fair value of a financial instrument represents the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Fair value estimates are made at a specific point in time, based upon relevant market information about the financial instrument.

The carrying amount of cash and cash equivalents, restricted cash, settlement receivables, short-term trade and other receivables, settlement liabilities, accounts payable, and accrued expenses approximate fair value due to the short-term maturities of these instruments. The fair value of the long-term trade and loans receivable is estimated by discounting expected future cash flows using current interest rates at which similar loans would be made to borrowers with similar credit ratings and remaining maturities. The fair value of long-term accounts payable is estimated by discounting the total obligation. As of December 31, 2023 and 2022, the fair value of trade and loan receivable approximated the carrying value due to contractual terms generally being slightly over 12 months. The fair value of our borrowings is estimated based on various inputs to determine a market price, such as: market demand and supply, size of tranche, maturity, and similar instruments trading in more active markets.

The estimated fair value and outstanding balances of our borrowings are as follows (dollars in thousands):

	Level of Hierarchy	Fair Value	Outstanding Balance
December 31, 2023			
\$600 million Term Loan	2	\$ 589,433	\$ 586,500
\$400 million 2021 Unsecured Notes	2	\$ 365,000	\$ 400,000
December 31, 2022			
\$600 million Term Loan	2	\$ 588,560	\$ 592,500
\$400 million 2021 Unsecured Notes	2	\$ 346,000	\$ 400,000

The fair values of our borrowings were determined using Level 2 inputs based on quoted market prices for these securities.

Foreign Currency Translation

Foreign currency denominated assets and liabilities for those foreign entities for which the local currency is the functional currency are translated into U.S. dollars based on exchange rates prevailing at the end of each year. Revenues and expenses are translated at average exchange rates during the year. The effects of foreign exchange gains and losses arising from these translations are included as a component of other comprehensive income (loss) in the Statements of Operations. Translation adjustments on intercompany balances of a long-term investment nature are recorded as a component of accumulated other comprehensive loss in our Balance Sheets.

Use of Estimates

We have made estimates and judgments affecting the amounts reported in these financial statements and the accompanying notes in conformity with GAAP. The actual results may materially differ from these estimates.

Earnings Applicable to Common Stock

Basic earnings per share is calculated by dividing net income by the weighted average number of common shares outstanding for the period. Diluted earnings per share reflect the effect of potential common stock resulting from assumed stock option exercises and vesting of restricted stock unless it is anti-dilutive. To the extent we report a net loss from continuing operations in a particular period, no potential dilution from the application of the treasury stock method would be applicable.

Stock-Based Compensation

Stock-based compensation results in a cost that is measured at fair value on the grant date of an award. Generally, we issue grants that are classified as equity awards. To the extent we issue grants that are considered liability awards, they are remeasured at fair value at the end of each reporting period until settlement with changes being recognized as stock-based compensation cost with a corresponding adjustment recorded to the liability, either immediately or during the remaining service period depending on the vested status of the award. Generally, with respect to stock option awards granted under our plans, they expire 10 years from the date of grant with the exercise price based on the closing market price of our common stock on the date of the grant.

Our restricted stock awards, restricted stock units, and performance-based stock units, are measured at fair value based on the closing stock price on the grant date, except for certain awards with a share-based payment arrangements priced in relation to similar indexed securities, which are valued using a lattice model. Our time-based stock option awards are measured at fair value on the grant date using the Black Scholes model. The stock-based compensation cost is recognized on a straight-line basis over the vesting period of the awards.

Forfeiture amounts are estimated at the grant date for stock awards and are updated periodically based on actual results, to the extent they differ from the estimates.

Acquisition-Related Costs

We expense acquisition-related costs as incurred. Acquisition-related costs include, but are not limited to: financial advisory, legal and debt fees; accounting, consulting and professional fees associated with due diligence, valuation and integration; severance; and other related costs and adjustments.

Reclassification of Balances

Certain amounts in the accompanying consolidated financial statements and accompanying notes have been reclassified to be consistent with the current year presentation. These reclassifications had no effect on net income for the prior periods.

The Company determined that the placement fee arrangements were previously misclassified in its Statements of Cash Flows. Previously, these placement fee arrangements were reported as cash flows from investing activities, and they should have been presented as cash flows from operating activities for the fiscal years ended December 31, 2022 and 2021. The error has been corrected by adjusting each of the affected financial statement categories for these prior periods. The changes in the prior periods were made to conform to the current period presentation. For additional information, refer to [“Item 8 — Financial Statements and Supplementary Data — Notes to Consolidated Financial Statements — Note 20 — Error Correction of an Immaterial Prior Year Misstatement.”](#)

Recent Accounting Guidance

Recently Adopted Accounting Guidance

None.

Recent Accounting Guidance Not Yet Adopted

Standard	Description	Date of Planned Adoption	Effect on Financial Statements
Accounting Standards Update (“ASU”) 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures	The amendments in this update require enhanced reportable segment disclosures, primarily concerning significant segment expenses.	January 1, 2024	We are currently evaluating the impact of adopting this ASU on our Financial Statements and our disclosures; however, we do not expect the impact to be material.
ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosure	The amendments in this Update require enhanced income tax disclosures, primarily concerning the rate reconciliation and income taxes paid information.	January 1, 2025	We are currently evaluating the effect of adopting this ASU on our Financial Statement disclosures.

As of December 31, 2023, other than what has been described above, we do not anticipate recently issued accounting guidance to have a significant impact on our consolidated financial statements.

3. Revenues

Revenue Recognition

Overview

We evaluate the recognition of revenue based on the criteria set forth in Accounting Standards Codification (“ASC”) 606 — Revenue from Contracts with Customers and ASC 842 — Leases, as appropriate. We recognize revenue upon transferring control of goods or services to our customers in an amount that reflects the consideration we expect to receive in exchange for those goods or services. We enter into contracts with customers that include various performance obligations consisting of goods, services, or combinations of goods and services. Timing of the transfer of control varies based on the nature of the contract. We recognize revenue net of any sales and other taxes collected from customers, which are subsequently remitted to governmental authorities and are not included in revenues or operating expenses. We measure revenue based on the consideration specified in a contract with a customer and adjusted, as necessary.

Collectability

To assess collectability, we determine whether it is probable that we will collect substantially all of the consideration to which we are entitled in exchange for the goods and services transferred to the customer in

accordance with the terms and conditions of the contract. In connection with these procedures, we evaluate the customer using internal and external information available, including, but not limited to, research and analysis of our credit history with the customer. Based on the nature of our transactions and historical trends, we determine whether our customers have the ability and intention to pay the amounts of consideration when they become due to identify potentially significant credit risk exposure.

Contract Combinations - Multiple Promised Goods and Services

Our contracts may include various performance obligations for promises to transfer multiple goods and services to a customer, especially since our Games and FinTech businesses may enter into multiple agreements with the same customer that meet the criteria to be combined for accounting purposes under ASC 606. When this occurs, a Stand-Alone Selling Price (“SSP”) will be determined for each performance obligation in the combined arrangement, and the consideration will be allocated between the respective performance obligations. The SSP of our goods and services is generally determined based on observable prices, an adjusted market assessment approach, or an expected cost-plus margin approach. We utilize a residual approach only when the SSP for performance obligations with observable prices has been established and the remaining performance obligation in the contract with a customer does not have an observable price as it is uncertain or highly variable and, therefore, is not discernible. We use our judgment to analyze the nature of the promises made and determine whether each is distinct or should be combined with other promises in the contract based on the level of integration and interdependency between the individual deliverables.

Disaggregation of Revenues

We disaggregate revenues based on the nature and timing of the cash flows generated by such revenues as presented in [“Note 19 — Segment Information.”](#)

Outbound Freight Costs, Installation and Training

Upon transferring control of goods to a customer, the shipping and handling costs in connection with sale transactions are generally accounted for as fulfillment costs and included in cost of revenues.

Our performance of installation and training services relating to the sales of gaming equipment and systems and FinTech equipment does not modify the software or hardware in those equipment and systems. Such installation and training services are generally immaterial in the context of the contract; and therefore, such items do not represent a separate performance obligation.

Costs to Acquire a Contract with a Customer

We typically incur incremental costs to acquire customer contracts in the form of sales commissions; however, because the expected benefit from these contracts is one year or less, we expense these amounts as incurred.

Contract Balances

Since our contracts may include multiple performance obligations, there is often a timing difference between cash collections and the satisfaction of such performance obligations and revenue recognition. Such arrangements are evaluated to determine whether contract assets and liabilities exist. We generally record contract assets when the timing of billing differs from when revenue is recognized due to contracts containing specific performance obligations that are required to be met prior to a customer being invoiced. We generally record contract liabilities when cash is collected in advance of us satisfying performance obligations, including those that are satisfied over a period of time. Balances of our contract assets and contract liabilities may fluctuate due to timing of cash collections.

The following table summarizes our contract assets and contract liabilities arising from contracts with customers (in thousands):

	2023	2022
Contract assets⁽¹⁾		
Balance, beginning of period	\$ 22,417	\$ 15,221
Balance, end of period	26,635	22,417
Increase	<u>\$ 4,218</u>	<u>\$ 7,196</u>
Contract liabilities⁽²⁾		
Balance, beginning of period	\$ 53,419	\$ 36,615
Balance, end of period	51,799	53,419
(Decrease) increase	<u>\$ (1,620)</u>	<u>\$ 16,804</u>

(1) Contract assets are included within trade and other receivables, net and other receivables in our Balance Sheets.

(2) Contract liabilities are included within accounts payable and accrued expenses and other accrued expenses and liabilities in our Balance Sheets.

We recognized approximately \$36.0 million and \$27.5 million in revenue that was included in the beginning contract liability balance during 2023 and 2022, respectively.

Games Revenues

Our products and services include electronic gaming devices, such as Native American Class II offerings and other electronic bingo products, Class III slot machine offerings, HHR offerings, integrated electronic bingo gaming tablets, VLTs installed in the State of New York and similar technology in certain tribal jurisdictions, B2B digital online gaming activities, accounting and central determinant systems, and other back-office systems. We conduct our Games segment business based on results generated from the following major revenue streams: (i) Gaming Operations; and (ii) Gaming Equipment and Systems.

Gaming Operations

We primarily provide: (i) leased gaming equipment, both Class II and Class III offerings, and HHR on a participation and a daily fixed-fee basis, including standard games and hardware and premium games and hardware, inclusive of local-area progressive, and WAP; (ii) accounting and central determinant systems; (iii) digital online gaming activities; and (iv) bingo solutions through consoles, integrated electronic gaming tablets and related systems. We evaluate the recognition of lease revenues based on criteria set forth in ASC 842. Under these arrangements, we retain ownership of the machines installed at customer facilities. We recognize recurring rental income over time based on a percentage of the net win per day generated by the leased gaming equipment or a daily fixed fee based on the timing services are provided. Such revenues are generated daily and are limited to the lesser of the net win per day generated by the leased gaming equipment and the fixed daily fee and the lease payments that have been collected from the lessee.

Gaming operations revenues generated by leased gaming equipment deployed at sites under placement fee agreements for dedicated floor space. The gaming operations revenues generated by these agreements are reduced by the accretion of contract rights, which represents the related amortization recorded in connection with such agreements.

Gaming operations lease revenues accounted for under ASC 842 are generally short-term in nature with payment terms ranging from 30 to 90 days. We recognized \$201.9 million, \$197.9 million, and \$189.8 million in lease revenues for the years ended December 31, 2023, 2022, and 2021, respectively.

Gaming operations revenues include amounts generated by WAP systems, which are recognized under ASC 606. WAP consists of linked slot machines located in multiple casino properties that are connected to a central system. WAP-based gaming machines have a progressive jackpot administered by us that increases with every wager until a player wins the top award combination. Casino operators pay us a percentage of the coin-in (the total amount wagered), a percentage of net win, or a combination of both for services related to the design, assembly, installation, operation, maintenance, administration, and marketing of the WAP offering. The gaming operations revenues with respect to WAP machines represent a separate performance obligation and we transfer control and recognize revenue over time based on a percentage of the coin-in, a percentage of net win, or a combination of both, based on the timing services are provided. These arrangements are generally short-term in nature with a majority of invoices payable within 30 to 90 days. Such revenues are presented in the Statements of Operations, net of the jackpot expense, which are composed of incremental amounts funded by a portion of coin-in from the players. At the time a jackpot is won by a player, an additional jackpot expense is recorded in connection with the base seed amount required to fund the minimum level as set forth in the WAP arrangements with the casino operators.

In addition, gaming operations include revenues generated under our arrangement to provide the New York State Gaming Commission (the "NYSGC") with a central determinant monitoring and accounting system for the VLTs in operation at licensed State of New York gaming facilities. Pursuant to our agreement with the NYSGC, we receive a portion of the network-wide net win (generally, cash-in less prizes paid) per day in exchange for provision and maintenance of the central determinant system and recognize revenue over time, based on the timing services are provided. We also provide the central determinant system technology to Native American tribes in other licensed jurisdictions, for which we receive a portion of the revenue generated from the VLTs connected to the system. These arrangements are generally short-term in nature with payments due monthly.

Gaming operations also include revenues generated by our digital solutions comprised of B2B activities. Our B2B operations provide games to our business customers, including both regulated real money and social casinos, which offer the games to consumers on their apps. Our B2B arrangements primarily provide access to our game content, and revenue is recognized over time as the control transfers upon our business partners' daily access to such content based on either a flat fee or revenue share arrangements with the social and regulated real money casinos, based on the timing services are provided.

Gaming operations also include revenues generated by bingo solutions through consoles, integrated electronic gaming tablets and related systems.

Gaming operations also include other revenues that are generated from fees paid by casino customers that participate in our TournEvent of Champions® national slot tournament or who contract with us to provide certain service functions on games that are owned by the customer.

Gaming Equipment and Systems

Gaming equipment and systems revenues are derived from the sale of some combination of: (i) gaming equipment and player terminals; (ii) game content; (iii) license fees; and (iv) ancillary equipment, such as signage and lighting packages. Such arrangements are predominately short-term in nature with payment terms ranging from 30 to 180 days, and with certain agreements providing for extended payment terms up to 39 months. Each contract containing extended payment terms over a period of 12 months is evaluated for the presence of a financing component; however, our contracts generally do not contain a financing component that has been determined to be significant to the contract. Distinct and thus, separately identifiable performance obligations for gaming equipment and systems arrangements include gaming equipment, player terminals, content, system software, license fees, ancillary equipment, or various combinations thereof. Gaming equipment and systems revenues are recognized at a point in time when control of the promised goods and services transfers to the customer, which is generally upon shipment or delivery pursuant to the terms of the contract. The performance obligations are generally satisfied at the same time or within a short period of time.

FinTech Revenues

Financial Access Services

Financial Access Services revenues are generally comprised of the following distinct performance obligations: funds advanced, funds dispensed, and check services. We do not control the funds advanced and funds dispensed services provided to a customer and, therefore, we are acting as an agent whose performance obligation is to arrange for the provision of these services. Our financial access services involve the movement of funds between the various parties associated with financial access transactions and give rise to settlement receivables and settlement liabilities, both of which are settled in days following the transaction.

