

**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, 2024

or

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ____ to ____

COMMISSION FILE NUMBER: 001-36689

INSPIRED ENTERTAINMENT, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

47-1025534

(I.R.S. Employer
Identification Number)

250 West 57th Street, Suite 415

New York, New York 10107

(646) 565-3861

(Address, including zip code, of principal executive offices
and telephone number, including area code)

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value \$0.0001 per share	INSE	The Nasdaq Stock Market LLC

Securities registered under Section 12(g) of the Exchange Act: None

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

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

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act 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 (Section 232.405 of the 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 type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" 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.

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

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

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

The aggregate market value of the registrant's common stock, other than shares held by persons who may be deemed to be affiliates of the registrant, computed by reference to the closing sales price for the registrant's common stock on June 30, 2024, the last business day of the registrant's most recently completed second fiscal quarter, as reported on the Nasdaq Capital Market, was approximately \$199.5 million. For the purpose of this disclosure, executive officers, directors and holders of 10% or more of the registrant's common stock are considered to be affiliates of the registrant.

As of March 26, 2025, there were 26,904,832 shares of the registrant's common stock, par value \$0.0001 per share, outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's proxy statement relating to the registrant's 2025 annual meeting of stockholders are incorporated by reference in Part III of this Annual Report on Form 10-K. The proxy statement will be filed with the Securities and Exchange Commission no later than 120 days after the conclusion of the registrant's fiscal year ended December 31, 2024. If such proxy statement is not filed on or before such date, the information called for by Part III will be filed as part of an amendment to this Annual Report on Form 10-K on or before such date.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements and other information set forth in this Annual Report on Form 10-K (this “Report”), including in Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere herein, may relate to future events and expectations, and as such constitute “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and Section 27A of the Securities Act of 1933, as amended (the “Securities Act”). Our forward-looking statements include, but are not limited to, statements regarding our business strategy, plans and objectives and our expected or contemplated future operations, results, financial condition, beliefs and intentions. In addition, any statements that refer to projections, forecasts or other characterizations or predictions of future events or circumstances, including any underlying assumptions on which such statements are expressly or implicitly based, are forward-looking statements. The words “anticipate,” “believe,” “continue,” “can,” “could,” “estimate,” “expect,” “intend,” “may,” “might,” “plan,” “possible,” “potential,” “predict,” “project,” “scheduled,” “seek,” “should,” “would” and similar expressions, among others, and negatives expressions including such words, may identify forward-looking statements.

Our forward-looking statements reflect our current expectations about our future results, performance, liquidity, financial condition, prospects and opportunities, and are based upon information currently available to us, our interpretation of what we believe to be significant factors affecting our business and many assumptions regarding future events. Actual results, performance, liquidity, financial condition, prospects and opportunities could differ materially from those expressed in, or implied by, our forward-looking statements. This could occur as a result of various risks and uncertainties, including the following:

- government regulation of our industries;
- our ability to compete effectively in our industries;
- the effect of evolving technologies on our business;
- our ability to renew long-term contracts and retain customers, and secure new contracts and customers;
- our ability to maintain relationships with suppliers;
- our ability to protect our intellectual property;
- our ability to protect our business against cybersecurity threats;
- our ability to successfully grow by acquisition as well as organically;
- fluctuations due to seasonality;
- our ability to attract and retain key members of our management team;
- our need for working capital;
- our ability to secure capital for growth and expansion;
- changing consumer, technology and other trends in our industries;
- our ability to successfully operate across multiple jurisdictions and markets around the world;
- changes in local, regional and global economic, regulatory and political conditions; and
- other factors described in the reports and documents we file from time to time with the U.S. Securities and Exchange Commission (the “SEC”).

In light of these risks and uncertainties, and others discussed in this report, there can be no assurance that any matters covered by our forward-looking statements will develop as predicted, expected or implied. Readers should not place undue reliance on any forward-looking statements. Except as expressly required by the federal securities laws, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, changed circumstances or any other reason. We advise you to carefully review the reports and documents we file from time to time with the SEC.

PART I

ITEM 1. BUSINESS.

Overview

Inspired Entertainment, Inc. (the “Company”, “Inspired”, “we” or “us”) is a global gaming technology company, supplying content, platform and other products and services to licensed online and land-based lottery, betting and gaming operators worldwide through a broad range of distribution channels, predominantly on a business-to-business basis. We provide end-to-end digital gaming solutions (i) on our own proprietary and secure network, which accommodates a wide range of devices, including land-based gaming machine terminals, mobile devices and online computer applications and (ii) through third party networks. Our content and other products can be found through the consumer-facing portals of our customers operating digital channels, and, in licensed betting offices, adult gaming centers, pubs, bingo halls, airports, motorway service areas and leisure parks for our customers operating land-based venues.

Our customer base includes licensed operators of lotteries, licensed sports bookmakers, gaming and bingo halls, casinos, online operators, adult gaming centers, pubs, holiday parks, and motorway service areas. Some of our key customers include William Hill, SNAI, Sisal, Betfred, Paddy Power, Betfair, Genting, bet365, Sky Bet, the Greek Organisation of Football Prognostics S.A. (OPAP), Entain, Draftkings, FanDuel, the Pennsylvania Lottery, Bourne Leisure, Greentube, Stonegate, Mitchells & Butler, Butlins, Moto, Welcome Break, Buzz Bingo, Mecca, Marstons, Greene King, JD Wetherspoon, Parkdean Resort, Centre Parcs Resorts, and Novomatic. Geographically, 73% of our revenue for the year ended December 31, 2024 was generated from our United Kingdom (“UK”) operations, with the remainder generated from Greece, North America and the rest of the world. Our products are designed to operate within applicable gaming, virtual sports and lottery regulations.

We conduct business across different jurisdictions, of which Great Britain, Italy and Greece have historically contributed the most significant recurring revenue. Since 2021, we have begun to conduct a meaningful amount of business in regulated North American markets and states. We are licensed or certified (as applicable) by the Gambling Commission in the UK, (the “UK Gambling Commission”), the Hellenic Gaming Commission in Greece, and registered with L’Agenzia delle Dogane e dei Monopoli (“ADM”) in Italy. We are licensed by regulators in other jurisdictions such as the Malta Gaming Authority (Malta), the Licensing Authority of Gibraltar (Gibraltar), the Alderney Gambling Control Commission (Channel Islands), the Belgian Kansspel Commissie (Belgium), Oficiul National pentru Jocuri de Noroc, Spelinspektionen (Romania), the Swedish Gaming Authority (Sweden) and we hold licenses with the U.S. states of Connecticut, Illinois, Michigan, Delaware, New Jersey, Oregon, Pennsylvania, and West Virginia, and the Canadian provinces of Alberta, Nova Scotia, Manitoba, Quebec, Ontario and Saskatchewan.

We are headquartered in the U.S., with principal operating facilities located in the UK and India. As of December 31, 2024, we had approximately 1,600 employees, approximately 1,420 of which were full-time. We generated total revenue of \$297.1 million and adjusted earnings before interest, taxes, depreciation and amortization (“Adjusted EBITDA”) of \$100.1 million for the year ended December 31, 2024.

The Company’s common stock is listed on the NASDAQ Capital Market under the symbol INSE. The Company had an equity market capitalization of approximately \$240.6 million as of December 31, 2024 (based upon a closing stock price of \$9.05 on December 31, 2024).