Funds advance revenues are primarily comprised of transaction fees assessed to gaming patrons in connection with credit card financial access and POS debit card financial access transactions. Such fees are primarily based on a combination of a fixed amount plus a percentage of the face amount of the credit card financial access or POS debit card financial access transaction amount. In connection with these types of transactions, we report certain direct costs incurred as reductions to revenues on a net basis, which generally include: (i) commission expenses payable to casino operators; (ii) interchange fees payable to the network associations; and (iii) processing and related costs payable to other third-party partners.

Funds dispensed revenues are primarily comprised of transaction fees in the form of cardholder surcharges assessed to gaming patrons in connection with funds dispensed cash withdrawals at the time the transactions are authorized and interchange reimbursement fees paid to us by the patrons' issuing banks. The cardholder surcharges assessed to gaming patrons in connection with funds dispensed cash withdrawals are currently a fixed dollar amount and not a percentage of the transaction amount. In connection with these types of transactions, we report certain direct costs incurred as reductions to revenues on a net basis, which generally include: (i) commission expenses payable to casino operators; (ii) interchange fees payable to the network associations; and (iii) processing and related costs payable to other third-party partners.

Funds transmitted revenues are primarily comprised of transaction fees assessed to gaming patrons in connection with funds transmitted to a patron's external bank account or other approved account from a physical device such as our kiosks, or via the CashClub Wallet. In connection with these types of transactions, we report certain direct costs incurred as reductions to revenues on a net basis.

Check services revenues are principally comprised of check warranty revenues and are generally based upon a percentage of the face amount of checks warranted. These fees are paid to us by gaming operators. We report certain direct costs incurred as reductions to revenues on a net basis, which include: (i) warranty expenses, defined as amounts paid by the third-party check warranty service provider to gaming operators to purchase dishonored checks; and (ii) service fees, defined as amounts paid to the third-party check warranty service provider for its assistance.

For financial access services arrangements, since the customer simultaneously receives and consumes the benefits as the performance obligations occur, we recognize revenues as earned over a period of time using an output method depicting the transfer of control to the customer based on variable consideration, such as volume of transactions processed with variability generally resolved in the reporting period.

Software and Other

Software and other revenues include amounts derived from our financial access, loyalty kiosk, compliance, and loyalty related revenue streams from the sale of: (i) software licenses, software subscriptions, professional services, and certain other ancillary fees; (ii) service-related fees associated with the sale, installation, training, and maintenance of equipment directly to our customers under contracts, which are generally short-term in nature with payment terms ranging from 30 to 90 days, secured by the related equipment; (iii) credit worthiness-related software subscription services that are based upon either a flat monthly unlimited usage fee or a variable fee structure driven by the volume of patron credit histories generated; and (iv) ancillary marketing and database services. Software license revenues are recognized at a point in time; software subscriptions are recognized over the term of the contract.

Hardware

Hardware revenues are derived from the sale of our financial access and loyalty kiosks and related equipment and are accounted for under ASC 606, unless such transactions meet definition of a sales type or direct financing lease which are accounted for under ASC 842. Revenues are recognized at a point in time when control of the promised goods and services transfers to the customer generally upon shipment or delivery pursuant to the terms of the contract. The sales contracts are generally short-term in nature with payment terms ranging from 30 to 90 days, while certain agreements provide for extended payment terms of up to 60 months. Each contract containing extended payment terms over a period of 12 months is evaluated for the presence of a financing component; however, our contracts generally do not contain a financing component that has been determined to be significant to the contract.

4. LEASES

We determine if a contract is, or contains, a lease at the inception, or modification, of a contract based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control over the use of an asset is predicated upon the notion that a lessee has both the right to (i) obtain substantially all of the economic benefit from the use of the asset; and (ii) direct the use of the asset.

Operating lease right-of-use (“ROU”) assets and liabilities are recognized based on the present value of minimum lease payments over the expected lease term at commencement date. Lease expense is recognized on a straight-line basis over the expected lease term. Our lease arrangements have both lease and non-lease components, and we have elected the practical expedient to account for the lease and non-lease elements as a single lease.

Certain of our lease arrangements contain options to renew with terms that generally have the ability to extend the lease term to a range of approximately one to ten years. The exercise of lease renewal options is generally at our sole discretion. The expected lease terms include options to extend or terminate the lease when it is reasonably certain that we will exercise such option. The depreciable life of leased assets and leasehold improvements are limited by the expected term of such assets, unless there is a transfer of title or purchase option reasonably certain to be exercised.

Lessee

We enter into operating lease agreements for real estate purposes that generally consist of buildings for office space and warehouses for manufacturing purposes. Certain of our lease agreements consist of rental payments that are periodically adjusted for inflation. Our lease agreements do not contain material residual value guarantees or material restrictive covenants. Our lease agreements do not generally provide explicit rates of interest; therefore, we use our incremental collateralized borrowing rate, which is based on a fully collateralized and fully amortizing loan with a maturity date the same as the length of the lease that is based on the information available at the commencement date to determine the present value of lease payments. Leases with an initial expected term of 12 months or less (short-term) are not accounted for on our Balance Sheets. As of December 31, 2023 and December 31, 2022, our finance leases were not material.

Supplemental balance sheet information related to our operating leases is as follows (in thousands):

	Classification on our Balance Sheets	At December 31, 2023		At December 31, 2022	
Assets					
Operating lease ROU assets	Other assets, non-current	\$	27,489	\$	17,169
Liabilities					
Current operating lease liabilities	Accounts payable and accrued expenses	\$	7,079	\$	6,507
Non-current operating lease liabilities	Other accrued expenses and liabilities	\$	26,930	\$	14,738

During the fourth quarter of 2023, the Company commenced a real estate lease with a term of ten years and future minimum lease payments of approximately \$27.3 million, which are reflected in the balances above.

Supplemental cash flow information related to leases is as follows (in thousands):

	Year Ended December 31,		
	2023	2022	2021
Cash paid for:			
Long-term operating leases	\$ 7,413	\$ 6,885	\$ 6,675
Short-term operating leases	\$ 2,090	\$ 1,660	\$ 1,622
Right-of-use assets obtained in exchange for lease obligations:			
Operating leases ⁽¹⁾	\$ 17,690	\$ 7,502	\$ 1,362

(1) The amounts are presented net of current year terminations and exclude amortization for the period.

Other information related to lease terms and discount rates is as follows:

	At December 31, 2023	At December 31, 2022
Weighted Average Remaining Lease Term (in years):		
Operating leases	6.71	3.37
Weighted Average Discount Rate:		
Operating leases	6.08 %	4.72 %

Components of lease expense are as follows (in thousands):

	Year Ended December 31,		
	2023	2022	2021
Operating Lease Cost:			
Operating lease cost ⁽¹⁾	\$ 6,786	\$ 6,008	\$ 5,474
Variable lease cost	\$ 1,461	\$ 1,164	\$ 1,267

(1) The amount includes approximately \$6.1 million, \$4.8 million and \$4.4 million in non-cash lease expense attributable to amortization of ROU assets for the years ended December 31, 2023, 2022 and 2021, respectively.

Maturities of lease liabilities are summarized as follows as of December 31, 2023 (in thousands):

Year ending December 31,	Amount
2024	\$ 8,575
2025	8,551
2026	5,012
2027	3,083
2028	2,864
Thereafter	14,816
Total future minimum lease payments	\$ 42,901
Amount representing interest	8,892
Present value of future minimum lease payments	\$ 34,009
Current operating lease obligations	7,079
Long-term lease obligations	\$ 26,930

Lessor

We generate lease revenues primarily from our gaming operations activities, and the majority of our leases are month-to-month leases. Under these arrangements, we retain ownership of the electronic gaming machines (“EGMs”) installed at customer facilities. We receive recurring revenues based on a percentage of the net win per day generated by the leased gaming equipment or a fixed daily fee. Such revenues are generated daily and are limited to the lesser of the net win per day generated by the leased gaming equipment or the fixed daily fee and the lease payments that have been collected from the lessee. Certain of our leases have terms and conditions with options for a lessee to purchase the underlying assets. Refer to “[Note 3 — Revenues](#)” for further discussion of lease revenues. We did not have material sales transactions that qualified for sales-type lease accounting treatment during the years ended December 31, 2023 and December 31, 2022.

Supplemental balance sheet information related to our sales-type leases is as follows (in thousands):

	Classification on our Balance Sheets	At December 31, 2023	At December 31, 2022
Assets			
Net investment in sales-type leases — current	Trade and other receivables, net	\$ 810	\$ 54

5. BUSINESS COMBINATIONS

We account for business combinations in accordance with ASC 805 — Business Combinations, which requires that the identifiable assets acquired and liabilities assumed be recorded at their estimated fair values on the acquisition date separately from goodwill, which is the excess of the fair value of the purchase price over the fair values of these identifiable assets and liabilities. We include the results of operations of an acquired business starting from the acquisition date.

eCash Holdings Pty Limited

On March 1, 2022 (the “eCash Closing Date”), the Company acquired the stock of eCash Holdings Pty Limited (“eCash”). Under the terms of the stock purchase agreement, we paid the seller AUD\$20 million (approximately USD\$15 million) on the eCash Closing Date and we paid the seller additional consideration of AUD\$5.0 million (USD\$3.4 million) approximately one year following the eCash Closing Date, with a final expected payment of AUD\$6.5 million to be paid approximately two years following the eCash Closing Date. In addition, we paid approximately AUD\$8.7 million (USD\$6.0 million) for the excess net working capital during the second quarter of 2022. We finalized our measurement period adjustments and recorded approximately \$2.3 million primarily related to deferred taxes during the quarter ending March 31, 2023. The acquisition did not have a significant impact on our results of operations or financial condition.

Intuicode Gaming Corporation

On April 30, 2022 (the “Intuicode Closing Date”), the Company acquired the stock of Intuicode Gaming Corporation (“Intuicode”), a privately owned game development and engineering firm focused on HHR games. Under the terms of the stock purchase agreement, we paid the seller \$12.5 million on the Intuicode Closing Date of the transaction, a net working capital payment of \$1.6 million during the second quarter of 2022 and \$6.4 million based on the achievement of a certain revenue target one year following the Intuicode Closing Date. In addition, we expect to make a final payment of \$2.6 million based on the achievement of a certain revenue target two years following the Intuicode Closing Date. We finalized our measurement period adjustments and recorded approximately \$1.3 million primarily related to the final payment and deferred taxes during the quarter ended June 30, 2023.

During the fourth quarter of 2023, we revised our final payment estimate to reflect our current expectation of future operating results, which were negatively impacted by a certain large customer being acquired. As a result, we recorded an adjustment of approximately \$1.7 million, which was included within Operating Expenses of our Statements of Operations. The acquisition did not have a significant impact on our results of operations or financial condition.

The fair value of the contingent consideration was based on Level 3 inputs utilizing a discounted cash flow methodology. The estimates and assumptions included projected future revenues of the acquired business and a discount rate of approximately 5%. Contingent consideration to be paid is comprised of a short-term component that is recorded in accounts payable and accrued expenses in our Balance Sheets.

Venuetize, Inc.

On October 14, 2022 (the “Venuetize Closing Date”), the Company acquired certain strategic assets of Venuetize, Inc. (“Venuetize”), a privately owned innovator of mobile-first technologies that provide an advanced guest engagement and m-commerce platform for the sports, entertainment and hospitality industries. Under the terms of the asset purchase agreement, we paid the seller \$18.2 million on the Venuetize Closing Date of the transaction and an immaterial amount twelve-months following the Venuetize Closing Date that was netted against a net working capital receivable of approximately \$1.0 million. In addition, we expect to pay approximately \$1.8 million in contingent consideration based upon the achievement of certain revenue targets on the twenty-four month and thirty-month anniversaries of the Venuetize Closing Date. We finalized our measurement period adjustments and recorded approximately \$1.2 million primarily related to the net working capital receivable and deferred taxes during the quarter ended December 31, 2023. The acquisition did not have a significant impact on our results of operations or financial condition.

The fair value of the contingent consideration was based on Level 3 inputs utilizing a discounted cash flow methodology. The estimates and assumptions included projected future revenues of the acquired business and a discount rate of approximately 7%. Contingent consideration to be paid is comprised of a short-term component that is recorded in accounts payable and accrued expenses and a long-term component payable within two years recorded in other accrued expenses and liabilities in our Balance Sheets. The change in fair value of the contingent consideration between the acquisition date and year ended December 31, 2023 was not material.

VKGS LLC

On May 1, 2023 (the “Video King Closing Date”), the Company acquired certain strategic assets of VKGS LLC (“Video King”), a privately owned leading provider of integrated electronic bingo gaming tablets, video gaming content, instant win games and systems within our Games segment. Under the terms of the purchase agreement, we paid the seller approximately \$61.0 million, inclusive of a net working capital payment on the Video King Closing Date. We also made an additional net working capital payment of \$0.3 million post-closing, early in the third quarter of 2023. In addition, we expect to pay approximately \$0.2 million related to an indemnity holdback, which is scheduled for release on the eighteen-month anniversary of the Video King Closing Date. The acquisition did not have a significant impact on our results of operations or financial condition.

The total preliminary purchase consideration for Video King was as follows (in thousands, at fair value):

	Amount
Purchase consideration	
Cash consideration paid at closing ⁽¹⁾	\$ 61,013
Cash consideration to be paid post-closing	466
Total purchase consideration	<u>\$ 61,479</u>

(1) Current assets acquired included approximately \$1.9 million in cash.

The transaction was accounted for using the acquisition method of accounting, which requires, among other things, the assets acquired and liabilities assumed be recognized at their respective fair values as of the acquisition date. The excess of the purchase price over those fair values was recorded as goodwill, which will be amortized for tax purposes. The goodwill recognized is primarily attributable to the income potential from the expansion of our footprint in the gaming space by accelerating our entry into and growth in the electronic bingo market and business line, and assembled workforce, among other strategic benefits.

The estimates and assumptions used include the projected timing and amount of future cash flows and discount rates reflecting risk inherent in the future cash flows. The estimated fair values of assets acquired and liabilities assumed and resulting goodwill are subject to adjustment as the Company finalizes its purchase price accounting. The items for which a final fair value has not been determined include, but are not limited to the valuation of intangible assets and deferred income taxes. We do not expect our fair value determinations to materially change; however, there may be differences between the amounts recorded at the Video King Closing Date and the final fair value analysis, which we expect to complete no later than the second quarter of 2024.

The information below reflects the preliminary amounts of identifiable assets acquired and liabilities assumed as of the closing date of the transaction (in thousands):

	Amount
Current assets	\$ 7,715
Property and equipment	4,485
Other intangible assets	25,770
Goodwill ⁽¹⁾	24,267
Other assets	763
Total Assets	63,000
Accounts payable and accrued expenses	1,193
Other accrued expenses and liabilities	328
Total liabilities	1,521
Net assets acquired	\$ 61,479

(1) Reflects a measurement period adjustment of approximately \$0.2 million from the initial allocation as of the closing date of the transaction.

Current assets acquired included approximately \$1.9 million in cash. Trade receivables acquired of approximately \$2.0 million were short-term in nature and considered to be collectible, and therefore, the carrying amounts of these assets represented their fair values. Inventory acquired of approximately \$3.4 million consisted of raw materials and finished goods and was recorded at fair value based on the estimated net realizable value of these assets. Property, equipment and leased assets acquired were not material, and the carrying amounts of these assets approximated their fair values.

The following table summarizes preliminary values of acquired intangible assets (dollars in thousands):

	Useful Life (Years)	Estimated Fair Value
Other Intangible Assets		
Trade name	10	\$ 950
Developed technology	7	7,300
Customer relationships	14	17,520
Total other intangible assets		\$ 25,770

The fair value of intangible assets was determined by applying the income approach. Other intangible assets acquired of approximately \$25.8 million were comprised of customer relationships, developed technology and trade name. The fair value of customer relationships of approximately \$17.5 million was determined by applying the income approach utilizing the excess earnings methodology based on Level 3 inputs in the hierarchy with a discount rate of 14% and estimated attrition rates. The fair value of developed technology of approximately \$7.3 million was determined by applying the income approach utilizing the relief from royalty methodology based on Level 3 inputs with a royalty rate of 10% and a discount rate of 14%. The fair value of trade name of approximately \$1.0 million was determined by applying the income approach utilizing the relief from royalty methodology based on Level 3 inputs with a royalty rate of 1% and a discount rate of 15%.

The financial results included in our Statements of Operations since the acquisition date and through December 31, 2023 reflected revenues of approximately \$18.4 million and net income of approximately \$3.6 million. We incurred acquisition-related costs of approximately \$0.6 million for the year ended December 31, 2023.

Pro-forma financial information (unaudited)

The acquisition of Video King occurred during the fiscal year ended December 31, 2023, and the unaudited pro forma financial results on a consolidated basis, including the historical operating results of the Company reflected revenue of approximately \$817.0 million and net income of approximately \$83.0 million for the year ended December 31, 2023.

The unaudited pro forma financial data on a consolidated basis, including the historical operating results of the Company, as if the Video King acquisition occurred on January 1, 2022, reflected revenue of approximately \$824.0 million and net income of approximately \$109.2 million for the year ended December 31, 2022.

The acquisitions related to eCash, Intuicode and Venuetize occurred in the prior year; therefore, each are included in our Financial Statements for the year ended December 31, 2023.

The unaudited pro forma financial results on a consolidated basis, including the historical operating results of the Company, as if the eCash, Intuicode and Venuetize acquisitions occurred on January 1, 2022, reflected revenue of approximately \$797.6 million and net income of approximately \$111.4 million for the year ended December 31, 2022.

The unaudited pro forma results include increases to depreciation and amortization expense based on the purchased intangible assets and costs directly attributable to the acquisitions. The unaudited pro forma results do not purport to be indicative of results of operations as of the date hereof, for any period ended on the date hereof, or for any other future date or period; nor do they give effect to synergies, cost savings, fair market value adjustments and other changes expected as a result of the acquisitions.

6. FUNDING AGREEMENTS

Commercial Cash Arrangements

We have commercial arrangements with third-party vendors to provide cash for certain of our fund dispensing devices. For the use of these funds, we pay a usage fee on either the average daily balance of funds utilized multiplied by a contractually defined usage rate or the amounts supplied multiplied by a contractually defined usage rate. These fund usage fees, reflected as interest expense within the Statements of Operations, were approximately \$20.4 million, \$9.3 million, and \$4.0 million for the years ended December 31, 2023, 2022, and 2021, respectively. We are exposed to interest rate risk to the extent that the applicable rates increase.

Under these agreements, the currency supplied by third party vendors remain their sole property until the funds are dispensed. As these funds are not our assets, supplied cash is not reflected in our Balance Sheets.

Our primary commercial arrangement, the Contract Cash Solutions Agreement, as amended, is with Wells Fargo, N.A. ("Wells Fargo"). Wells Fargo provides us with cash up to \$450 million with the ability to increase the amount permitted by the vault cash provider. The term of the agreement expires on December 1, 2026 and will automatically renew for additional one-year periods unless either party provides a ninety-day written notice of its intent not to renew. The outstanding balance of funds provided in connection with this arrangement were approximately \$388.5 million and \$444.6 million as of December 31, 2023 and 2022, respectively.

We are responsible for losses of cash in the fund dispensing devices under this agreement, and we self-insure for this type of risk. There were no material losses for the years ended December 31, 2023, 2022, and 2021.

Site-Funded ATMs

We operate ATMs at certain gaming operators' establishments where the gaming operator provides the cash required for the ATMs' operational needs. We are required to reimburse the customer for the amount of cash dispensed from these site-funded ATMs. The site-funded ATM liability included within settlement liabilities in the accompanying Balance Sheets was approximately \$483.7 million and \$337.6 million as of December 31, 2023 and 2022, respectively.

Third-Party Funded ATMs

We enter into agreements with international customers for certain of our ATMs whereby we engage with third-parties to provide the cash required to operate the ATMs. The amount of cash supplied by these third-parties is included within settlement liabilities in the accompanying Balance Sheets. The outstanding balances in connection with these arrangements were immaterial at December 31, 2023 and 2022.

Pre-Funded Financial Access Agreements

Due to regulatory requirements in certain jurisdictions, some international gaming operators require pre-funding of cash to cover the outstanding settlement amounts in order for us to provide financial access services to their properties. We enter into agreements with these gaming operators for which we supply our financial access services to their properties. Under these agreements, we maintain sole discretion to either continue or cease operations as well as discretion over the amounts pre-funded to the properties and may request amounts to be refunded to us, with appropriate notice to the operator, at any time. The initial pre-funded amounts and subsequent amounts from the settlement of transactions are deposited into a bank account that is to be used exclusively for financial access services, and we maintain the right to monitor the transaction activity in that account. The total amount of pre-funded cash outstanding was approximately \$3.6 million and \$3.0 million at December 31, 2023 and 2022, respectively, and is included in prepaid expenses and other current assets line on our Balance Sheets.

7. TRADE AND OTHER RECEIVABLES

Trade and other receivables represent short-term credit granted to customers and long-term loans receivable in connection with our Games and FinTech equipment and software, and compliance products. Trade and loans receivable generally do not require collateral.

The balance of trade and loans receivable consists of outstanding balances owed to us by gaming operators. Other receivables include income tax receivables and other miscellaneous receivables.

The balance of trade and other receivables consisted of the following (in thousands):

	At December 31,	
	2023	2022
Trade and other receivables, net		
Games trade and loans receivable	\$ 66,044	\$ 78,200
FinTech trade and loans receivable	39,795	39,925
Contract assets ⁽¹⁾	26,635	22,417
Other receivables	4,474	6,110
Total trade and other receivables, net	136,948	146,652
Non-current portion of receivables		
Games trade and loans receivable	480	1,382
FinTech trade and loans receivable	15,551	16,519
Contract assets ⁽¹⁾	12,984	9,856
Total non-current portion of receivables	29,015	27,757
Total trade and other receivables, current portion	\$ 107,933	\$ 118,895

(1) Refer to “Note 3 — Revenues” for a discussion on the contract assets.

Allowance for Credit Losses

The activity in our allowance for credit losses for the years ended December 31, 2023 and 2022 is as follows (in thousands):

	At December 31,	
	2023	2022
Beginning allowance for credit losses	\$ (4,855)	\$ (5,161)
Provision	(11,623)	(10,115)
Charge-offs and recoveries	11,268	10,421
Ending allowance for credit losses	\$ (5,210)	\$ (4,855)

8. INVENTORY

Our inventory primarily consists of component parts as well as work-in-progress and finished goods. The cost of inventory includes cost of materials, labor, overhead and freight, and is accounted for using the first in, first out method. The inventory is stated at the lower of cost or net realizable value.

Inventory consisted of the following (in thousands):

	At December 31,	
	2023	2022
Inventory		
Component parts, net of reserves of \$3,144 and \$2,919 at December 31, 2023 and December 31, 2022, respectively	\$ 59,632	\$ 48,688
Work-in-progress	1,147	323
Finished goods	9,845	9,339
Total inventory	\$ 70,624	\$ 58,350

9. PREPAID EXPENSES AND OTHER ASSETS

Prepaid expenses and other assets include the balance of prepaid expenses, deposits, debt issuance costs on our Revolver (as defined below “[Note 13 — Long-Term Debt](#)”), restricted cash, operating lease ROU assets, and other assets. The current portion of these assets is included in prepaid expenses and other current assets and the non-current portion is included in other assets, both of which are contained within our Balance Sheets.

The balance of the current portion of prepaid expenses and other assets consisted of the following (in thousands):

	At December 31,	
	2023	2022
Prepaid expenses and other current assets		
Prepaid expenses	\$ 25,608	\$ 21,197
Deposits	10,530	13,749
Restricted cash ⁽¹⁾	5,190	1,568
Other	2,578	2,308
Total prepaid expenses and other current assets	\$ 43,906	\$ 38,822

(1) Refer to “[Note 2 — Basis of Presentation and Summary of Significant Accounting Policies](#)” for discussion on the composition of the restricted cash balance.

The balance of the non-current portion of other assets consisted of the following (in thousands):

	At December 31,	
	2023	2022
Other assets		
Operating lease ROU assets	\$ 27,489	\$ 17,169
Prepaid expenses and deposits	9,429	9,164
Debt issuance costs of revolving credit facility	993	1,377
Other	170	196
Total other assets	\$ 38,081	\$ 27,906

10. PROPERTY AND EQUIPMENT

Property and equipment consist of the following (in thousands):

	At December 31, 2023				At December 31, 2022			
	Useful Life (Years)	Cost	Accumulated Depreciation	Net Book Value	Cost	Accumulated Depreciation	Net Book Value	
Property and equipment								
Rental pool - deployed	2-5	\$ 308,438	\$ 218,110	\$ 90,328	\$ 279,524	\$ 188,369	\$ 91,155	
Rental pool - undeployed	2-5	39,578	29,770	9,808	30,378	23,930	6,448	
FinTech equipment	1-5	32,719	21,911	10,808	36,442	24,167	12,275	
Leasehold and building improvements	Lease Term	19,271	4,887	14,384	13,666	10,689	2,977	
Machinery, office, and other equipment	1-5	63,857	36,481	27,376	55,246	34,456	20,790	
Total		<u>\$463,863</u>	<u>\$ 311,159</u>	<u>\$ 152,704</u>	<u>\$415,256</u>	<u>\$ 281,611</u>	<u>\$ 133,645</u>	

Depreciation expense related to property and equipment totaled approximately \$78.7 million, \$66.8 million, and \$61.5 million for the years ended December 31, 2023, 2022, and 2021, respectively.

11. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill

Goodwill represents the excess of the purchase price over the identifiable tangible and intangible assets acquired plus liabilities assumed arising from business combinations. The balance of goodwill was approximately \$737.8 million and \$715.9 million at December 31, 2023 and 2022, respectively. We have the following reporting units: (i) Games; (ii) Financial Access Services; (iii) Kiosk Sales and Services; (iv) Central Credit Services; (v) Compliance Sales and Services; (vi) Loyalty Sales and Services; and (vii) Mobile Technologies.

In accordance with ASC 350 (“Intangibles—Goodwill and Other”), we test goodwill at the reporting unit level, which is identified as an operating segment or one level below, for impairment on an annual basis and between annual tests if events and circumstances indicate it is more likely than not that the fair value of a reporting unit is less than its carrying amount.

We test our goodwill for impairment on October 1 each year, or more frequently if events or changes in circumstances indicate that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. The annual impairment test is completed using either: a qualitative “Step 0” assessment based on reviewing relevant events and circumstances or a quantitative “Step 1” assessment, which determines the fair value of the reporting unit, using both an income approach that discounts future cash flows based on the estimated future results of our reporting units and a market approach that compares market multiples of comparable companies to determine whether or not any impairment exists. To the extent the carrying amount of a reporting unit is less than its estimated fair value, an impairment charge is recorded.

In connection with our annual goodwill impairment testing process for 2023 and 2022, we determined that no impairment adjustments were necessary for each of our reporting units.

The changes in the carrying amount of goodwill are as follows (in thousands):

	Games	Financial Access Services	Kiosk Sales and Services	Central Credit Services	Compliance Sales and Services	Loyalty Sales and Services	Mobile Technologies	Total
Goodwill								
Balance, December 31, 2021	\$449,041	\$157,090	\$5,745	\$17,127	\$12,265	\$41,395	\$—	\$682,663
Foreign currency translation	—	(41)	(661)	—	—	—	—	(702)
Acquisition related adjustments	12,402	—	10,776	—	(129)	—	10,860	33,909
Balance, December 31, 2022	\$461,443	\$157,049	\$15,860	\$17,127	\$12,136	\$41,395	\$10,860	\$715,870
Foreign currency translation	—	14	(819)	—	—	—	—	(805)
Acquisition related adjustments	22,932	—	2,925	—	—	—	(1,245)	24,612
Subsequent recognition of deferred tax assets	—	(1,873)	—	—	—	—	—	(1,873)
Balance, December 31, 2023	\$484,375	\$155,190	\$17,966	\$17,127	\$12,136	\$41,395	\$9,615	\$737,804

Other Intangible Assets

Other intangible assets consist of the following (in thousands):

	Useful Life (Years)	At December 31, 2023			At December 31, 2022		
		Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Other intangible assets							
Contract rights under placement fee agreements	2-7	\$ 57,821	\$ 21,592	\$ 36,229	\$ 57,821	\$ 12,252	\$ 45,569
Customer relationships	3-14	337,829	255,972	81,857	331,999	233,150	98,849
Developed technology and software	1-7	453,453	340,286	113,167	401,087	309,285	91,802
Patents, trademarks, and other	2-18	24,783	21,898	2,885	22,334	20,279	2,055
Total		<u>\$873,886</u>	<u>\$ 639,748</u>	<u>\$ 234,138</u>	<u>\$813,241</u>	<u>\$ 574,966</u>	<u>\$ 238,275</u>

Amortization expense related to other intangible assets totaled approximately \$60.0 million, \$59.6 million, and \$58.0 million for the years ended December 31, 2023, 2022, and 2021, respectively. We capitalized \$49.4 million, \$46.3 million, and \$30.2 million of internally-developed software costs for the years ended December 31, 2023, 2022, and 2021, respectively.

Placement fees are allocated to intangible assets and are generally amortized over the term of the contract, which is recorded as a reduction of revenue generated from the facility. In the past we have, and in the future, we may, by mutual agreement, amend the agreements to reduce our floor space at these facilities.

We paid approximately \$0.5 million and \$31.5 million in placement fees for the years ended December 31, 2022, and 2021, respectively. In September 2021, we entered into a placement fee agreement with a customer for certain of its locations for approximately \$28.9 million, which we settled in October 2021. There were no imputed interest amounts recorded in connection with these payments for the years ended December 31, 2022 and 2021, respectively. There were no placement fees paid for the year ended December 31, 2023.