The Company uses the British Pound as its functional currency for reporting purposes. Our results are affected by changes in foreign currency exchange rates as a result of the translation of foreign functional currencies into our reporting currency and the re-measurement of foreign currency transactions and balances. The impact of foreign currency exchange rate fluctuations represents the difference between current rates and prior-period rates applied to current activity. The geographic region in which the largest portion of our business is operated is the UK and the British pound (“GBP”) is considered to be our functional currency. Our reporting currency is the U.S. dollar (“USD”). Our results are translated from our functional currency of GBP into the reporting currency of USD using average rates for profit and loss transactions and applicable spot rates for period-end balances. The effect of translating our functional currency into our reporting currency, as well as translating the results of foreign subsidiaries that have a different functional currency into our functional currency, is reported separately in Accumulated Other Comprehensive Income

Certain product and company names referred to herein are trademarks™ or registered® trademarks of their respective holders.

Our Products

We operate in four business segments: Gaming, Virtual Sports, Interactive and Leisure, as further described below.

Gaming Segment

Our Gaming segment supplies gaming terminals as well as gaming software and games for the terminals provided to Licensed Betting Offices (“LBOs”), casinos, gaming halls and adult gaming centers (“AGCs”). It supplies products and utilizes our Server Based Gaming (“SBG”) technology to supply gaming content to our customers’ global land-based gaming venues. SBG products offer an extensive portfolio of games through digital terminals. Our games are currently deployed through more than 34,000 terminals. Because our SBG products are fully digital, they interact with a central server and are provided on a “distributed” basis, which allows us to access a wide geographic footprint through the internet, the Company’s, and third parties’ proprietary networks.

Our SBG game portfolio includes a broad selection of popular omni-channel slots titles including Gold Cash Free Spins™, Big Fishing Fortune™, and the Reel King ® family of games, offering a premium player experience across multiple platforms. These games offer users a wide range of volatilities, return-to-player and other special features. We also offer a range of more traditional casino games through our SBG network, such as roulette, blackjack and numbers games.

We distribute games to devices through different game management systems (“GMS”), each tailored to a specific operator or sector. Our CORE™ GMS is designed for distributed street-gaming sectors and uses Inspired cabinets in combination with gaming content from Inspired, as well as a wide portfolio of content from independent game developers. CORE-CONNECT is our American Gaming Association G2S standard-based video lottery terminal (“VLT”) GMS, currently deployed in the Greek VLT sector and North America. Our SBG products comply with all requirements in the UK (B2/B3), Italy (6B), Greece (G2S) and Illinois (G2S).

Our SBG terminals in the UK account for a material portion of all SBG terminal placements, and we offer over 100 games for play across this portfolio. We are also a material supplier to customers in Greece and Italy. Over the past few years, we have grown our business in North America where we have sold products in Illinois, the Western Canada Lottery Corporation (“WCLC”) and Alberta Gaming Liquor & Cannabis Commission (“AGLC”). We offer SBG terminals such as the Flex4k curved screen, Vantage ®, Eclipse™, Valor™, Prismatic™ and Sabre Hydra™, each offering a different size terminal, graphics, technology and price proposition.

As of December 31, 2024, we had a total installed base of 34,900 gaming terminals, which were operated primarily under participation-based contracts. We generate revenue by participating, typically as a function of gross revenue from each machine, as a percentage of the revenue generated by these machines. Because we participate in our customers’ revenue under such contracts, we and our customers benefit from the introduction of our new content, which can drive growth for our installed base. Additionally, we earn revenue through the sale of terminal units, as well as receiving a fixed daily fee for some of our installed units. During 2024, we sold 3,091 units, which are down on last year by over 6,000 terminals due to the refresh of Vantage terminals into two of our major customers in the UK LBO sector in 2023. Of the 2024 sales, 67% were in the UK and 33% came from North America. With our participation-driven business model, approximately 96% of service revenue for our Gaming segment was recurring in nature in 2024 and derived under long-term contracts.

For the year ended December 31, 2024, our Gaming segment generated revenue and Adjusted EBITDA of \$110.6 million and \$45.3 million, respectively, as compared to the year ended December 31, 2023, during which we generated \$142.5 million and \$42.8 million in revenue and Adjusted EBITDA, respectively. Revenue in 2024 reduced versus prior year due to significant one-off low margin sales in 2023 of c.\$30.6 million. These sales related to approximately 6,400 LBO Vantage terminals which formed part of long-term contract renewals with Betfred and Paddy Power.

Virtual Sports Segment

Our Virtual Sports business designs, develops, markets and distributes games that create an always-on sports wagering experience in betting shops and other locations and online. Our Virtual Sports product comprises a complex software and networking package that provides fixed-odds wagering on an ultra-high definition, computer-rendered simulations of sporting events, such as soccer, football or basketball. This product enables players to place bets on simulated sporting events, without being bound to live event schedules. We have developed this technology using advanced motion capture techniques and a TV and film graphics team to create highly realistic simulations.

We believe we are among the most innovative suppliers of Virtual Sports gaming products worldwide. Our diverse portfolio of sports and numbers-based games is available in approximately 30,000 retail venues and through multiple online platforms. We have operations across 20+ gaming jurisdictions worldwide, including the UK, Italy, Greece, Turkey, Morocco, and the U.S.

Our Virtual Sports portfolio includes titles such as V-Play Soccer™, V-Play Women's Soccer™, V-Play Football™, V-Play Basketball™, and V-Play Baseball™, along with greyhound racing, horse racing, tennis, motor racing, cycling, cricket, speedway, golf and darts. Furthermore, we have licensing agreements for the use of sports brands, and associated marks or trade-dress archival footage, or a combination of the foregoing, including a partnership with the National Basketball Association ("NBA"), the National Hockey League ("NHL"), Major League Baseball Players Alumni Association ("MLBPAA") and, pursuant to our licensing arrangements with Aristocrat Gaming, the National Football League ("NFL").

Our customers include some of the largest operators in lottery, gaming and sports betting globally. We are contracted to supply Virtual Sports to mobile and online operators across key regulated markets, including the United Kingdom; the U.S. states of Nevada, Pennsylvania, New Jersey, and the District of Columbia; Gibraltar and other regulated markets in Europe, including Italy, Greece and Poland. We also supply customers based in Ontario, Turkey and Morocco. Our technology is adaptable to sports betting, lottery, and gaming environments, making it accessible to a wide range of customers in both public and private sectors.

Our Virtual Sports events are available to millions of customers worldwide, through retail, online and mobile platforms, many of which are available 24/7. We offer multiple hosting solutions tailored to customer needs, including our proprietary Virtual Plug and Play ("VPP") turnkey solution for online and mobile platforms. Additionally, our cloud-based XML sportsbook integration enables fully hosted and managed Virtual Sports solutions for customers seeking seamless product delivery.

Our Virtual Sports products are typically offered to operators on a participation-based revenue model, where we receive a share of the gaming revenue generated, along with an upfront software licensing fee, hosting fees, or a combination of the foregoing. Due to this recurring revenue model, approximately 97% of the total Virtual Sports segment revenue is generated under long to medium-term contracts, with a standard contract duration of three years.

For the year ended December 31, 2024, our Virtual Sports segment generated revenue and Adjusted EBITDA of \$45.4 million and \$36.0 million, respectively, as compared to the year ended December 31, 2023, during which we generated \$56.2 million and \$47.6 million in revenue and Adjusted EBITDA, respectively. Revenue in 2024 compared to the prior year is primarily affected by our exposure to a single customer in a particular geography, where revenues have consistently declined throughout the year. This decline is mainly due to the customer pulling back on promotions with virtual sports customers. However, we anticipate this trend will improve as we diversify our customer base, market reach and expand our delivery channels, with several opportunities in the pipeline. During 2024 we consolidated the Virtual Sports product and technical function, that had previously been separate, into the company-wide product and technical group to enhance our ability to take advantage of these opportunities.