On a quarterly basis, we evaluate our other intangible assets for potential impairment as part of our review process. During the fourth quarter of 2023, we recorded a partial write-down of the definite-lived customer relationships intangible asset associated with our acquisition of Intuicode, reflected in the Games segment. The impairment loss of approximately \$11.7 million was included within Operating Expenses of our Statements of Operations. We determined this asset was impaired by comparing its carrying value to our revised estimate of discounted future cash flows, which were negatively impacted by a certain large customer being acquired that generated lower than anticipated operating results. The customer relationships intangible asset was valued using Level 3 fair value inputs and had a revised cost basis of \$0.5 million and a remaining life of five years at December 31, 2023.

There was no material impairment identified for any of our other intangible assets for the years ended December 31, 2022 and 2021.

The anticipated amortization expense related to other intangible assets, assuming no subsequent impairment of the underlying assets, is as follows (in thousands):

Anticipated amortization expense	Amount
2024	\$ 61,061
2025	44,143
2026	32,446
2027	13,755
2028	4,897
Thereafter	16,545
Total ⁽¹⁾	\$ 172,847

(1) For the year ended December 31, 2023, the Company had \$61.3 million in other intangible assets that had not yet been placed into service.

12. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

The following table presents our accounts payable and accrued expenses (amounts in thousands):

	At December 31,	
	2023	2022
Accounts payable and accrued expenses		
Customer commissions payable	74,376	65,387
Contract liabilities	51,395	50,872
Accounts payable - trade	30,261	29,645
Payroll and related expenses	14,367	24,335
Accrued interest	9,616	9,451
Financial access processing and related expenses	8,670	7,829
Operating lease liabilities	7,079	6,507
Accrued income taxes	6,367	3,673
Contingent consideration and acquisition-related liabilities ⁽¹⁾	5,623	12,030
Other	7,776	7,695
Total accounts payable and accrued expenses	\$ 215,530	\$ 217,424

(1) Refer to “[Note 5 — Business Combinations](#)” for discussion on contingent consideration and acquisition-related liabilities.

13. LONG-TERM DEBT

The following table summarizes our indebtedness (in thousands):

	Maturity Date	Interest Rate	At December 31,	
			2023	2022
Long-term debt				
\$600 million Term Loan	2028	SOFR+2.50%	\$ 586,500	\$ 592,500
\$125 million Revolver	2026	SOFR+2.50%	—	—
Senior Secured Credit Facilities			586,500	592,500
\$400 million 2021 Unsecured Notes	2029	5.00%	400,000	400,000
Total debt			986,500	992,500
Debt issuance costs and discount			(12,035)	(14,505)
Total debt after debt issuance costs and discount			974,465	977,995
Current portion of long-term debt			(6,000)	(6,000)
Total long-term debt, net of current portion			<u>\$ 968,465</u>	<u>\$ 971,995</u>

Credit Facilities

Our senior secured credit facilities consist of: (i) a seven-year \$600 million senior secured term loan due 2028 issued at 99.75% of par (the “Term Loan”); and (ii) a \$125 million senior secured revolving credit facility due 2026, which was undrawn at closing (the “Revolver” and together with the Term Loan, the “Credit Facilities”). The Company, as borrower, entered into the credit agreement dated as of August 3, 2021 (the “Closing Date”), among the Company, the lenders party thereto and Jefferies Finance LLC, as administrative agent, collateral agent, swing line lender and a letter of credit issuer (the “Original Credit Agreement”).

On June 23, 2023, the Company entered into the first amendment (the “Amendment”) to the Original Credit Agreement (as amended, the “Amended Credit Agreement”), among Everi, as borrower, the lenders party thereto and Jefferies Finance LLC, as administrative agent, collateral agent, swing line lender and letter of credit issuer. Under the Amended Credit Agreement, the Secured Overnight Financing Rate (“SOFR”) replaced the Eurodollar Rate for all purposes under the Original Credit Agreement and under any other Loan Document (as defined therein) on July 1, 2023, when the ICE Benchmark Administration ceased to provide all available tenors of the Eurodollar Rate. In connection with such implementation of SOFR, the Company and Jefferies Finance LLC agreed to make conforming changes to the relevant provisions of the Original Credit Agreement, as reflected in the Amended Credit Agreement.

On November 2, 2023, the Company entered into the second amendment (the “Second Amendment”), effective November 9, 2023, to the Original Credit Agreement and the Amended Credit Agreement (as amended, the “Credit Agreement”), among Everi, as borrower, the lenders party thereto and Jefferies Finance LLC, as administrative agent, collateral agent, swing line lender and letter of credit issuer. Under the Amended Credit Agreement, capitalized terms not otherwise defined in this Second Amendment have the same meanings as specified in the Original Credit Agreement or the Amended Credit Agreement, as the context may require; and pursuant to the Amended Credit Agreement, the Borrower and the Administrative Agent jointly identified certain obvious errors of a technical nature in the Amended Credit Agreement and have agreed to amend the Amended Credit Agreement to correct such errors. The Second Amendment did not have a material impact on our Financial Statements.

We elected the optional expedient to account for the modification to our Credit Facilities in accordance with ASC 470 as the modification was not substantial.

Legal fees were expensed as incurred in connection with the Amendment are reflected in operating expenses within the Statements of Operations for the period ended December 31, 2023.

The interest rate per annum applicable to the Credit Facilities will be, at the Company’s option, either the SOFR rate with a 0.50% floor plus a margin of 2.50%, or the base rate plus a margin of 1.50%. In addition, we pay a SOFR

adjustment recorded as interest expense that varies for the applicable interest period, with an adjustment for interest periods of one month of 0.1%, an adjustment for interest periods of two months of 0.3% and an adjustment for interest periods of three months of 0.4%.

The Revolver is available for general corporate purposes, including permitted acquisitions, working capital and the issuance of letters of credit. Borrowings under the Revolver are subject to the satisfaction of customary conditions, including the absence of defaults and the accuracy of representations and warranties. Our Revolver remained fully undrawn as of December 31, 2023.

The Company is required to make periodic payments on the Term Loan in an amount equal to 0.25% per quarter of the initial aggregate principal, with the final principal repayment installment on the maturity date. Interest is due in arrears on each interest payment date applicable thereto and at such other times as may be specified in the Credit Agreement. As to any loan other than a base rate loan, the interest payment dates shall be the last day of each interest period applicable to such loan and the maturity date (provided, however, that if any interest period for a SOFR loan exceeds three months, the respective dates that fall every three months after the beginning of such interest period shall also be interest payment dates). As to any base rate loan, commencing on the last business day of December 2021, the interest payment dates shall be last business day of each of March, June, September and December and the maturity date.

Voluntary prepayments of the Term Loan and the Revolver and voluntary reductions in the unused commitments are permitted in whole or in part, in minimum amounts as set forth in the Credit Agreement governing the Credit Facilities, with prior notice, and without premium or penalty, except that certain refinancings or repricings of the Term Loan within six months after the Closing Date will be subject to a prepayment premium of 1.00% of the principal amount repaid.

The Credit Agreement contains certain covenants that, among other things, limit the Company's ability, and the ability of certain of its subsidiaries, to incur additional indebtedness, sell assets or consolidate or merge with or into other companies, pay dividends or repurchase or redeem capital stock, make certain investments, issue capital stock of subsidiaries, incur liens, prepay, redeem or repurchase subordinated debt, and enter into certain types of transactions with its affiliates. The Credit Agreement also requires the Company, together with its subsidiaries, to comply with a maximum consolidated secured leverage ratio of 4.25:1.00 as of the measurement date.

The weighted average interest rate on the Term Loan was 7.59% for the year ended December 31, 2023.

Senior Unsecured Notes

Our Senior Unsecured Notes (the "2021 Unsecured Notes") due 2029 had an outstanding balance of \$400 million as of December 31, 2022, for which interest accrues at a rate of 5.00% per annum and is payable semi-annually in arrears on each January 15 and July 15.

The fees associated with the 2021 Unsecured Notes included debt issuance costs of approximately \$5.9 million incurred during the year ended December 31, 2021.

Compliance with Debt Covenants

We were in compliance with the covenants and terms of the Credit Facilities and the 2021 Unsecured Notes as of December 31, 2023.

Principal Repayments

The maturities of our borrowings at December 31, 2023 are as follows (in thousands):

	Amount
Maturities of borrowings	
2024	\$ 6,000
2025	6,000
2026	6,000
2027	6,000
2028	562,500
Thereafter	400,000
Total	\$ 986,500

14. COMMITMENTS AND CONTINGENCIES

We are involved in various legal proceedings in the ordinary course of our business. While we believe resolution of the claims brought against us, both individually and in the aggregate, will not have a material adverse impact on our financial condition or results of operations, litigation of this nature is inherently unpredictable. Our views on these legal proceedings, including those described below, may change in the future. We intend to vigorously defend against these actions, and ultimately believe we should prevail.

Legal Contingencies

We evaluate matters and record an accrual for legal contingencies when it is both probable that a liability has been incurred and the amount or range of the loss may be reasonably estimated. We evaluate legal contingencies at least quarterly and, as appropriate, establish new accruals or adjust existing accruals to reflect: (i) the facts and circumstances known to us at the time, including information regarding negotiations, settlements, rulings, and other relevant events and developments; (ii) the advice and analyses of counsel; and (iii) the assumptions and judgment of management. Legal costs associated with such proceedings are expensed as incurred. Due to the inherent uncertainty of legal proceedings as a result of the procedural, factual, and legal issues involved, the outcomes of our legal contingencies could result in losses in excess of amounts we have accrued.

We did not have any new material legal matters that were accrued as of December 31, 2023.

NRT matter:

NRT Technology Corp., et al. v. Everi Holdings Inc., et al. is a civil action filed on April 30, 2019 against Everi Holdings and Everi FinTech in the United States District Court for the District of Delaware by NRT Technology Corp. and NRT Technology, Inc., alleging monopolization of the market for unmanned, integrated kiosks in violation of federal antitrust laws, fraudulent procurement of patents on functionality related to such unmanned, integrated kiosks and sham litigation related to prior litigation brought by Everi FinTech (operating as Global Cash Access Inc.) against the plaintiff entities. The plaintiffs are seeking compensatory damages, treble damages, and injunctive and declaratory relief. Discovery is closed. The court removed the case from the September trial calendar and requested briefs from the parties on relevant legal issues. Briefing was completed in December 2022. The parties are awaiting further guidance from the court. Due to the current stage of the litigation, we are unable to estimate the probability of the outcome of this matter or reasonably estimate the range of possible damages, if any.

Zenergy Systems, LLC matter:

Zenergy Systems, LLC v. Everi Payments Inc. is a civil action filed on May 29, 2020, against Everi FinTech in the United States District Court for the District of Nevada, Clark County by Zenergy Systems, LLC, alleging breach of contract, breach of a non-disclosure agreement, conversion, breach of the covenant of good faith and fair dealing, and breach of a confidential relationship related to a contract with Everi FinTech that expired in November 2019. The plaintiff is seeking compensatory and punitive damages. Everi FinTech has counterclaimed against Zenergy

alleging breach of contract, breach of implied covenant of good faith and fair dealing, and for declaratory relief. The parties participated in mediation on March 21, 2023. No settlement was reached at mediation. The parties filed a joint motion to set a firm trial date which the court granted. Trial is set on May 28, 2025. Due to the current stage of the litigation, we are unable to estimate the probability of the outcome of this matter or reasonably estimate the range of possible damages, if any.

Mary Parrish matter:

Mary Parrish v. Everi Holdings Inc., et al. is a civil action filed on December 28, 2021, against Everi Holdings and Everi FinTech in the District Court of Nevada, Clark County by Mary Parrish alleging violation of the Fair and Accurate Credit Transactions Act (FACTA) amendment to the Fair Credit Reporting Act (FCRA). Plaintiff's complaint alleges she received a printed receipt for cash access services performed at an Everi Payments' ATM which displayed more than four (4) digits of the account number. Plaintiff seeks statutory damages, punitive damages, injunctive relief, attorneys' fees, and other relief. Everi filed a Petition for Removal to the United States District Court, District of Nevada. On May 4, 2023, the United States District Court entered an order remanding the case and the matter is now pending in the District Court of Nevada, Clark County. On October 20, 2023, the Clark County Court entered an Order denying Everi's Motion to Dismiss. Thereafter, Everi filed a Petition for Writ of Mandamus with the Nevada Supreme Court appealing the Clark County court's ruling. On December 15, 2023, the Nevada Supreme Court denied Everi's Petition for Writ of Mandamus. Discovery is underway and the Clark County Court has scheduled a mandatory pre-trial case conference for March 31, 2024. Due to the current stage of the litigation, we are unable to estimate the probability of the outcome of this matter or reasonably estimate the range of possible damages, if any.

In addition, we have commitments with respect to certain lease obligations discussed in "Note 4 — Leases" and installment payments under our asset purchase agreements discussed in "Note 5 — Business Combinations."

15. STOCKHOLDERS' EQUITY

On May 3, 2023, our Board of Directors authorized and approved a new share repurchase program in an amount not to exceed \$180.0 million pursuant to which we may purchase outstanding Company common stock in open market or privately negotiated transactions over a period of eighteen (18) months through November 3, 2024, in accordance with Company and regulatory policies and trading plans established in accordance with Rules 10b5-1 and 10b-18 of the Securities Exchange Act of 1934. The actual number of shares to be purchased will depend upon market conditions and is subject to available liquidity, general market and economic conditions, alternative uses for the capital and other factors. All shares purchased will be held in the Company's treasury for possible future use. There is no minimum number of shares that the Company is required to repurchase, and the program may be suspended or discontinued at any time without prior notice. This new repurchase program supersedes and replaces, in its entirety, the previous share repurchase program approved in May 2022 for up to \$150 million.

There were approximately 7.5 million and 5.0 million shares repurchased at an average price of \$13.40 and \$16.93 per share for an aggregate amount of \$100.0 million and \$84.3 million during the years ended December 31, 2023 and 2022, respectively. The remaining availability under the May 2023 \$180.0 million share repurchase program was \$80.0 million as of December 31, 2023.

Preferred Stock. Our amended and restated certificate of incorporation, as amended, allows our Board of Directors, without further action by stockholders, to issue up to 50,000,000 shares of preferred stock in one or more series and to fix the designations, powers, preferences, privileges and relative participating, optional, or special rights as well as the qualifications, limitations or restrictions of the preferred stock, including dividend rights, conversion rights, voting rights, terms of redemption and liquidation preferences. As of December 31, 2023 and 2022, we had no shares of preferred stock outstanding.

Common Stock. Subject to the preferences that may apply to shares of preferred stock that may be outstanding at the time, the holders of outstanding shares of common stock are entitled to receive dividends out of assets legally available at the times and in the amounts as our Board of Directors may from time to time determine. All dividends are non-cumulative. In the event of the liquidation, dissolution or winding up of Everi, the holders of common stock are entitled to share ratably in all assets remaining after the payment of liabilities, subject to the prior distribution rights of preferred stock, if any, then outstanding. Each stockholder is entitled to one vote for each share of common stock held on all matters submitted to a vote of stockholders. Cumulative voting for the election of directors is not provided for. The common stock is not entitled to preemptive rights and is not subject to conversion or redemption. There are no sinking fund provisions applicable to the common stock. Each outstanding share of common stock is fully paid and non-assessable. As of December 31, 2023 and 2022, we had 123,178,882 and 119,389,510 shares of common stock issued, respectively.

Treasury Stock. In addition to open market purchases of common stock authorized under the Share Repurchase Program, employees may direct us to withhold vested shares of restricted stock to satisfy the maximum statutory withholding requirements applicable to their restricted stock vesting. We repurchased or withheld from restricted stock awards 0.6 million and 0.7 million shares of common stock at an aggregate purchase price of approximately \$9.2 million and \$12.0 million for the years ended December 31, 2023 and 2022, respectively, to satisfy the maximum applicable tax withholding obligations related to the vesting of such restricted stock awards.

16. WEIGHTED AVERAGE SHARES OF COMMON STOCK

The weighted average number of common stock outstanding used in the computation of basic and diluted earnings per share is as follows (in thousands):

	At December 31,		
	2023	2022	2021
Weighted average shares			
Weighted average number of common shares outstanding — basic	87,176	90,494	89,284
Potential dilution from equity awards ⁽¹⁾	4,809	7,013	10,683
Weighted average number of common shares outstanding — diluted ⁽¹⁾	<u>91,985</u>	<u>97,507</u>	<u>99,967</u>

(1) There were 0.3 million and 0.1 million shares that were anti-dilutive under the treasury stock method for the years ended December 31, 2023 and 2022, respectively. There were an immaterial amount of shares that were anti-dilutive under the treasury stock method for the year ended December 31, 2021.

17. SHARE-BASED COMPENSATION

Equity Incentive Awards

Our 2014 Equity Incentive Plan (as amended and restated effective May 19, 2021, the “Equity Incentive Plan”) is used to attract and retain key personnel, to provide additional incentives to employees, directors, and consultants, and to promote the success of our business. Our Equity Incentive Plan is administered by the Compensation Committee of our Board of Directors, which has the authority to select individuals who are to receive equity incentive awards and to specify the terms and conditions of grants of such awards, including, but not limited to the vesting provisions and exercise prices, as applicable.

Generally, we grant the following types of awards: (i) restricted stock units with either time- or performance-based criteria; and (ii) time-based options. We estimate forfeiture amounts based on historical patterns.

A summary of award activity is as follows (in thousands):

	Stock Options	Restricted Stock Units
Outstanding, December 31, 2022	6,793	2,709
Granted	103	1,555
Exercised options or vested shares	(2,061)	(1,728)
Canceled or forfeited	(31)	(72)
Outstanding, December 31, 2023	<u>4,804</u>	<u>2,464</u>

There are approximately 2.1 million awards of our common stock available for future equity grants under our existing equity incentive plan.

Stock Options

The fair value of our standard time-based options was determined as of the date of grant using the Black-Scholes option pricing model. The assumptions used included a 3.5% and 2.9% risk-free interest rate, an expected life of 5.1 years and 4.9 years, historical volatility of 55.4% and 55.7%, and no expected dividend yield for options granted for the years ended December 31, 2023 and 2022, respectively. There were no time-based options granted for the years ended December 31, 2021.

Our time-based stock options granted under our equity plans generally vest at a rate of either 33% or 25% per year on each of the first three or four anniversaries of the grant dates, and expire after a ten-year period.

The following table presents the options activity:

	Number of Options (in thousands)	Weighted Average Exercise Price (per Share)	Weighted Average Life Remaining (Years)	Aggregate Intrinsic Value (in thousands)
Outstanding, December 31, 2022	6,793	\$ 5.01	2.8	\$ 63,604
Granted	103	15.12		
Exercised	(2,061)	7.17		
Canceled or forfeited	(31)	8.32		
Outstanding, December 31, 2023	<u>4,804</u>	4.28	2.6	34,350
Vested and expected to vest after, December 31, 2023	<u>4,794</u>	4.26	2.6	34,350
Exercisable, December 31, 2023	<u>4,654</u>	\$ 3.92	2.4	\$ 34,350

The following table presents the options outstanding and exercisable by price range:

Range of Exercise Prices		Options Outstanding			Options Exercisable		
		Number Outstanding (in thousands)	Average Remaining Contract Life (Years)	Weighted Average Exercise Prices	Number Exercisable (in thousands)	Weighted Average Exercise Price	
\$ 1.46	\$ 1.46	985	2.4	\$ 1.46	985	\$ 1.46	
1.57	2.78	649	2.3	2.60	649	2.60	
3.29	3.29	1,812	3.2	3.29	1,812	3.29	
6.30	7.74	1,142	1.1	7.34	1,142	7.34	
7.88	16.69	216	8.0	14.45	66	11.75	
		<u>4,804</u>			<u>4,654</u>		

The total intrinsic value of options exercised was \$18.3 million, \$4.9 million, and \$46.5 million for the years ended December 31, 2023, 2022, and 2021, respectively.

The unrecognized non-cash compensation expense related to options expected to vest as of December 31, 2023 was \$0.8 million which is expected to be recognized on a straight-line basis over a weighted average period of 2.1 years. The unrecognized non-cash compensation expense related to options expected to vest as of December 31, 2022 and 2021 was not material.

We recorded approximately \$0.4 million, \$0.1 million and \$0.3 million in non-cash compensation expense related to options granted that were expected to vest as of December 31, 2023, 2022 and 2021, respectively. We received approximately \$14.0 million, \$1.9 million and \$18.2 million in cash proceeds from the exercise of options during 2023, 2022 and 2021, respectively.

Restricted Stock Units

The fair value of our restricted stock units awarded is based on the closing stock price of our common stock at the date of grant, except for certain awards with a share-based payment arrangements priced in relation to similar indexed securities. Awards with share-based payment arrangements priced in relation to similar indexed securities fair values were determined using a lattice model. The assumptions used include a risk-free interest rate of 3.7%, a useful life term of 2.7 years, historical volatility of 48.4%, and no expected dividend yield for those certain awards with a share based payment arrangement priced in relation to similar indexed securities granted for the year ended December 31, 2023. There were no awards with a share-based payment arrangements priced in relation to similar indexed securities for the years ended December 31, 2022 and 2021, respectively.

Time-based Awards

The time-based restricted stock units (“RSUs”) granted to executives and the employee base, during 2023, 2022 and 2021, generally vest at a rate of either 33% per year on each of the first three anniversaries of the dates of grant, or 100% on the anniversary of grant date ending after either 1 year, 2 years or 3 years.

The RSUs granted to independent members of our Board of Directors, during 2023, 2022 and 2021, vest on the one-year anniversary of the date of grant and settle on the earliest of the following events: (i) ten-year anniversary of the date of grant; (ii) death; (iii) the occurrence of a Change in Control (as defined in the Equity Incentive Plan), subject to qualifying conditions; or (iv) the date that is six months following the separation from service, subject to qualifying conditions.

Performance-based Awards

The performance-based restricted stock units (“PSUs”) granted during 2023 will be evaluated by the Compensation Committee of our Board of Directors after a performance period, beginning on the date of grant through December 31, 2025, based on total operating income and modified based on the Company’s total

stockholder return ranking over the performance period in comparison to the Russel 3000 Index. To the extent the performance criteria of the metrics are approved, the eligible awards will become vested on the third anniversary of the date of grant. We record stock-based compensation expense over the required service period based on the amount of shares expected to vest pursuant to the achievement measures associated with the performance award.

The performance-based restricted stock units (“PSUs”) granted during 2022 will be evaluated by the Compensation Committee of our Board of Directors after a performance period, beginning on the date of grant through December 31, 2024, based on certain revenue and adjusted operating cash flow growth rate metrics, with achievement of each measure to be determined independently of one another. To the extent the performance criteria of the metrics are approved, the eligible awards will become vested on the third anniversary of the date of grant. We record stock-based compensation expense over the required service period based on the amount of shares expected to vest pursuant to the achievement measures associated with the performance award.

The performance-based restricted stock units (“PSUs”) granted during 2021 have been evaluated by the Compensation Committee of our Board of Directors for the performance period, beginning on the date of grant through December 31, 2023, based on certain revenue and free cash flow growth rate metrics, with achievement of each measure determined independently of one another. The eligible awards will become vested on the third anniversary of the date of grant.

The following table presents our RSU and PSU awards activity:

	Shares Outstanding (in thousands)	Weighted Average Grant Date Fair Value (per Share)	Weighted Average Life Remaining (Years)	Aggregate Intrinsic Value (in thousands)
Outstanding, December 31, 2022	2,709	\$ 13.46	0.9	\$ 38,850
Granted	1,555	13.34		
Vested	(1,728)	9.77		
Forfeited	(72)	16.59		
Outstanding, December 31, 2023	<u>2,464</u>	15.88	1.2	27,747
Vested and expected to vest after, December 31, 2023	<u>2,081</u>	\$ 16.47	1.1	\$ 23,453

There was approximately \$20.0 million in unrecognized compensation expense related to the awards expected to vest as of December 31, 2023. This cost is expected to be recognized on a straight-line basis over a weighted average period of 1.5 years. We recorded approximately \$18.3 million in non-cash compensation expense related to these awards for the year ended December 31, 2023.

There were approximately 1.3 million and 1.0 million shares of these awards granted for the years ended December 31, 2022 and 2021, respectively. The weighted average grant date fair value per share of these awards granted was \$16.08 and \$6.08 for the years ended December 31, 2022 and 2021, respectively. There were 2.1 million and 1.6 million RSU awards that vested during the years ended December 31, 2022 and 2021, respectively. There was approximately \$20.1 million and \$23.3 million unrecognized compensation expense related to these awards expected to vest as of December 31, 2022 and 2021, respectively. This cost was expected to be recognized on a straight-line basis over a weighted average period of 1.2 years and 1.4 years, respectively. We recorded approximately \$19.7 million and \$20.6 million in non-cash compensation expense related to RSU awards for the years ended December 31, 2022 and 2021, respectively.

18. INCOME TAXES

Provision (Benefit) for Income Taxes

The following presents consolidated income before tax for domestic and foreign operations (in thousands):

	Year Ended December 31,		
	2023	2022	2021
Consolidated income (loss) before tax			
Domestic	\$ 104,798	\$ 157,510	\$ 100,232
Foreign	(3,207)	90	793
Total	\$ 101,591	\$ 157,600	\$ 101,025

The income tax provision (benefit) attributable to the income before tax consists of the following components (in thousands):

	Year Ended December 31,		
	2023	2022	2021
Income tax provision (benefit)			
Domestic	\$ 17,760	\$ 36,440	\$ (51,923)
Foreign	(166)	671	23
Total income tax provision (benefit)	\$ 17,594	\$ 37,111	\$ (51,900)
Income tax provision (benefit)			
Current	\$ 8,634	\$ 4,446	\$ 177
Deferred	8,960	32,665	(52,077)
Total income tax provision (benefit)	\$ 17,594	\$ 37,111	\$ (51,900)

Effective Tax Rate

A reconciliation of the federal statutory rate and the effective income tax rate is as follows:

	Year Ended December 31,		
	2023	2022	2021
Income tax reconciliation			
Federal statutory rate	21.0 %	21.0 %	21.0 %
Foreign provision	(0.4)%	(0.1)%	— %
State/province income tax	3.3 %	3.3 %	3.5 %
Compensation deduction limitations	2.1 %	2.9 %	2.5 %
Stock-based compensation expense	(4.5)%	(2.5)%	(10.6)%
Adjustments to carrying values	1.9 %	0.3 %	1.7 %
Research and development credit	(6.7)%	(2.2)%	(2.3)%
Valuation allowance ⁽¹⁾	1.1 %	— %	(67.2)%
Global intangible low-taxed income ⁽²⁾	— %	0.4 %	0.1 %
Non-deductible expenses - other	0.2 %	— %	0.1 %
Other	(0.7)%	0.4 %	(0.2)%
Effective tax rate	17.3 %	23.5 %	(51.4)%

(1) We removed the full valuation allowance in the federal and certain state jurisdictions in the fourth quarter of 2021 and placed a full valuation allowance on Australia in the fourth quarter of 2023.

(2) We had no global intangible low-taxed income inclusion in 2023 due to the high tax exception in some foreign jurisdictions and losses in others.

Deferred Income Taxes

The major tax-effected components of the deferred tax assets and liabilities are as follows (in thousands):

	At December 31,		
	2023	2022	2021
Deferred income tax assets related to:			
Net operating losses	\$ 5,171	\$ 27,901	\$ 84,619
Tax credits	17,570	18,467	14,688
Capitalized research expenditures ⁽¹⁾	27,534	15,705	—
Accrued and prepaid expenses	9,989	10,481	11,284
Stock compensation expense	5,427	6,041	6,210
Accounts receivable allowances	1,293	1,204	1,275
Other	1,798	1,841	913
Valuation allowance	(1,818)	(739)	(804)
Total deferred income tax assets	\$ 66,964	\$ 80,901	\$ 118,185
Deferred income tax liabilities related to:			
Other intangible assets	\$ 49,234	\$ 57,487	\$ 59,156
Property and equipment	24,755	23,352	23,610
Long-term debt	—	—	7
Other	6,139	4,472	3,291
Total deferred income tax liabilities	\$ 80,128	\$ 85,311	\$ 86,064
Deferred income taxes, net	\$ (13,164)	\$ (4,410)	\$ 32,121

(1) As required by the 2017 Tax Cuts and Jobs Act, effective January 1, 2022, our research and development expenditures were capitalized and amortized, which resulted in higher taxable income for 2023 and 2022 with an equal amount of deferred tax benefit.

Net Operating Losses (“NOLs”) and Tax Credits Carry-forwards

We had no accumulated federal NOLs as of December 31, 2023.

We had tax effected state NOL carry-forwards of approximately \$4.1 million as of December 31, 2023, which will expire between 2025 and 2041. The determination and utilization of these state NOL carry-forwards are dependent upon apportionment percentages and other respective state laws, which may change from year to year. As of December 31, 2023, approximately \$0.6 million of our valuation allowance relates to certain state NOL carry-forwards that we estimate are not more likely than not to be realized.

We had tax effected Australia NOL carry-forwards of approximately \$1.1 million as of December 31, 2023, which can be carried forward indefinitely. As of December 31, 2023, there is a full valuation allowance on our Australia net deferred tax assets as we do not believe these assets are more-likely-than-not to be realized.

We had approximately \$17.1 million, tax effected, of federal research and development credit carry-forwards as of December 31, 2023. The research and development credits are limited to a 20-year carry-forward period and will expire starting in 2037. We also had approximately \$0.5 million, tax effected, of federal solar tax credit carry-forward as of December 31, 2023. The solar tax credit is limited to a 22-year carry-forward period and will expire in 2045, at which time, one-half of any unused credit can be deducted.

Deferred Tax Assets - Valuation Allowance Assessment

Deferred tax assets arise primarily because expenses have been recorded in historical financial statement periods that will not become deductible for income taxes until future tax years. We record a valuation allowance to reduce the book value of our deferred tax assets to amounts that are estimated on a more likely than not basis to be realized. This assessment requires judgment and is performed on the basis of the weight of all available evidence,

both positive and negative, with greater weight placed on information that is objectively verifiable such as historical performance.