Interactive Segment

Our Interactive business uses unique interactive-only content as well as offerings from our Gaming and Virtual Sports segments to create games that are hosted on remote gaming servers. This allows online gaming operators to use our games and content online and on mobile devices worldwide.

Our interactive content includes a wide range of random number generated casino content from feature-rich bonus games to European-style casino free spins and table games incorporating well-known first and third-party brands including Space Invaders®, 20p Roulette™, Super Hot Fruits® and Reel King Megaways™. Inspired releases several new titles per month and new games can be seamlessly deployed to the full estate of operators and aggregators through its proprietary Virgo RGS™. Games are available on over 300 websites across much of regulated Europe and North American territories in the form of New Jersey, Michigan, Pennsylvania, Connecticut, Alberta, Ontario and Quebec. Other prominent territories the segment operates in outside of these include the markets of Brazil and Mexico.

Inspired's Virgo Remote Gaming System ("RGS™") is integrated with a number of leading casino brands, including William Hill, Entain, bet365, Flutter, 888, Kindred, Gamesys, Betfred, Rank, Leo Vegas, OPAP, Kaizen, Betano and Stoiximan. We are also live with a number of notable North American operators: Bet MGM, Draft Kings, Caesars, FanDuel, Rush Street Interactive, Golden Nugget and Loto Quebec in Canada.

We have launched our Hybrid Dealer® product which is a new product category for the segment and offers players branded casino and gameshow content without the challenges associated with live-dealer products. This product category was live with BetMGM in 2024, and there is a clear expansion plan as we enter 2025 to roll the product out to an increased number of the Inspired customer base.

Our Interactive products are typically offered to operators on a participation basis, whereby we typically receive a percentage of net gaming revenue generated by the interactive content. For the year ended December 31, 2024, our Interactive segment generated revenue and Adjusted EBITDA of \$39.3 million and \$25.6 million, respectively, as compared to the year ended December 31, 2023, during which we generated revenue and Adjusted EBITDA of \$27.9 million and \$15.4 million, respectively. With our participation-driven business model, approximately 100% of revenue for our Interactive segment is recurring in nature and derived under long-term contracts for which our standard term is three years in duration. We have successfully renewed all of our key Interactive contracts expiring over the last three years. EBITDA margins in this segment remain steady and growing due to the low variable costs we expect to incur on incremental revenue, versus our existing base of revenue, but with additional pressures due to new taxes levied in newly regulated markets such as Brazil, where taxes on gross gaming revenue came into force on January 1, 2025 together with withholding taxes on revenue due to licensees being based locally, or in more mature markets such as UK where mandatory levies based on a gross gambling yield (“GGY”) have been introduced as contributions towards the study, prevention and treatment of gambling related harm and/or other measures are to be introduced such as online stake limits.

Leisure Segment

We are a supplier of gaming terminals and amusement machines to the Leisure and Hospitality sectors and are one of the largest operators of “pay to play” gaming terminals and amusement machines in the UK. As of December 31, 2024, we supplied and operated over 10,000 gaming terminals and 3,500 pool tables, prize vending and jukeboxes located in pubs, bingo halls, and adult gaming centers. We also service approximately 2,800 gaming terminals under maintenance only contracts. The increasing majority of gaming terminals we operate are server based, allowing us to distribute content supplied by our “in house” design studios as well as some of the most popular content titles from our strategic partners.

In addition, we also supply and operate approximately 8,000 amusement machines and 1,400 gaming terminals in family entertainment centers and adult gaming centers located in holiday parks, bowling centers and other entertainment venues. These include virtual reality simulators and arcade games, redemption and skill with prize games, basketball, air hockey and cue sports. Commercial arrangements are typically structured as either revenue participation or rental agreements.

Our customers in this segment include large pub operators JD Wetherspoons, Stonegate Pub Company, Greene King, Mitchells and Butler, Whitbread Marstons and Admiral Taverns. In the Bingo sector, we supply gaming terminals and services to Buzz Bingo and Mecca. We supply gaming terminals and services to transport hub operators, Moto and Welcome Break and major airports, including Heathrow. We also operate our own adult gaming centers under the Quicksilver™ brand in Extra Motorway Services. We have joint venture agreements with holiday park operators including Parkdean Resorts, Bourne Leisure (Haven), Butlins and Cove, where we supply machines and trained staff to manage and operate family entertainment centers.

Overall, our Leisure segment had, as of December 31, 2024, an installed base of over 10,000 gaming terminals, which were operated primarily under participation-based contracts. We generate revenue by participating, typically as a function of gross revenue from each machine, in a percentage of volumes generated by these machines. Because we participate in our customers’ revenue under such contracts, we are aligned with our customers in benefiting from the introduction of our new content, which can drive growth in the win per unit per day of our installed base. Additionally, we earn revenue through the sale of units, as well as a fixed daily fee for certain of our installed units. With our participation-driven business model, approximately 97% of revenue for our Leisure segment is recurring in nature and derived under long-term contracts. We installed over six hundred Vantage Cat C cabinets to our Pubs estate during the year and we have successfully renewed or extended contracts with Moto Hospitality, Park Dean Resorts, Buzz Bingo and Mecca Bingo.

For the year ended December 31, 2024, our Leisure segment generated revenue and Adjusted EBITDA of \$101.8 million and \$23.3 million respectively, as compared to the year ended December 31, 2023, during which we generated revenue and Adjusted EBITDA of \$96.3 million and \$19.4 million, respectively.

Our Strengths

We believe key factors that give us an advantage in the gaming technology space include:

Established presence across multiple Product Verticals

We have a substantial installed base, including over 32,000 digital terminals in the Gaming segment located across key jurisdictions in the UK, Greece and Italy, with approximately 12,800 terminals installed in UK Licensed Betting Offices and approximately 8,700 terminals installed in Greek venues. In our Leisure segment, we supply and operate an installed base of approximately 11,000 gaming terminals (including approximately 2,800 gaming terminals under maintenance only contracts) and 4,500 pool tables, prize vending and jukeboxes to pubs, bingo halls and adult gaming centers. In addition, we also supply and operate approximately 9,500 amusement machines and 2,200 gaming terminals in family entertainment centers located in holiday parks, bowling centers and other entertainment venues. We have content and products in our Virtual Sports segment, which offers a wide range of sports and numbers games through approximately 32,000 retail venues as well as through various online channels. Our Virtual Sports gaming products are available in approximately 32 gaming jurisdictions worldwide, including the UK, Italy, Greece, Morocco and the U.S., our customers being many of the largest operators of lottery, gaming, and betting operations worldwide. Additionally, our Interactive segment provides a wide range of iGaming content to large operators primarily marketing to customers located in the UK, Italy, Greece and North America, as well as several other regulated countries across Europe through over approximately 250 websites.

Highly Diversified Business Underpinned by Longstanding Customer Relationships

We operate in several business segments and geographic locations that provide a diversified revenue and cash flow stream that has proven to be resilient under various economic environments. While our Gaming segment has represented the largest proportion of our revenue in each of the last three years, our Interactive segment represents substantial growth opportunities in the digital and retail space, which is expected to continue to diversify our business, together with Virtual Sports in Latin America. Additionally, we continue to expand in high growth markets, such as North America, which are expected to drive further geographic diversification across business segments. We have over 700 customers, including major lottery, sports betting and gaming operators (both interactive and location-based) within regulated sectors worldwide. Many of our customer relationships in the UK and European sectors are long-standing and in excess of 10 years. We expect that our diverse customer base will afford us opportunities to sell incremental products to certain of these customers in the future.