During the fourth quarter of 2023, we placed a full valuation allowance of \$1.1 million on the Australia net deferred tax assets, among other foreign items, as we do not believe these assets meet the more-likely-than-not criteria for recognition. In evaluating our ability to realize these net deferred tax assets, we evaluated negative evidence noting that for the three-year period then ended, we reported a cumulative net loss in Australia. Pursuant to accounting guidance, a cumulative loss in recent years is a significant piece of negative evidence that must be considered and is difficult to overcome without sufficient objectively verifiable, positive evidence. We will reassess the realization of deferred tax assets each reporting period, and to the extent our financial results in Australia improve and it becomes more-likely-than-not the deferred tax assets are realizable, we will be able to reduce the valuation allowance in such period, as appropriate.

Based on an evaluation of the then-available positive and negative evidence, we determined it was appropriate to establish a full valuation allowance on our federal and states deferred tax assets as of December 31, 2016. At that time, and in subsequent quarters, negative evidence, including three years of cumulative losses, outweighed the positive evidence. However, as of December 31, 2021, our U.S. operations emerged from a three-year cumulative loss position. Based on our analysis, we removed the full valuation allowance in the federal and certain state jurisdictions, contributing to a \$67.9 million reduction in our valuation allowance in 2021. The significant positive evidence in our analysis included: improvements in profitability, product mix, capital levels, credit metrics, a stabilizing economy and future longer-term forecasts showing sustained profitability. We continue to believe the positive evidence outweighs the negative evidence as of December 31, 2023, and it is more likely than not that these deferred tax assets will be realized.

The following is a tabular reconciliation of the total amounts of deferred tax asset valuation allowance (in thousands):

	At December 31,		
	2023	2022	2021
Balance at beginning of period	\$ 739	\$ 804	\$ 68,746
Valuation allowance - (reversal) charge	1,079	(65)	(67,942)
Balance at end of period	<u>\$ 1,818</u>	<u>\$ 739</u>	<u>\$ 804</u>

Unrecognized Tax Positions

The following is a tabular reconciliation of the total amounts of unrecognized tax benefits (in thousands):

	At December 31,		
	2023	2022	2021
Unrecognized tax benefit			
Unrecognized tax benefit at beginning of period	\$ 2,566	\$ 2,151	\$ 1,714
Gross increases — tax positions in prior period	1,189	415	437
Gross increases — tax positions in current period	782	—	—
Unrecognized tax benefit at end of period	<u>\$ 4,537</u>	<u>\$ 2,566</u>	<u>\$ 2,151</u>

We analyzed filing positions in the federal, state, and foreign jurisdictions in which we are required to file income tax returns, as well as the open tax years in these jurisdictions. As of December 31, 2023, we recorded approximately \$4.5 million of unrecognized tax benefits, all of which would impact our effective tax rate, if recognized. We do not anticipate that our unrecognized tax benefits will materially change within the next 12 months. The Company has not accrued any penalties and interest for its unrecognized tax benefits. Other than the unrecognized tax benefit recorded, we believe that our income tax filing positions and deductions will be sustained upon audit, and we do not anticipate other adjustments that will result in a material change to our financial position. We may, from time to time, be assessed interest or penalties by tax jurisdictions, although any such assessments historically have been minimal and immaterial to our financial results. Our policy for recording

interest and penalties associated with audits and unrecognized tax benefits is to record such items as a component of income tax in our Statements of Operations.

Foreign Operations

We had unrepatriated foreign earnings of approximately \$18.5 million as of December 31, 2023. These earnings are considered permanently reinvested, as it is management's intention to reinvest these foreign earnings in foreign operations. We project sufficient cash flow, or borrowings available under our Senior Secured Credit Facilities in the U.S.; therefore, we do not need to repatriate our remaining foreign earnings to finance U.S. operations at this time. Due to the 2017 Tax Act, there is no U.S. federal tax on cash repatriation from foreign subsidiaries, however, it could be subject to foreign withholding and other taxes.

Other

We are subject to taxation in the U.S. and various states and foreign jurisdictions. We have a number of federal and state income tax years still open for examination as a result of our net operating loss carry-forwards. Accordingly, we are subject to examination for both U.S. federal and some of the state tax returns for the years 2005 to present. For the remaining state, local, and foreign jurisdictions, with some exceptions, we are no longer subject to examination by tax authorities for years before 2020.

19. SEGMENT INFORMATION

Operating segments are components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision-making group (the "CODM"). Our CODM consists of the Chief Executive Officer, and the Chief Financial Officer. Our CODM allocates resources and measures profitability based on our operating segments, which are managed and reviewed separately, as each represents products and services that can be sold separately to our customers. Our segments are monitored by management for performance against our internal forecasts.

We have reported our financial performance based on our segments in both the current and prior periods. Our CODM determined that our operating segments for conducting business are: (i) Games and (ii) FinTech:

- Everi Games provides gaming operators with gaming technology and entertainment products and services, including: (i) gaming machines, primarily comprising Class II, Class III and Historic Horse Racing ("HHR") slot machines placed under participation or fixed-fee lease arrangements or sold to casino customers; (ii) providing and maintaining the central determinant systems for the video lottery terminals ("VLTs") installed in the State of New York and similar technology in certain tribal jurisdictions; (iii) business-to-business ("B2B") digital online gaming activities; and (iv) bingo solutions through consoles, integrated electronic gaming tablets and related systems.
- Everi FinTech provides gaming operators with financial technology products and services, including: (i) financial access and related services supporting digital, cashless and physical cash options across mobile, assisted and self-service channels; (ii) loyalty and marketing software and tools, RegTech software solutions, other information-related products and services, and hardware maintenance services; and (iii) associated casino patron self-service hardware that utilizes our financial access, software and other services. We also develop and offer mobile-first applications aimed at enhancing patron engagement for customers in the casino, sports, entertainment and hospitality industries. Our solutions are secured using an end-to-end security suite to protect against cyber-related attacks allowing us to maintain appropriate levels of security. These solutions include: access to cash and cashless funding at gaming facilities via ATM debit withdrawals, credit card financial access transactions, and POS debit card purchases at casino cages, kiosk and mobile POS devices; accounts for the CashClub Wallet, check warranty services, self-service loyalty and fully integrated kiosk maintenance services; self-service loyalty tools and promotion management software; compliance, audit, and data software; casino credit data and reporting services; marketing and promotional offering subscription-based services; and other ancillary offerings.

Corporate overhead expenses have been allocated to the segments either through specific identification or based on a reasonable methodology. In addition, we record depreciation and amortization expenses to the business segments.

Our business is predominantly domestic with no specific regional concentrations that were material to our results of operations or financial condition, and no significant assets in foreign locations.

The following tables present segment information (in thousands):

	For the Year Ended December 31,		
	2023	2022	2021
Games			
Revenue			
Gaming operations	\$ 304,132	\$ 292,873	\$ 272,885
Gaming equipment and systems	125,022	143,553	103,844
Total revenues	429,154	436,426	376,729
Costs and expenses			
Cost of revenues ⁽¹⁾			
Gaming operations	35,205	25,153	21,663
Gaming equipment and systems	72,191	86,638	60,093
Cost of revenues	107,396	111,791	81,756
Operating expenses	103,666	76,496	70,150
Research and development	44,365	40,353	26,060
Depreciation	68,833	57,106	53,876
Amortization	44,201	43,044	42,866
Total costs and expenses	368,461	328,790	274,708
Operating income	\$ 60,693	\$ 107,636	\$ 102,021

(1) Exclusive of depreciation and amortization.

	For the Year Ended December 31,		
	2023	2022	2021
FinTech			
Revenues			
Financial access services	\$ 225,054	\$ 206,860	\$ 178,019
Software and other	99,490	80,232	67,797
Hardware	54,123	59,001	37,840
Total revenues	378,667	346,093	283,656
Costs and expenses			
Cost of revenues ⁽¹⁾			
Financial access services	11,064	10,186	6,779
Software and other	6,159	4,125	4,129
Hardware	36,621	39,220	22,785
Cost of revenues	53,844	53,531	33,693
Operating expenses	157,265	140,463	118,750
Research and development	23,268	20,174	12,991
Depreciation	9,858	9,695	7,611
Amortization	15,841	16,514	15,121
Total costs and expenses	260,076	240,377	188,166
Operating income	\$ 118,591	\$ 105,716	\$ 95,490

(1) Exclusive of depreciation and amortization.

	For the Year Ended December 31,		
	2023	2022	2021
Total Games and FinTech			
Total revenues	\$ 807,821	\$ 782,519	\$ 660,385
Costs and expenses			
Cost of revenues ⁽¹⁾	161,240	165,322	115,449
Operating expenses	260,931	216,959	188,900
Research and development	67,633	60,527	39,051
Depreciation	78,691	66,801	61,487
Amortization	60,042	59,558	57,987
Total costs and expenses	628,537	569,167	462,874
Operating income	\$ 179,284	\$ 213,352	\$ 197,511

(1) Exclusive of depreciation and amortization.

	At December 31,	
	2023	2022
Total assets		
Games	\$ 931,322	\$ 911,907
FinTech	1,192,548	1,006,336
Total assets	\$ 2,123,870	\$ 1,918,243

For the year ended December 31, 2023, cash paid for capital expenditures totaled \$145.1 million, of which \$117.0 million and \$28.1 million was related to our Games and FinTech businesses, respectively. For the year ended December 31, 2022, cash paid for capital expenditures totaled \$127.6 million, of which \$96.0 million and \$31.6 million, was related to our Games and FinTech businesses, respectively.

Major customers. For the years ended December 31, 2023, 2022, and 2021, no single customer accounted for more than 10% of our revenues.

20. ERROR CORRECTION OF AN IMMATERIAL PRIOR YEAR MISSTATEMENT

The Company determined that the placement fee arrangements were previously misclassified in its Statements of Cash Flows. Previously, these placement fee arrangements were reported as cash flows from investing activities, and they should have been presented as cash flows from operating activities for the fiscal years ended December 31, 2022 and 2021. The error has been corrected by adjusting each of the affected financial statement categories for these prior periods.

The following table summarizes the impact to our Statements of Cash Flows (in thousands):

	Year Ended December 31,											
	2022		2021		2021							
	As reported		Adjustments		As adjusted							
Cash flows from operating activities												
Changes in operating assets and liabilities:												
Placement fee agreements	\$	—	\$	—	\$	(547)	\$	(31,465)	\$	(547)	\$	(31,465)
Net cash provided by (used in) operating activities		<u>272,641</u>		<u>391,630</u>		<u>(547)</u>		<u>(31,465)</u>		<u>272,094</u>		<u>360,165</u>
Cash flows from investing activities												
Placement fee agreements		(547)		(31,465)		547		31,465		—		—
Net cash (used in) provided by investing activities		<u>(179,338)</u>		<u>(151,912)</u>		<u>547</u>		<u>31,465</u>		<u>(178,791)</u>		<u>(120,447)</u>
Cash, cash equivalents and restricted cash												
Net (decrease) increase for the period		(8,663)		51,377		—		—		(8,663)		51,377
Balance, beginning of the period		303,726		252,349		—		—		303,726		252,349
Balance, end of the period	\$	<u>295,063</u>	\$	<u>303,726</u>	\$	<u>—</u>	\$	<u>—</u>	\$	<u>295,063</u>	\$	<u>303,726</u>

21. SUBSEQUENT EVENTS

On February 28, 2024, the Company entered into definitive agreements with International Game Technology PLC (“IGT”) pursuant to which IGT will spin-off a newly created subsidiary, which will own IGT’s Global Gaming and PlayDigital businesses, with the Company acquiring the Global Gaming and PlayDigital businesses in a series of transactions. Upon the closing of the proposed transaction, under the terms of the agreements, IGT shareholders are expected to own approximately 54% of the combined company, with the Company’s existing stockholders expected to own approximately 46% of the combined company. The proposed transaction is expected to close in early 2025, subject to receipt of regulatory approvals, stockholder approvals, and other customary closing conditions.

On February 28, 2024, the Company and Ignite Rotate LLC, a subsidiary of IGT, entered into a debt commitment letter with the lenders specified therein, pursuant to which the lenders have committed to provide the Company and such subsidiary with \$3.7 billion, together with a revolver of \$0.5 billion, used to refinance the Company’s existing debt, distribute funds to IGT, and the remainder will be used to pay the combined company’s financing fees, subject to the satisfaction of certain customary closing conditions including the consummation of the proposed transaction described above.

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

The Company's management, with the participation of its Chief Executive Officer and Chief Financial Officer, have evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as December 31, 2023. Based on such evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of the period covered by this report on Form 10-K, the Company's disclosure controls and procedures are effective such that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and (ii) accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosures.

Management's Report of Internal Control over Financial Reporting

The Company's management, including its Chief Executive Officer and Chief Financial Officer, is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles ("GAAP"). Due to inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Management assessed the effectiveness of internal control over financial reporting as of December 31, 2023, utilizing the criteria described in the "Internal Control — Integrated Framework (2013)" issued by the Committee of Sponsoring Organizations of the Treadway Commission. Management's assessment included evaluation of elements such as the design and operating effectiveness of key financial reporting controls, process documentation, accounting policies, and our overall control environment. Based on this assessment, management has concluded that our internal control over financial reporting was effective at a reasonable assurance level as of December 31, 2023.

On May 1, 2023 (the "Video King Closing Date"), the Company acquired certain strategic assets of VKGS LLC ("Video King"). The Company is permitted to exclude acquisitions from its report on internal controls over financial reporting for the first year after the acquisition when it is not possible to conduct an assessment of the acquired business. On this basis, the Company excluded Video King from its annual assessment of the effectiveness of internal control over financial reporting for the year ended December 31, 2023.

The total assets and total revenues generated by the above-mentioned acquisition that occurred in 2023 that were excluded from Management's assessment represented approximately 3.0% and 2.3%, respectively, of the Company's total assets and total revenues as of and for the year ended December 31, 2023.

Refer to ["Part II — Item 8 — Financial Statements and Supplementary Data — Notes to Consolidated Financial Statements — Note 5 — Business Combinations"](#) for a further discussion of the above acquisitions and related financial data. We are in the process of integrating Video King into our internal control over financial reporting. As a result of these integration activities, certain controls are being evaluated and may change.

Our independent registered public accounting firm, Ernst & Young, LLP, independently assessed the effectiveness of the Company's internal control over financial reporting, as stated in the firm's attestation report, which is included below.

Changes in Internal Control over Financial Reporting

Except as noted above, there were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the fourth 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.

(a) None.

(b) Todd A. Valli, Senior Vice President, Corporate Finance and Tax & Chief Accounting Officer, on December 6, 2023 modified a Rule 10b5-1 trading arrangement intended to satisfy Rule 10b5-1(c). The arrangement was originally entered into on March 13, 2023 to purchase and sell 15,000 shares of Company common stock between June 14, 2023 and May 2, 2024, subject to certain limit orders, all of which shares were to be acquired upon the exercise of employee stock option awards that were set to expire on May 2, 2024. The modified Rule 10b5-1 trading arrangement was entered into on December 6, 2023 to purchase and sell 15,000 shares of Company common stock between March 6, 2024 and May 2, 2024, subject to certain limit orders, all of which shares are to be acquired upon the exercise of employee stock option awards that are set to expire on May 2, 2024.