Substantial Recurring Revenue Supported by Long-Term Participation-Based Contracts

We believe our robust recurring revenue business model will drive our performance and free cash flow generation. For the year ended December 31, 2024, our recurring revenue, which included revenue generated from participation-based contracts and licensing arrangements, represented 86% of total revenue, as compared to approximately 79% of total revenue for the year ended December 31, 2023. Our content and products, which are provided primarily pursuant to long-term contracts, are essential to generating revenue for our customers and satisfying the demand of our end users. Our long-term contracts typically have an initial duration of three to five years depending on the business segment and the customer and, over the last three years, we have successfully renewed the significant majority of expiring contracts with key customers in our Gaming, Virtual Sports, Interactive and Leisure segments.

Proprietary Technology and Track-Record of Strong Content Development

We are dedicated to being at the forefront of our industry in terms of technology and innovation. We combine complementary expertise in technology and operations, positioning us as a provider of superior content and technical solutions. As of December 31, 2024, we held approximately 25 patents or patent applications and approximately 300 trademarks worldwide. We focus our product development efforts on emerging content and technology trends, utilizing a combination of customer research, design experience and engineering excellence. We are committed to developing innovative products for our customers and are focused on improving player entertainment and customer profitability.

We believe convergence trends in the gaming industry emphasize the importance of proprietary content, including licensed content. Such content is needed to successfully promote a compelling game offering across multiple platforms and to develop distinctive products for operator-clients. Our proprietary content drives engagement across gaming platforms. Our full suite of high-quality gaming products, services and multichannel distribution capabilities, extensive traditional content library, sizeable installed gaming machine base and deep relationships with operator-customers help make us an attractive partner for potential licensors of branded content.

Our Interactive business has expanded rapidly, with revenue growing at an approximate compound annual growth rate of 53% on a functional currency at constant rate basis between 2019 and 2024. We believe this growth has been driven, in part, by our content library of over 100 slot games. Many of our recent game launches, including Gold Cash Free Spins™, Big Fishing Fortune™, and the Reel King ® family of games, have been omni-channel, offering a premium player experience across multiple platforms – though, unlike our older games, they originated online and, once proved successful, were migrated to retail platforms.

Our Virtual Sports products offer a wide range of betting markets and what we consider to be superior graphics. Our Virtual Sports revenue has achieved high EBITDA margins, while providing an attractive recurring revenue base.

Positioned To Benefit From Key Market Trends

With our proprietary digital gaming platform and content comprising an end-to-end product offering and our multi-channel capabilities and robust relationships across the client spectrum, we believe we are well-positioned to benefit from emerging gaming sector trends, including growth stimulated by liberalization of government gaming regulations, the emergence of multi-channel offerings and the increasing importance of proprietary content.

Our multi-channel offerings are well-positioned to benefit from the prevalence of smart phones and tablets and the legalization of online gaming in certain parts of the United States, Canada, Brazil, LATAM more generally and other jurisdictions. Such jurisdictions have provided new growth opportunities for gaming, interactive, sports and lottery operators through the introduction of new channels and portals for delivering games and content to customers. This supplements the existing broad-based online gambling market across Europe. Our multi-channel solutions and customer relationship management capabilities position us to take advantage of new opportunities to extend our gaming solutions across different channels for our customers to reach new players, expand the player demographic base and access players wherever they are whenever they want to play. Our technology extends engagement for existing players and has the capability to reach new player segments. This and other technology help position us for future online real-money gaming opportunities by offering play-for-fun online gaming options in jurisdictions where online real-money gaming may be legalized in the future.

Government initiatives, such as the legalization of casino operations in new jurisdictions, increases in the number of casinos allowed to operate in a given jurisdiction and the legalization of new products, have helped stimulate growth in the gaming market. In the United States, legislative change has led to an increase in the legalization of sports betting or online gaming. As of December 31, 2024 online casinos are legal in eight (8) states after Rhode Island went live on March 5, 2024 and several other states have proposed bills for regulation.

Experienced Management Team

Our seasoned management team is led by our Executive Chairman, Lorne Weil, who is known as a gaming industry innovator and whose past leadership includes growing a diversified global gaming technology company both organically and through extensive acquisitions and joint ventures further bolstering the business. In addition to Mr. Weil, who is our principal executive officer, our management team includes Brooks H. Pierce, our President and Chief Executive Officer; James Richardson, our Chief Financial Officer; and Simona Camilleri, our Executive Vice President and General Counsel. The current structure replaces our prior Office of the Executive Chairman. Our management team has broad and deep experience in the gaming industry, working with lotteries, casino operators, betting and gaming platforms, content suppliers and online operators. The members of the management team between them have decades of experience in the gaming industry, including relationships with suppliers and customers around the world, helping them build and sustain revenue growth and achieve strategic objectives.

Our Strategy

We seek to deliver innovative and differentiated products that provide value to our customers and exciting experiences to their players in multiple jurisdictions throughout the world while achieving long-term growth in revenue, profit and cash flow. We place great emphasis on developing creative and wide-ranging solutions, in terms of digital content and play that deliver and sustain superior performance through operators across online, mobile and location-based channels. Our technology often allows us to update our games and operating software remotely, keeping pace with evolving customer and regulatory requirements affecting game software, security, features, reporting, interoperability and in-built technology. We seek to achieve these goals as we:

Extend our positions in each of the sectors in which we operate by developing new content and products which can often be utilized across multiple distribution channels.

We continually invest in new content and product development and delivery channels in each of the business segments in which we operate, believing these to benefit our existing and prospective customers. Our approach seeks to distribute our content across a wide range of channels, sectors, protocols and regulatory standards, on a cost-efficient basis. We have continued to focus on channels where we believe there is considerable growth available – especially in our digital businesses. We believe our technological approach allows us to quickly adapt to changes in player preferences and trends, and to comply with applicable laws.

Continue to invest in content, technology and delivery channels in order to grow our existing customers' revenue and penetrate new customers in our existing markets.

Over the last few years, a substantial portion of our annual revenue has been recurring and based on long-term contracts with customers, where our revenue typically grows in line with the growth of our customers' gaming revenue from our content and products. We seek to work closely with our customers to assist in the optimization of their operations so they can achieve growth in their revenue generated by our content and products, which we believe is to our benefit. Accordingly, we continually invest in new content and technology offerings that permit our customers to keep their offerings fresh, offering their players new forms of entertainment. As our content demonstrates successful commercial results, we seek to place it with additional customers who may recognize its value and performance. We believe content development is a key aspect of our overall strategy and we intend to continue this strategic priority for each of the business segments in which we operate.

Add new customers, or extend our collaboration with existing customers, by expanding into new markets.

We believe our historical growth has been driven by our entry into new geographies and supplemented by increasing our share in existing markets. We expect to continue to focus on North and South American markets in the Gaming, Virtual Sports, Lottery and Interactive segments where room for such expansion may exist and where regulations allow. We believe North America is a valuable gaming market in which we currently have more limited participation and a lower market share, but where we expect our products can be positioned for future success. Effective January 1, 2025, Brazil has launched its newly regulated market and we believe that we are well-positioned to continue to pursue our strategy there including the roll out of localized content offerings in Hybrid Dealer, Interactive and Virtual Sports segments in Brazil, and other segments should these become regulated. We also believe there may be further growth opportunities in Latin America which will be available to us in the future, as new regulations permit.

Pursue targeted mergers and acquisitions to expand our product portfolio and distribution footprint.

In addition to growing our business organically, we have pursued, and continue to pursue, merger and acquisition opportunities that we believe will help strengthen and scale our operations and take further advantage of our competitive position. Our management team shares a combination of operating, investing, financial and transactional experience that we believe will serve the Company well as it seeks to identify opportunities for value-adding acquisitions to negotiate and close on potential acquisition transactions.

Industry Overview

We operate within the global gaming and lottery industry. Global gaming and lottery growth has been resilient in the face of economic cycles over the last decade. According to the H2 Database, the global gaming and lottery industry has grown at an estimated 4% compounded annual growth rate from 2014 to 2024.

During this period, the digital online and mobile gaming and lottery sectors have grown at a faster pace than the industry as a whole. According to the H2 Database, these industry sectors have grown at an estimated 17% compounded annual growth rate from 2014 to 2024, driven by rapid growth in the deployment of digital games and technologies, including many of our products, into land-based venues in the primary sectors in which we operate, where regulators have supported the transition to digital, online and retail channels. According to the H2 Database, the total global gaming and lottery industry is projected to grow an average of 6% per year from 2024 to 2029 driven by the projected growth in mobile and online gaming.

As a gaming and lottery business-to-business supplier focused on digital products and technologies, we believe we are well positioned to benefit from the broader global digital and mobile trends further described below.

Influencers of Digital Adoption

We believe the digital segment of the global gaming and lottery industry will continue to grow, including as a result of the following factors:

Governments: Opening of new gaming territories. Many national and state governments operating in developed economies in Europe, LATAM and North America are suffering from structural funding deficits in a post – COVID environment or dealing with a large influx of unregulated gaming offerings usually offered through offshore and remote means. The regulation and taxation of gaming and lottery may be relied upon to raise new sources of revenue for these governments. In some cases, liberalization may favor buildouts of large new destination resort casinos, but in others, regulation may rather focus on smaller distributed gaming (“EDGE”) venues with lottery, gaming and sports betting, combined with remote gaming.

Digital Multi-Channel Offerings: Replacement of legacy analog machines with larger volume of smart digital devices, both interactive and location based. As existing gaming sectors mature, governments and regulatory authorities have implemented regulations to upgrade the established terminal base to digital operation.

Smartphones and Mobile Devices: Rapid adoption of gaming and lottery applications on growing volume focus on smaller distributed gaming (“EDGE”) venues with lottery, gaming and sports betting, combined with online or mobile gaming and betting.

In certain sectors, mobile play on sports betting and gaming now exceeds such play on personal computers. According to the H2 Database, mobile gaming revenue in such sectors exhibited a 27.0% compound annual growth rate between 2010 and 2021. Mobile gaming and lottery are now expanding in other sectors, and mobile play has recently been approved in other sectors for gaming or lottery.

We believe there are significant benefits for our customers in adopting digitally networked gaming and lottery technologies. We believe our digitally-enabled products allow operators to remotely manage their operations with minimal disruption to their businesses. The system centralization enabled by digital operations offers flexibility to rotate or change games, tailor game availability to time-of-day, target specific player demographics and take advantage of seasonal and themed marketing opportunities. New games often can be phased in without the interim revenue declines often associated with replacing games on traditional lottery terminals or slot machines. In addition, digital operations permit more games per terminal, enabling operators to test new games and new suppliers, seek to appeal to a broader base of players with minimal cost or risk, commission games from third-party suppliers on an open game interface and reduce procurement risk. Moreover, digital operations can significantly reduce the need for on-site repairs, improve terminal up-time and should extend terminal life cycles as well as the time period over which capital costs can be depreciated.

Regulatory Framework

We conduct business in a number of different jurisdictions, of which Great Britain, Italy and Greece have historically contributed the most significant recurring revenue. The gaming regulator responsible for our activities in Great Britain is the Gambling Commission. In Italy, the operation of gaming machines and remote gaming is regulated by L'Agenzia delle dogane e dei Monopoli ("ADM"). In Greece, the operation of gaming machines and remote gaming is regulated by the Hellenic Gaming Commission. In addition, we are licensed or certified (as applicable) in a number of other jurisdictions by regulators such as the Malta Gaming Authority, His Majesty's Government Gibraltar, the Alderney Gambling Control Commission, the Belgian Kansspel Commissie, Romania – Oficiul National pentru Jocuri de Noroc, Autorité Des Marchés Financiers (Quebec), Nova Scotia Alcohol, Gaming, Fuel and Tomabbo Division, Saskatchewan Liquor and Gaming Authority, Alcohol and Gaming Commission (Ontario), Ministerio de Comercio Exterior y Turismo (MINCETEUR) in Peru and state regulators in various jurisdictions in North America such as New Jersey, Pennsylvania, Michigan, Illinois and others.

Great Britain

In the British sector, we supply and distribute Category B3 gaming machines (with maximum betting stakes for players of £2), Category C gaming machines, Category D gaming machines and ETG machines to third parties who are licensed to operate such machines in bricks-and-mortar premises. In addition, we operate a number of Adult Entertainment Centers. We also supply virtual sports software to local retail venues and to online operators who are licensed to target the British sector. We also supply our Interactive product to remote operators who are licensed to target the British sector. The provision of our products and services in relation to the British sector is authorized by a multi-category operating license issued by the UK Gambling Commission, namely remote and non-remote Gaming Machine Technical (Full) operating licenses, a remote casino operating license, a remote and non-remote gambling software license and a remote general betting standard (virtual events) license gaming machine general adult gaming center license and a gaming machine general family entertainment center license.

British Betting and Gaming Laws and Regulations. The Gambling Act 2005 (the "GA05") is the principal legislation in Great Britain governing gambling (other than in relation to the National Lottery, which is governed by separate legislation). The GA05 applies to both land-based gambling (referred to as "non-remote" gambling) and online and mobile gambling (referred to as "remote" gambling).

The GA05 provides that it is an offense to make a gaming machine available for use without an appropriate operating license. There are a number of different categories of licensable gaming machines (the GA05 provides for category A to D machines, although no category A machines are currently in operation); each category is subject to different levels of maximum stakes and prize limits. In addition, there are limits on the numbers and types of gaming machines that can be operated from licensed premises: for example, a licensed betting office is permitted to house up to four category B3 to D machines, while a large casino may house up to 150 category B to D machines (subject to satisfying certain ratios of machines to gaming tables).

Gaming machine suppliers are required to hold an operating license in order to manufacture, supply, install, adapt, maintain or repair a gaming machine or part of a gaming machine. Gaming machine suppliers must also comply with the Gaming Machine Technical Standards published by the Gambling Commission in relation to each category of machine, and such machines must meet the appropriate testing requirements.

In relation to remote gambling, the GA05 (as amended by the Gambling (Licensing and Advertising) Act 2014) provides that it is an offense to "provide facilities" for remote gambling either (a) using "remote gambling equipment" situated in Great Britain, or (b) which are used by players situated in Great Britain, in each case without a remote gambling operating license. It is also an offense to manufacture, supply, install or adapt gambling software in Great Britain without an appropriate gambling software license.

A remote gambling operating license holder providing facilities for remote gambling to British players is required to use gambling software manufactured and supplied by the holder of a gambling software license (and failure to do so is an offence). Where gambling software is used or supplied for use in relation to the British sector, it must satisfy the Remote Gambling and Software Technical Standards published by the Gambling Commission.