There were no other Rule 10b5-1 trading arrangements (as defined in Item 408(a) of Regulation S-K) or non-Rule 10b5-1 trading arrangements (as defined in Item 408(c) of Regulation S-K) adopted or terminated by any director or officer (as defined in Rule 16a-1(f) under the Exchange Act) of the Company during the three months ended December 31, 2023.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

Not applicable.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of Everi Holdings Inc.

Opinion on Internal Control Over Financial Reporting

We have audited Everi Holdings Inc. and subsidiaries' internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Everi Holdings Inc. and subsidiaries (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on the COSO criteria.

As indicated in the accompanying Management's Report of Internal Control over Financial Reporting, management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of Video King, which is included in the 2023 consolidated financial statements of the Company and constituted 3.0% and 1.6% of total and net assets, respectively, as of December 31, 2023 and 2.3% and 4.3% of revenues and net income, respectively, for the year then ended. Our audit of internal control over financial reporting of the Company also did not include an evaluation of the internal control over financial reporting of Video King.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the 2023 consolidated financial statements of the Company and our report dated February 29, 2023 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report of Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the 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 audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

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

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

/s/ Ernst & Young LLP

Las Vegas, Nevada

February 29, 2024

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

The information regarding our directors, executive officers, and certain corporate governance related matters including our Code of Business Conduct, Standards and Ethics is contained under the headings “Proposal 1,” “Executive Officers,” and “Board and Corporate Governance Matters,” and to the extent applicable, “Delinquent Section 16(a) Reports” in the Company’s definitive proxy statement to be filed with the SEC in connection with our 2024 annual meeting of stockholders (the “2024 Proxy Statement”) is incorporated herein by reference.

Item 11. Executive Compensation.

The information regarding director compensation and executive officer compensation contained under the headings “Board and Corporate Governance Matters — Compensation Committee Interlocks and Insider Participation,” “Board and Corporate Governance Matters — Director Compensation,” “Executive Compensation,” “Pay Ratio,” and “Pay Versus Performance” in the 2024 Proxy Statement is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The information regarding share ownership contained under the headings “Equity Compensation Plan Information” and “Security Ownership of Certain Beneficial Owners and Management” in the 2024 Proxy Statement is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

The information regarding director independence and related party transactions under the headings “Board and Corporate Governance Matters — Director Independence” and “Certain Relationships and Related Transactions — Transactions with Related Persons,” respectively, in the 2024 Proxy Statement is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services.

The information regarding audit fees, audit-related fees, tax fees, all other fees, and the Audit Committee’s policies and procedures on pre-approval of audit and permissible non-audit services of independent auditors contained under the heading “Ratification of the Appointment of Independent Registered Public Accounting Firm” in the 2024 Proxy Statement is incorporated herein by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules.

(a) The following documents are filed as part of this Annual Report on Form 10-K:

1. Financial Statements

Report of Independent Registered Public Accounting Firm (Ernst & Young, LLP; Las Vegas, NV; PCAOB ID#42)	63
Report of Independent Registered Public Accounting Firm (BDO USA, LLP; Las Vegas, NV; PCAOB ID#243)	65
Consolidated Statements of Operations and Comprehensive Income for the three years ended December 31, 2023, 2022 and 2021	66
Consolidated Balance Sheets as of December 31, 2023 and 2022	68
Consolidated Statements of Cash Flows for the three years ended December 31, 2023, 2022 and 2021	69
Consolidated Statements of Stockholders' Equity for the three years ended December 31, 2023, 2022, and 2021	71
Notes to Consolidated Financial Statements	72

2. Financial Statement Schedules

All schedules have been omitted as they are either not required or not applicable or the required information is included in the Consolidated Financial Statements or notes thereto.

3. See Item 15(b)

(b) Exhibits:

Exhibit Number	Exhibit Description
3.1	Amended and Restated Certificate of Incorporation of Everi Holdings (incorporated by reference to Exhibit 3.1 of Amendment No.1 Everi Holdings' Registration Statement on Form S-1 (Registration No. 333-123514) filed with the SEC on May 26, 2005).
3.2	Certificate of Amendment of Amended and Restated Certificate of Incorporation of Everi Holdings (incorporated by reference to Exhibit 3.1 of Everi Holdings' Current Report on Form 8-K filed with the SEC on April 30, 2009).
3.3	Certificate of Amendment of Amended and Restated Certificate of Incorporation of Everi Holdings (incorporated by reference to Exhibit 3.1 of Everi Holdings' Current Report on Form 8-K filed with the SEC on August 14, 2015).
3.4	Second Amended and Restated Bylaws of Everi Holdings (effective as of August 24, 2015) (incorporated by reference to Exhibit 3.2 of Everi Holdings' Current Report on Form 8-K filed with the SEC on August 14, 2015).
4.1	Indenture (and Form of 5.000% Senior Unsecured Notes due 2029 attached as Exhibit A thereto), dated as of July 15, 2021, by and among Everi Holdings Inc., certain of its wholly owned subsidiaries, as guarantors, and Deutsche Bank Trust Company Americas, as trustee (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K, filed on July 15, 2021).

Exhibit Number	Exhibit Description
4.2	Indenture (and Form of 7.50% Senior Note due 2025 attached as Exhibit A thereto), dated as of December 5, 2017, by and among Everi FinTech, Everi Holdings, certain of its wholly owned subsidiaries, as guarantors, and Deutsche Bank Trust Company Americas, as trustee (incorporated by reference to Exhibit 4.1 of Everi Holdings' Current Report on Form 8-K filed with the SEC on December 5, 2017).
4.3	First Supplemental Indenture, dated as of December 13, 2019, by and among Everi FinTech, Everi Holdings, certain of its wholly owned subsidiaries, as guarantors, and Deutsche Bank Trust Company Americas, as trustee (incorporated by reference to Exhibit 1.2 of Everi Holdings' Current Report on Form 8-K filed with the SEC on December 17, 2019).
4.4	Description of Securities (incorporated by reference to Exhibit 4.3 of Everi Holdings' Annual Report on Form 10-K filed with the SEC on March 2, 2020).
10.1	Fifth Amendment to Credit Agreement, dated February 2, 2021, among Everi Payments Inc., as borrower, Everi Holdings Inc., as parent, the subsidiary guarantors party thereto, and Jefferies Finance LLC, as administrative agent (incorporated by reference to Exhibit 10.1 of Everi Holdings' Current Report on Form 8-K filed with the SEC on February 2, 2021).
10.2	Employment Agreement with Kate C. Lowenhar-Fisher, dated March 10, 2021 (incorporated by reference to Exhibit 10.1 of Everi Holdings' Current Report on Form 8-K filed with the SEC on March 15, 2021).
10.3	Credit Agreement, dated as of August 3, 2021, among the Company, the lenders party thereto and Jefferies Finance LLC, as administrative agent, collateral agent, swing line lender and a letter of credit issuer (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K, filed on August 3, 2021).
10.4	Security Agreement, dated August 3, 2021, among the Company, as a guarantor, the subsidiary guarantors party thereto, and Jefferies Finance LLC, as collateral agent, related to the Credit Agreement (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed on August 3, 2021).
10.5	Guaranty, dated August 3, 2021, among the Company, as a guarantor, the subsidiary guarantors party thereto, and Jefferies Finance LLC, as collateral agent, related to the Credit Agreement (incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K filed on August 3, 2021).
10.6	Credit Agreement, dated as of May 9, 2017, among Everi FinTech, Everi Holdings, the lenders party thereto and Jefferies Finance LLC, as administrative agent, collateral agent, swing line lender, letter of credit issuer, sole lead arranger and sole book manager (incorporated by reference to Exhibit 10.1 of Everi Holdings' Current Report on Form 8-K filed with the SEC on May 9, 2017).
10.7	Security Agreement, dated as of May 9, 2017, among Everi FinTech, Everi Holdings, as a guarantor, the subsidiary guarantors party thereto, and Jefferies Finance LLC, as collateral agent, related to the Credit Agreement (incorporated by reference to Exhibit 10.2 of Everi Holdings' Current Report on Form 8-K filed with the SEC on May 9, 2017).
10.8	Guaranty, dated May 9, 2017, by Everi Holdings, as a guarantor, and the subsidiary guarantors party thereto, in favor of the lenders party from time to time to the Credit Agreement and Jefferies Finance LLC, as administrative agent (incorporated by reference to Exhibit 10.3 of Everi Holdings' Current Report on Form 8-K filed with the SEC on May 9, 2017).
10.9	First Amendment to Credit Agreement, dated November 13, 2017, among Everi FinTech, Everi Holdings, the subsidiary guarantors party thereto, the lenders party thereto and Jefferies Finance LLC, as administrative agent (incorporated by reference to Exhibit 10.1 of Everi Holdings' Current Report on Form 8-K filed with the SEC on November 13, 2017).
10.10	American State Bank Sponsorship Agreement, dated February 11, 2011, between Everi FinTech and American State Bank (incorporated by reference to Exhibit 10.54 of Everi Holdings' Annual Report on Form 10-K filed with the SEC on March 14, 2011).

Exhibit Number	Exhibit Description
†10.11	Everi Holdings 2005 Stock Incentive Plan (incorporated by reference to Exhibit 10.25 of the Annual Report on Form 10-K of Everi FinTech filed with the SEC on March 10, 2005).
†10.12	Form of Stock Option Award for Performance Price Vesting under the 2005 Stock Incentive Plan (incorporated by reference to Exhibit 10.1 to Everi Holdings' Quarterly Report on Form 10-Q filed with the SEC on August 5, 2014).
†10.13	Form of Stock Option Award for Cliff Vesting under the 2005 Stock Incentive Plan (incorporated by reference to Exhibit 10.2 to Everi Holdings' Quarterly Report on Form 10-Q filed with the SEC on August 5, 2014).
†10.14	Form of Stock Option Award for Non-Employee Directors under the 2005 Stock Incentive Plan (incorporated by reference to Exhibit 10.3 to Everi Holdings' Quarterly Report on Form 10-Q filed with the SEC on August 5, 2014).
†10.15	Form of Stock Option Award for Executives under the 2005 Stock Incentive Plan (incorporated by reference to Exhibit 10.4 to Everi Holdings' Quarterly Report on Form 10-Q filed with the SEC on August 5, 2014).
†10.16	Form of Stock Option Award for Employees under the 2005 Stock Incentive Plan (incorporated by reference to Exhibit 10.5 to Everi Holdings' Quarterly Report on Form 10-Q filed with the SEC on August 5, 2014).
†10.17	Everi Holdings Amended and Restated 2014 Equity Incentive Plan (incorporated by reference to Exhibit 99.1 to Everi Holdings' Form S-8 filed with the SEC on May 19, 2021).
†10.18	Form of Stock Option Agreement under the 2014 Equity Incentive Plan (incorporated by reference to Exhibit 10.7 to Everi Holdings' Current Report on Form 8-K filed with the SEC on May 10, 2016).
†10.19	Form of Stock Option Award (Performance-Based) (Double-Trigger Acceleration) for Non-Employee Directors under the 2014 Equity Incentive Plan (incorporated by reference to Exhibit 10.2 to Everi Holdings' Current Report on Form 8-K filed with the SEC on May 10, 2016).
†10.20	Form of Stock Option Award (Performance-Based) (Double-Trigger Acceleration) for Executives under the Equity Incentive Plan (incorporated by reference to Exhibit 10.3 to Everi Holdings' Current Report on Form 8-K filed with the SEC on May 10, 2016).
†10.21	Form of Stock Option Award (Time-Based) (Double-Trigger Acceleration) for Non-Employee Directors under the Equity Incentive Plan (incorporated by reference to Exhibit 10.4 to Everi Holdings' Current Report on Form 8-K filed with the SEC on May 10, 2016).
†10.22	Form of Stock Option Award (Time-Based) (Double-Trigger Acceleration) for Executives under the Equity Incentive Plan (incorporated by reference to Exhibit 10.5 to Everi Holdings' Current Report on Form 8-K filed with the SEC on May 10, 2016).
†10.23	Form of Stock Option Award (Time-Based) (Double-Trigger Acceleration) for Employees under the Equity Incentive Plan (incorporated by reference to Exhibit 10.6 to Everi Holdings' Current Report on Form 8-K filed with the SEC on May 10, 2016).
†10.24	Everi Holdings 2012 Equity Incentive Plan (incorporated by reference to Exhibit 99.1 to Everi Holdings' Current Report on Form S-8 filed with the SEC on March 16, 2015).
†10.25	Amendment to the Everi Holdings 2012 Equity Incentive Plan (incorporated by reference to Exhibit 99.2 to Everi Holdings' Current Report on Form S-8 filed with the SEC on March 16, 2015).
†10.26	Form of Stock Option Agreement under the 2012 Equity Incentive Plan (incorporated by reference to Exhibit 10.13 to Everi Holdings' Current Report on Form 8-K filed with the SEC on May 10, 2016).

Exhibit Number	Exhibit Description
†10.27	Form of Stock Option Award (Performance-Based) (Double-Trigger Acceleration) for Non-Employee Directors under the 2012 Equity Incentive Plan (incorporated by reference to Exhibit 10.8 to Everi Holdings' Current Report on Form 8-K filed with the SEC on May 10, 2016).
†10.28	Form of Stock Option Award (Performance-Based) (Double-Trigger Acceleration) for Executives under the 2012 Equity Incentive Plan (incorporated by reference to Exhibit 10.9 to Everi Holdings' Current Report on Form 8-K filed with the SEC on May 10, 2016).
†10.29	Form of Stock Option Award (Time-Based) (Double-Trigger Acceleration) for Non-Employee Directors under the 2012 Equity Incentive Plan (incorporated by reference to Exhibit 10.10 to Everi Holdings' Current Report on Form 8-K filed with the SEC on May 10, 2016).
†10.30	Form of Stock Option Award (Time-Based) (Double-Trigger Acceleration) for Executives under the 2012 Equity Incentive Plan (incorporated by reference to Exhibit 10.11 to Everi Holdings' Current Report on Form 8-K filed with the SEC on May 10, 2016).
†10.31	Form of Stock Option Award (Time-Based) (Double-Trigger Acceleration) for Employees under the 2012 Equity Incentive Plan (incorporated by reference to Exhibit 10.12 to Everi Holdings' Current Report on Form 8-K filed with the SEC on May 10, 2016).
†10.32	Amended and Restated Employment Agreement with Michael Rumbolz (effective May 5, 2017) (incorporated by reference to Exhibit 10.4 of Everi Holdings' Current Report on Form 8-K filed with the SEC on May 9, 2017).
†10.33	Notice of Grant of Stock Option with Michael Rumbolz, dated February 13, 2016 (incorporated by reference to Exhibit 10.1 of Everi Holdings' Current Report on Form 8-K filed with the SEC on February 16, 2016).
†10.34	Form of Notice of Stock Option Award and Stock Option Award Agreement for Michael Rumbolz (effective August 30, 2010) (incorporated by reference to Exhibit 10.3 of Everi Holdings' Current Report on Form 8-K filed with the SEC on September 2, 2010).
10.35	Second Amendment to Credit Agreement, dated May 17, 2018, among Everi FinTech, Everi Holdings, the subsidiary guarantors party thereto, the lenders party thereto and Jefferies Finance LLC, as administrative agent (incorporated by reference to Exhibit 10.1 of Everi Holdings' Current Report on Form 8-K filed with the SEC on May 17, 2018).
†10.36	First Amendment to Amended and Restated Employment Agreement with Michael Rumbolz (effective February 1, 2019) (incorporated by reference to Exhibit 10.40 of Everi Holdings' Annual Report on Form 10-K filed with the SEC on March 12, 2019).
†10.37	Notice of Grant of Restricted Stock Units (Time-Based) under the 2014 Equity Incentive Plan for Michael Rumbolz (effective February 1, 2019) (incorporated by reference to Exhibit 10.41 of Everi Holdings' Annual Report on Form 10-K filed with the SEC on March 12, 2019).
†10.38	Employment Agreement with Dean A. Ehrlich (effective January 1, 2017) (incorporated by reference to Exhibit 10.1 of Everi Holdings' Quarterly Report on Form 10-Q filed with the SEC on May 9, 2018).
†10.39	Form of Deferred Restricted Stock Units Agreement for Non-Employee Directors under the 2012 Equity Incentive Plan (incorporated by reference to Exhibit 10.2 to Everi Holdings' Quarterly Report on Form 10-Q filed with the SEC on August 7, 2018).
†10.40	Form of Notice of Grant of Deferred Restricted Stock Units for the Non-Employee Directors under the 2012 Equity Incentive Plan (incorporated by reference to Exhibit 10.3 to Everi Holdings' Quarterly Report on Form 10-Q filed with the SEC on August 7, 2018).
†10.41	Form of Deferred Restricted Stock Units Agreement for Non-Employee Directors under the 2014 Equity Incentive Plan (incorporated by reference to Exhibit 10.4 to Everi Holdings' Quarterly Report on Form 10-Q filed with the SEC on August 7, 2018).