The holder of a British gambling operating license is subject to a variety of ongoing regulatory requirements, including, but not limited to, the following:

- Shareholder disclosure: An entity holding a gambling license must notify the Gambling Commission of the identity of any shareholder holding 3% or more of the equity or voting rights in the entity (whether held or controlled either directly or indirectly).
- Change of corporate control: Whenever a new person becomes a “controller” (as defined in section 422 of the Financial Services and Markets Act 2000) of a company limited by shares that holds a gambling operating license, the licensed entity must apply to the Gambling Commission for permission to continue to rely on its operating license in light of the new controller. A new controller includes any person who holds or controls (directly or indirectly, including ultimate beneficial owners who hold their interest through a chain of ownership) 10% or more of the equity or voting rights in the licensed entity (or who is otherwise able to exercise “significant influence” over it). The Gambling Commission must be supplied with specified information regarding the new controller (which, in the case of an individual, includes detailed personal disclosure) and this information will be reviewed by the Gambling Commission to assess the suitability of the new controller to be associated with a licensed entity. If the Gambling Commission concludes that it would not have issued the operating license to the licensed entity had the new controller been a controller when the application for the operating license was made, the Gambling Commission is required to revoke the operating license. It is possible to apply for approval in advance from the Gambling Commission prior to becoming a new controller of a licensed entity.
- Compliance with the License Conditions and Codes of Practice (LCCP): The LCCP is a suite of license conditions and code provisions which attach to operating licenses issued by the Gambling Commission. The provision of gambling facilities in breach of a license condition is an offense under the GA05. Certain specified “Social Responsibility” code provisions are accorded the same weight as license conditions in this regard (whereas breach of an “ordinary” code provision is not an offense in itself, but may be evidence of unsuitability to continue to hold a gambling license). The LCCP imposes numerous operational requirements on licensees, including compliance with the Gambling Commission’s Remote Gambling and Software Technical Standards, segregation of customer funds, the implementation of a variety of social responsibility tools (such as self-exclusion), anti-money laundering measures, age verification of customers and a host of consumer protection measures. The Gambling Commission regularly reviews and revises the LCCP with the most recent proposals expected to come into effect on 28 February 2025 (Financial vulnerability checks) and 1 May 2025 (Improving customer choice on direct marketing).
- Regulatory returns and reporting of key events: The LCCP requires licensees to submit quarterly returns to the Gambling Commission detailing prescribed operational data to ensure licensees are within correct fee categories and also to provide vital information regarding the UK market to enable the UK Gambling Commission to regulate effectively and publish industry statistics. Licensees are also required to notify the Gambling Commission as soon as practicable and in any event within 5 working days of becoming aware of the occurrence of certain specified “key events” which, in summary, are events which could have a significant impact on the nature or structure of the licensee’s business. Licensees are also required to notify suspicion of offenses and suspicious gambling activity.
- Personal licenses: Key management personnel are required to maintain personal licenses authorizing them to discharge certain responsibilities on behalf of the operator. These personal licenses are subject to renewal every five years. Personal licenses are subject to compliance with certain license conditions.

Italy

We operate two different gaming businesses in Italy. We provide platform and games for video lottery terminals and we also supply platforms for bets on Virtual Sports events to betting shops and online platforms. Our businesses are operated through the Italian branches of certain of our UK subsidiaries. These branches hold police licenses and are enrolled in the ADM Register of Gestori, as further described below. We supply our platform and games and Virtual Sports products only to operators licensed under Italian gaming laws and regulations.

Our VLT and Virtual Sports platforms must be connected over the internet to servers operated by the ADM. Information regarding gaming sessions and the amounts wagered and won is provided in real time through the ADM servers, in order to enable the ADM to monitor the operation of machines and games and to verify the amount of taxes due.

Italian Betting and Gaming Laws and Regulations. Operators of betting premises offering VLTs (including the entities managing the networks connecting such VLTs to ADM servers), and operators of betting premises or online platforms offering Virtual Sports products, must hold an Italian gaming license while operators of gaming halls where VLTs are located operate do not need a gaming license. No gaming license is required in order to supply VLTs or Virtual Sports products to such operators. Such VLT platforms, machines and games, and Virtual Sports platforms and games, must be certified and approved by either SOGEI, an entity controlled by the Italian Ministry of Finance and authorized to conduct such certifications or testing labs accredited with ADM. Such certifications and approvals must be obtained by such operators, rather than the suppliers of such VLT platforms, machines and games, and Virtual Sports platforms and games.

Suppliers of gaming machines, including VLTs, must hold a police license (as prescribed by article 86, paragraph 3, of the Italian United Text of Public Security Law provided by the Royal Decree 18 June 1931, No. 773) and be enrolled in a registry prescribed by article 1, paragraph 82 of Law No. 220/2010 and managed by ADM (known as the “ADM Register of Gestori”). If a supplier of gaming machines is not enrolled in the ADM Register of Gestori, any agreement it enters into regarding the supply of gaming machines is null and void. In addition, if the enrollment is not renewed, existing agreements regarding the supply of gaming machines become null and void. Enrollment in the ADM Register of Gestori is subject to, among other things, a review of the suitability of the applicant business entity and its directors. In the event of a change of control of the entity enrolled in the ADM Register of Gestori (but not of such entity’s direct or indirect parent entities), the details of such change must be notified to the ADM and suitability must be reconfirmed.

Suppliers of Virtual Sports products are not required to hold a police license, be enrolled in the Register of Gestori or otherwise be licensed or registered.

Greece

In Greece, we supply VLTs, including the terminal machines themselves, the related online platforms and the games available on the machines, to brick-and-mortar gaming locations operated by OPAP, the country’s sole licensed operator of gaming machines. We supply such VLTs under a certification provided by the Hellenic Gaming Commission. We also supply Virtual Sports products within retail venues operated by OPAP and via self-service betting terminals within OPAP venues and supply interactive games and Virtual Sports to online operators in Greece including Stoiximan, OPAP and Novibet.

Greek Betting and Gaming Laws and Regulations: According to Article 44 par. 2 of Law 4002/2011, as well as according to HGC’s Decision No 225/2/25.10.2016 as well as Ministerial Decision 79314/23.07.2020 (GG B’ 3263/5 August 2020) as amended with Decision 13530 /02.02.2022 (GG B’ 356 03.02.2022) and again with Decision 187634/27.12.2022 (GG B’ 6716/2712.2022) and 79305/05.08.2020 (GG B’ 3262/5 August 2020), all suppliers of gaming machines in Greece must be certified by the HGC in order to legally supply, sell, lease, offer or distribute any VLT or virtual game or any other game of chance (i.e. games including wagers or bets and the result of which games depends, even partly, on the influence of luck). Moreover, for Manufacturers which are defined under the aforesaid Decision 79305 as “the person or entity which manufactures (indicatively, studies, designs, assembles, produces, programs) and in any way makes available to an Operator and/or Importer any Technical Means and Hardware, and has received a Suitability License by the HGC to this end, as well as the person that holds a license for a Studio”, Decision 79305, provides in Article 9 for a Suitability License provided a Manufacturers (type A.1 license) and in Article 10 to Importers/Distributors (type E1 and E2) Accordingly, manufacturers need to obtain a Suitability License Type A1, while importers/distributors need to obtain a Suitability License Type E1 or E2.

As regards online gaming, Articles 45 -52 of Law 4002/2011 (GG A’ 180/22.8.2011), which was recently amended by Law 4635/2019 (GG A’ 167/30.10.2019), introduces several new provisions such as the two exclusive types of online licenses for online gaming operators: a) Online Betting License; and b) a license for Other Online Games (it covers online casino games and online poker games and variants thereof). Furthermore, Article 14 of the HGC’s Decision No 79835/05.08.2020 (GG B’ 3265/5.8.2020) states that all Manufacturers have to submit an application to the HGC, accompanied by the required compliance certificates, for the following elements: i. the Gaming Platform (Betting Platform); ii. the Random Number Generator (RNG) per type/group of Games that the Manufacturer offer to each License Holder; and iii. each individual game or multigame. Lastly, Suitability Licenses for suppliers are also divided into two types: a) Manufacturers Suitability License and b) Importers/Distributors Suitability License (according to articles 9 and 10 of Decision No 79305/05.08.2020). Accordingly, manufacturers need to obtain a Suitability License Type A1 or A2 (depending on whether the manufacturer provides management services to the operator or not), while importers/distributors need to obtain a Suitability License Type E1 or E2.