Exhibit Number	Exhibit Description
†10.42	Form of Notice of Grant of Deferred Restricted Stock Units Agreement for Non-Employee Directors under the 2014 Equity Incentive Plan (incorporated by reference to Exhibit 10.5 to Everi Holdings' Quarterly Report on Form 10-Q filed with the SEC on August 7, 2018).
†10.43	Form of Restricted Stock Units Agreement under the 2014 Equity Incentive Plan (incorporated by reference to Exhibit 10.6 to Everi Holdings' Quarterly Report on Form 10-Q filed with the SEC on August 7, 2018).
†10.44	Form of Notice of Grant of Restricted Stock Units (Performance-Based) for Executives under the 2014 Equity Incentive Plan (incorporated by reference to Exhibit 10.7 to Everi Holdings' Quarterly Report on Form 10-Q filed with the SEC on August 7, 2018).
†10.45	Form of Notice of Grant of Restricted Stock Units (Time-Based) under the 2014 Equity Incentive Plan (incorporated by reference to Exhibit 10.8 to Everi Holdings' Quarterly Report on Form 10-Q filed with the SEC on August 7, 2018).
†10.46	Form of Notice of Grant of Restricted Stock Units (Time-Based) for Executives under the 2014 Equity Incentive Plan (incorporated by reference to Exhibit 10.9 to Everi Holdings' Quarterly Report on Form 10-Q filed with the SEC on August 7, 2018).
†10.47	Form of Indemnification Agreement between Everi Holdings and each of its executive officers and directors (incorporated by reference to Exhibit 10.2 of Everi Holdings' Quarterly Report on Form 10-Q filed with the SEC on May 7, 2019).
†10.48	Form of Notice of Grant of Restricted Stock Units (Performance-Based) for Executives under the Amended and Restated 2014 Equity Incentive Plan (incorporated by reference to Exhibit 10.1 to Everi Holdings' Quarterly Report on Form 10-Q filed with the SEC on August 6, 2019).
10.49	Third Amendment to Credit Agreement, dated December 12, 2019, among Everi FinTech, Everi Holdings, the subsidiary guarantors party thereto, the lenders party thereto and Jefferies Finance LLC, as administrative agent (incorporated by reference to Exhibit 1.1 of Everi Holdings' Current Report on Form 8-K filed with the SEC on December 17, 2019).
†10.50	Fourth Amendment to Credit Agreement, dated April 21, 2020, among Everi Payments Inc., as borrower, Everi Holdings Inc., as parent, the subsidiary guarantors party thereto, the lenders party thereto, and Jefferies Finance LLC, as administrative agent (incorporated by reference to Exhibit 10.1 of Everi Holdings' Current Report on Form 8-K filed with the SEC on April 21, 2020).
†10.51	Term Loan Credit Agreement, dated April 21, 2020, among Everi Payments Inc., as borrower, Everi Holdings Inc., as parent, the lenders party thereto, and Jefferies Finance LLC, as administrative agent and collateral agent (incorporated by reference to Exhibit 10.2 of Everi Holdings' Current Report on Form 8-K filed with the SEC on April 21, 2020).
†10.52	Form of Notice of Grant of Restricted Stock Units (Time-Based) for Cliff Vesting under the Amended and Restated 2014 Equity Incentive Plan (incorporated by reference to Exhibit 10.3 of Everi Holdings' Quarterly Report on Form 10-Q filed with the SEC on June 2, 2020).
†10.53	Form of Notice of Grant of Restricted Stock Units (Time-Based) for Cliff Vesting for Executives under the Amended and Restated 2014 Equity Incentive Plan (incorporated by reference to Exhibit 10.4 of Everi Holdings' Quarterly Report on Form 10-Q filed with the SEC on June 2, 2020).
†10.54	Form of Notice of Grant of Restricted Stock Units (Time-Based) for Executives under the Amended and Restated 2014 Equity Incentive Plan (incorporated by reference to Exhibit 10.5 of Everi Holdings' Quarterly Report on Form 10-Q filed with the SEC on June 2, 2020).
†10.55	Second Amendment to the Amended and Restated Employment Agreement with Michael D. Rumbolz (effective April 1, 2020) (incorporated by reference to Exhibit 10.6 of Everi Holdings' Quarterly Report on Form 10-Q filed with the SEC on June 2, 2020).

Exhibit Number	Exhibit Description
†10.56	Notice of Grant of Restricted Stock Units (Time-Based) under the Amended and Restated 2014 Equity Incentive Plan for Michael D. Rumbolz (effective April 1, 2020) (incorporated by reference to Exhibit 10.7 of Everi Holdings' Quarterly Report on Form 10-Q filed with the SEC on June 2, 2020).
†10.57	Amended and Restated Employment Agreement with Randy L. Taylor (effective April 1, 2020) (incorporated by reference to Exhibit 10.8 of Everi Holdings' Quarterly Report on Form 10-Q filed with the SEC on June 2, 2020).
†10.58	Notice of Grant of Restricted Stock Units (Time-Based) under the Amended and Restated 2014 Equity Incentive Plan for Randy L. Taylor (effective April 1, 2020) (incorporated by reference to Exhibit 10.9 of Everi Holdings' Quarterly Report on Form 10-Q filed with the SEC on June 2, 2020).
†10.59	Amended and Restated Employment Agreement with David J. Lucchese (effective April 1, 2020) (incorporated by reference to Exhibit 10.12 of Everi Holdings' Quarterly Report on Form 10-Q filed with the SEC on June 2, 2020).
†10.60	First Amendment to Employment Agreement with Dean A. Ehrlich (effective April 1, 2020) (incorporated by reference to Exhibit 10.13 of Everi Holdings' Quarterly Report on Form 10-Q filed with the SEC on June 2, 2020).
†10.61	Employment Agreement with Mark F. Labay (effective April 1, 2020) (incorporated by reference to Exhibit 10.14 of Everi Holdings' Quarterly Report on Form 10-Q filed with the SEC on June 2, 2020).
†10.62	Employment Agreement with Darren D.A. Simmons (effective January 1, 2019) (incorporated by reference to Exhibit 10.15 of Everi Holdings' Quarterly Report on Form 10-Q filed with the SEC on June 2, 2020).
†10.63	First Amendment to Employment Agreement with Darren D.A. Simmons (effective April 1, 2020) (incorporated by reference to Exhibit 10.16 of Everi Holdings' Quarterly Report on Form 10-Q filed with the SEC on June 2, 2020).
+10.64	First Amendment to Sponsorship Agreement (effective March 11, 2013) between Prosperity Bank, successor by merger to American State Bank, and Everi FinTech (incorporated by reference to Exhibit 10.60 of Everi Holdings' Annual Report on Form 10-K filed on March 15, 2021).
+10.65	Second Amendment to Sponsorship Agreement (effective September 10, 2013) between Prosperity Bank, successor by merger to American State Bank, and Everi Fin Tech (incorporated by reference to Exhibit 10.61 of Everi Holdings' Annual Report on Form 10-K filed on March 15, 2021).
10.66	Third Amendment to the Sponsorship Agreement (effective October 31, 2014) between Prosperity Bank, successor by merger to American State Bank, and Everi FinTech (incorporated by reference to Exhibit 10.62 of Everi Holdings' Annual Report on Form 10-K filed on March 15, 2021).
+10.67	Amended and Restated Agreement for Processing Services (effective July 1, 2020) by and between Cardtronics USA, as successor in interest to Columbus Data Services, LLC, and Everi FinTech (incorporated by reference to Exhibit 10.63 of Everi Holdings' Annual Report on Form 10-K filed on March 15, 2021).
†10.68	Executive Chairman Agreement with Michael D. Rumbolz (effective April 1, 2022) (incorporated by reference to Exhibit 10.68 of Everi Holdings' Annual Report on Form 10-K filed on March 1, 2022).
†10.69	Employment Agreement with Randy L. Taylor (effective April 1, 2022) (incorporated by reference to Exhibit 10.69 of Everi Holdings' Annual Report on Form 10-K filed on March 1, 2022).
10.70	Fourth Amendment to the Sponsorship Agreement (effective February 1, 2022) between Prosperity Bank, successor by merger to American State Bank, and Everi FinTech (incorporated by reference to Exhibit 10.70 of Everi Holdings' Annual Report on Form 10-K filed on March 1, 2023).

Exhibit Number	Exhibit Description
†10.71	Executive Chair Agreement with Michael D. Rumbolz (effective April 1, 2023) (incorporated by reference to Exhibit 10.1 of Everi Holdings' Current Report on Form 8-K filed with the SEC on April 3, 2023).
10.72	First Amendment to Credit Agreement, dated June 23, 2023, among Everi Holdings Inc., as borrower, and Jefferies Finance LLC, as administrative agent (incorporated by reference to Exhibit 10.1 of Everi Holdings' Current Report on Form 8-K filed with the SEC on June 29, 2023).
16.1	Letter to Securities and Exchange Commission from BDO, LLP, dated March 9, 2023 (incorporated by reference to Exhibit 16.1 of Everi Holdings' Current Report on Form 8-K (filed on March 9, 2023).
*21.1	Subsidiaries of Everi Holdings Inc.
*23.1	Consent of Ernst & Young, LLP
*23.2	Consent of BDO USA, LLP.
*24.1	Power of Attorney (included on signature page).
*31.1	Certification of Randy L. Taylor, President and Chief Executive Officer of Everi Holdings in accordance with Rules 13a-14(a) and 15d-14(a) of the Securities Exchange Act, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
*31.2	Certification of Mark F. Labay, Chief Financial Officer of Everi Holdings in accordance with Rules 13a-14(a) and 15d-14(a) of the Securities Exchange Act, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
**32.1	Certification of the Chief Executive Officer and Chief Financial Officer of Everi Holdings in accordance with 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
*97.1	Rule 10D-1 Claw Back Policy
*101.INS	XBRL Instance Document - this instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
*101.SCH	Inline XBRL Taxonomy Extension Schema Document.
*101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
*101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
*101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
*101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
*104	The cover page from the Company's Annual Report on Form 10-K for the year ended December 31, 2023, formatted in Inline XBRL (included as Exhibit 101).

* Filed herewith.

** Furnished herewith.

† Management contracts or compensatory plans or arrangements.

+ Portions of the exhibit have been omitted pursuant to the rules and regulations of the SEC.

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.

February 29, 2024 (Date)	EVERI HOLDINGS INC. (Registrant)
	By: <u>/s/ TODD A. VALLI</u>
	Todd A. Valli
	Senior Vice President, Corporate Finance and Tax & Chief Accounting Officer (For the Registrant and as Principal Accounting Officer)

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Randy L. Taylor, Mark F. Labay, and Todd A. Valli and each of them, his attorneys-in-fact, each with the power of substitution, for him in any and all capacities, to sign any amendments to this Annual Report on Form 10-K and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that each of said attorneys-in-fact, or his substitute or substitutes, may 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 date indicated.

Signature	Title	Date
<u>/s/ RANDY L. TAYLOR</u> Randy L. Taylor	President and Chief Executive Officer and Director (Principal Executive Officer)	February 29, 2024
<u>/s/ MARK F. LABAY</u> Mark F. Labay	Executive Vice President, Chief Financial Officer (Principal Financial Officer) and Treasurer	February 29, 2024
<u>/s/ TODD A. VALLI</u> Todd A. Valli	Senior Vice President, Chief Accounting Officer (Principal Accounting Officer)	February 29, 2024
<u>/s/ MICHAEL D. RUMBOLZ</u> Michael D. Rumbolz	Executive Chair of the Board Director	February 29, 2024
<u>/s/ ATUL BALI</u> Atul Bali	Lead Independent Director	February 29, 2024
<u>/s/ GEOFFREY P. JUDGE</u> Geoffrey P. Judge	Director	February 29, 2024
<u>/s/ LINSTER W. FOX</u> Linster W. Fox	Director	February 29, 2024
<u>/s/ MAUREEN T. MULLARKEY</u> Maureen T. Mullarkey	Director	February 29, 2024
<u>/s/ SECIL TABLI WATSON</u> Secil Tabli Watson	Director	February 29, 2024
<u>/s/ PAUL FINCH</u> Paul Finch	Director	February 29, 2024
<u>/s/ DEBRA L. NUTTON</u> Debra L. Nutton	Director	February 29, 2024

Corporate Headquarters

Everi Holdings Inc.
7250 South Tenaya Way, Suite 100
Las Vegas, NV 89113

Investor Contact

Jennifer Hills
Vice President, Investor Relations
+1 (702) 676-9513

Independent Public Accounting Firm

Ernst & Young LLP

Stock Exchange Listing

New York Stock Exchange
Trading Symbol: EVRI

Stock Transfer Agent

Broadridge Corporate Issuer Solutions
1155 Long Island Ave
Edgewood, NY 11717
<https://shareholder.broadridge.com/bcis/>

Thank you!



Excellence

EXCEED
EXPECTATIONS
AND BE BOLD

Integrity

ACT WITH
INTEGRITY

Collaboration

HARNESS THE
POWER OF
COLLABORATION

Fun

OUR GOAL IS FOR
OUR EMPLOYEES TO
HAVE FUN!

Inclusion

VALUE
EVERI-ONE



EVERI