Gaming Regulation and Changes in Ownership

In a number of the jurisdictions in which we are subject to gaming regulations, regulators require us to keep them informed as to our ownership structure and composition and, to varying extents and in various circumstances, require us to disclose certain information regarding the persons who directly or indirectly hold our shares. Depending on the regulator, we may need to provide such information not only when we first seek licenses or certifications, but also when material changes (measured at different levels) occur in the ownership of our shares. As a result, material changes in our shareholdings may be subject to special procedures or consents in order to ensure the continuation and confirmation of our gaming licenses and certifications.

If one or more gaming authorities were to find that an officer, director, or key employee fails to qualify or is unsuitable for licensing or unsuitable to continue having a relationship with us, we would be required to sever all relationships with such person. Gaming authorities may also require us to terminate the employment of any person who refuses to file appropriate applications.

In many jurisdictions, certain of our stockholders may be required to undergo a suitability investigation similar to that described above. Many jurisdictions require any person who acquires beneficial ownership of more than a certain percentage of our voting securities, typically 5%, to report the acquisition to gaming authorities, and may be required to apply for qualification or a finding of suitability. Most gaming authorities, however, allow an “institutional investor” to apply for a waiver.

Content Development

We continually invest in new product development in each of our Gaming, Virtual Sports, Interactive and Leisure business segments. Inspired has a full stack game development structure, combining its proprietary technology frameworks together with some of the industry’s best math, art, creative and production personnel spread across 3 game studios (Inspired, Astra and Bell Fruit). We release over 100 games each year onto our own priority gaming system, Interactive Remote Gaming Server (“RGS”) and to our G2S clients around the world in markets such as North America, UK, Brazil, Greece, Spain, Belgium, Italy, Sweden and more. Whilst many of our game launches are omni-channel, we have a focus on building the right game for the right market and take pride in tweaking modifying the math and themes for the target player. In Virtual Sports, we combine graphical assets betting market mathematics, proprietary scheduling software allowing us to generate virtual sports markets and results for all our B2B customers. In addition, our VPP (Virtuals Plug and Play) product range leverages our award winning Virtuals assets, along with our RGS (remote gaming server) to produce our “Virtuals Sportsbook in a box product”. VPP allows our customers to operate our Virtuals Sports products without their own sportsbook. We account for our development costs as software development costs, and these are typically amortized over a two-year period.

Suppliers

Our principal supply arrangements concern the supply of our terminals, terminals components, content provision, license holders (branded properties), and outsourced labor. We work closely with our key suppliers to ensure a high level of quality of goods and services is obtained and have worked with many of these suppliers for many years. We have achieved significant cost savings through centralization of purchases.

Customers

Our customer base includes regulated operators of lotteries, licensed sports bookmakers, operators of licensed betting offices, gaming and bingo halls, casinos, pubs, adult gaming centers, holiday parks and regulated online operators. We typically implement design and content variations to customize their terminals and player experiences. Our license agreements with customers for the provision of machines, content and Virtual Sports products include provisions to protect our intellectual property rights in our games and other content.

Customer Contracts – Gaming

Our contracts in the Gaming segment involve supplying gaming terminals and licensing gaming software and games for use and operation in conjunction with the terminals. We supply the terminals on an exclusive or non-exclusive basis on a per customer or per location basis. Under these contracts, we have general obligations to deliver, install, upgrade and service the terminals and software. The contracts may be terminated early in various circumstances such as if we fail to meet performance targets in servicing the machines.

Under some contracts, we receive an upfront fee for the provision of the terminals but more typically generate revenue as a percentage of income generated on terminals. With our participation-driven business model, approximately 94% of service revenue (excluding VAT related income) for our Gaming segment is recurring in nature and derived under long-term contracts that are typically between three and five years (although may be shorter for contract extensions). Major contracts have been renewed over the past three (3) years.

Customer Contracts – Virtual Sports

Our contracts in the Virtual Sports segment typically involve the supply of licenses to operators to make available, either via online or retail channels, virtual sporting events such as horse racing, soccer, football, darts, cricket, or basketball, and to enable end-users to place bets on these events. These are typically one-time non-exclusive licenses specific to the virtual sporting event. We may agree to customize and brand the virtual sporting events for the operator or to provide language variations of the event. The contracts may be terminated early in various circumstances, including, for example, if the operator fails to pay an invoice within 60 days of receipt.

Our Virtual Sports products are typically offered to operators on a participation basis, whereby we receive a royalty for a portion of the gaming revenue generated, plus an upfront software license fee and a hosting fee. With our participation-driven business model, our Virtual Sports segment produces approximately 99% of total revenue on a recurring basis under long-term contracts that average three to four years when entered into and we have historically had a 100% renewal rate over the last three years for contracts that expired.

Customer Contracts – Interactive

Our contracts in the Interactive segment vary but generally involve the provision of a limited, non-exclusive, non-transferable, revocable license to operators to display certain slot and casino content on which online bets are placed or to make our games available for play by end-users of an operator's online gaming business operations. A number of contracts have been concluded with aggregator platforms to ensure wider distribution via the platform customers and a single integration. The contracts may be terminated early in various circumstances, including material breach or inability to operate due to a change in regulatory status.

Our Interactive products are typically offered to operators or platforms on a participation basis, whereby we receive a percentage of percentage of net gaming revenue generated by reference to amount wagered on our content less winnings, agreed bonus deductions utilized in promoting our content on the relevant platform, and any applicable gaming taxes. With our participation-driven business model, approximately 100% of revenue for our Interactive segment is recurring in nature and derived under long-term contracts that averaged three years. Over the last three years, we have renewed approximately 100% of these contracts for those customers that have continued to trade.

Customer Contracts – Leisure

Our contracts in the Leisure segment vary but generally involve (i) agreement whereby the operator or proprietor of certain leisure resorts contributes premises and we provide, on an exclusive basis, gaming and amusement terminals as well as gaming software and games for the machines provided, (ii) contracts to supply gaming terminals as well as gaming software and games for the terminals provided to leisure operators on a non-exclusive basis, and (iii) rental agreements, which we enter into with certain motorway services providers, whereby we rent unit space in motorway service areas and populate this space with our gaming terminals.

Depending on the contract type, we have general obligations to deliver, install, upgrade and service the terminals and software provided, to acquire licensing for the various prizes and toys, which may be used in the terminals, to keep the premises open for minimum operating hours and not to use the premises for certain business. These contracts may be terminated early in various circumstances, including for material breach or insolvency events.

Under our leisure contracts, we typically generate revenue on a participation-basis by participating, typically as a function of gross revenue from each terminal, in a percentage of volumes generated by these terminals. With our participation-driven or fixed weekly fee business model, approximately 100% of service revenue for our Leisure segment is recurring in nature and derived under long-term contracts that are usually between three and five years. Over the last three years, within the Leisure segment we have successfully renewed or extended the majority of major contracts that have expired.

Operations and Employees

Our operations include game production, platform and hardware design, production, testing, and distribution; the maintenance, management, and extension of our centralized network for product distribution and product monitoring; the delivery and, in certain circumstances, maintenance of SBG terminals; gaming machine engineering, assembly, repair and storage; parts supply; change and release management; remote operational services; problem management; business development; market account management; and general administration and management, including Finance, Legal, People (Human Resources), Investor Relations, Marketing and Communications, Quality, Compliance and Information Security.

As of December 31, 2024, we had approximately 1,600 employees, approximately 1,420 of whom were full-time. Of those employees, approximately 470 were dedicated to delivering our digital gaming platforms, content and hardware and approximately 920 of our employees were involved in UK field operations. Our management, sales and administration teams accounted for approximately 240 employees.

Intellectual Property

Our intellectual property consists principally of the proprietary software we develop to operate our network and in the design and distribution of our games. We depend upon agreements relating to trade secrets and proprietary know-how to protect our rights in this intellectual property. We require all our employees, contractors and other collaborators to enter into agreements that prohibit the disclosure of our confidential information to other parties. In addition, it is our policy to require our employees, contractors and other collaborators who have access to proprietary and trade secret material to enter into agreements that require them to assign any and all intellectual property rights to us that arise as a result of their work on our behalf. We also require our employees to review and acknowledge our intellectual property policies regarding how we handle intellectual property. These agreements, acknowledgements and policies may not provide adequate protection for our trade secrets, know-how or other proprietary information in the event of any unauthorized use or disclosure in violation of these agreements, and may not be sufficient to secure for us the value in such developments that they are designed to secure.

We also hold certain patents, trademarks, design rights and other intellectual property rights in respect of our products, systems, web domains, and other intellectual property in Brazil, Canada, the U.S. and Europe. As of December 31, 2024, we held approximately 25 patents and approximately 300 trademarks worldwide. We also rely on certain products and technologies that we license from third parties. Proprietary licenses typically limit our use of intellectual property to specific uses and for specific time periods.

The terms of our intellectual property registrations vary based on the type of registration and the date and jurisdiction of filing or grant. European and UK trademark registration lasts for 10 years but can be renewed indefinitely. European and UK design registration lasts for five years but it can be renewed four times (giving a maximum total of 25 years of protection). European and UK patents can only be renewed for up to 20 years. U.S. design patents expire 15 years from the date of grant, and the term of utility patents generally expires 20 years from the date of filing of the first non-provisional patent application in a family of patents. The actual protection afforded by a patent depends upon the type of patent, the scope of its coverage and the availability of legal remedies in the applicable country.

Competition

We operate in a highly competitive industry, and in highly competitive business segments. We face competition from a number of worldwide businesses, many of which have substantially greater financial resources and operating scale than we do. Such competition could adversely affect our ability to win new contracts and sales and renew existing contracts. We operate in a period of intense price-based competition in some key sectors, which could affect the profitability of the contracts and sales we do win. In certain sectors, our businesses also face competition from suppliers, operators or licensees who offer products for internet gaming in illegal or unregulated sectors, but are still able or permitted to supply products and compete with us in regulated sectors. These competitors often have substantially greater financial resources and operating scale than we do. Some larger competitors hold long term contracts which control access points for some of our products and this may mean we must contract with those competitors rather than directly with the customer to provide our products. Our principal competitors include, among others, certain businesses that have vertically integrated gaming machine and retail betting operations and businesses that operate in both regulated and unregulated sectors and thereby effectively subsidize their regulated operations with unregulated operations.

Corporate Information

We maintain a website at www.inseinc.com. Our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and any amendments to those reports filed or furnished pursuant to Section 13(a) of the Exchange Act are available free of charge through the Investors link on our website as soon as reasonably practical after they are electronically filed with or furnished to the SEC. Also available on our website are our Code of Ethics, as well as the charters of the audit, compensation and nominating and corporate governance committees of the Board of Directors. Information on our website is not incorporated into this report. The SEC maintains a website that contains reports, proxy statements and other information regarding issuers that file electronically with the SEC. These materials may be obtained electronically by accessing the SEC's website at www.sec.gov.

ITEM 1A. RISK FACTORS.

Our business is subject to a high degree of risk. You should carefully read and assess our discussion of the risk factors facing our business, below. Any of these risks could materially and adversely affect our business, operating results, financial condition and prospects, and cause the value of our common stock to decline, which could cause investors in our common stock to lose all or part of their investments.

Summary of Risk Factors

Our business is subject to a number of risks, including risks that may prevent us from achieving our business objectives or may adversely affect our business, financial condition, results of operations, cash flows, and prospects. These risks are discussed more fully below and include, but are not limited to, risks related to the following:

- We have identified material weaknesses in our disclosure controls and procedures and internal control over financial reporting, which we are in the process of remediating. Failure to remediate these material weaknesses or any other material weaknesses that we identify in the future could result in material misstatements in our financial statements.
- Particularly in our Virtuals business, we rely on a relatively small number of customers for a significant portion of our sales, and the loss of, or material reduction in, sales to any of our top customers could have an adverse effect on our business, results of operations, financial condition and prospects.
- We are dependent on our relationships with key suppliers to obtain equipment and other supplies for our business on acceptable terms.
- We operate in a highly competitive industry and our success depends upon our ability to effectively compete with numerous worldwide businesses.
- One of the major risks to our business is the use of Artificial Intelligence (“AI”) by malicious actors. AI-powered bots can imitate human players in online gambling platforms, potentially undermining the fairness and integrity of games. These bots can be programmed to try and exploit vulnerabilities in a gambling platform’s security infrastructure, can launch advanced phishing attacks, malware, and ransomware, and pose a significant threat to the security of online gambling platforms. These attacks can lead to substantial financial losses, compromise game, financial or user data, and damage the company’s reputation.
- Data privacy and security laws and regulations in the jurisdictions in which we do business could increase the cost of our operations and subject us to possible sanctions and other penalties.
- Our results of operations fluctuate due to seasonality and other factors and, therefore, our periodic operating results are not guarantees of future performance.
- Our industry is subject to strict government regulations that could limit our existing operations and have a negative impact on our ability to grow. A majority of our income is generated through the licensing and supply of software and technology to B2C operators. Our business is therefore highly dependent on the laws and regulations relating to the supply of gaming services, which laws and regulations are complex and inconsistent across jurisdictions and are subject to change.
- Our industry is subject to regulations that set parameters for levels of gaming or wagering duty, tax, stake, prize and return to player.
- Our ability to provide our software to gaming operators depends upon the integrity, reliability and operational performance of our systems, games and products.
- Because tax laws and regulations are subject to interpretation and uncertainty, tax payments may ultimately differ from amounts currently recorded by us. Our operations in non-European markets means withholding taxes are payable on royalty, interest and/or dividend which may impact cash flow and/or profitability;
- We may be adversely affected by disruptions to our transaction gaming and lottery systems, as well as disruptions to our internal enterprise and information technology systems.

- Our directors and key personnel are subject to the approval of certain regulatory authorities, which, if withheld, would require us to sever our relationship with non-approved individuals, which could adversely impact our operations.
- Licensing and gaming authorities have significant control over our operations and ownership and could cause us to redeem certain stockholders on potentially disadvantageous terms.
- Certain of our executive officers and directors could be affiliated with entities engaged in business activities similar to those conducted by us in the future and, accordingly, may have conflicts of interest in determining whether a particular business opportunity should be presented to us or to another entity.
- Licensing and gaming authorities have significant control over our operations and ownership and could cause us to redeem certain stockholders on potentially disadvantageous terms.
- We have operations and assets in a variety of countries, which subjects us to additional geopolitical risks.
- Our business is capital intensive and our ability to retain customers may be influenced by our ability to deploy additional capital.
- We may be unable to develop sufficient new products and product lines and integrate them into our existing business, which may adversely affect our ability to compete; our expansion into new sectors may present competitive and regulatory challenges that differ from current ones.
- We may be required to recognize impairment charges related to goodwill, identified intangible assets and property and equipment or to take write-downs or write-offs, restructuring or other charges that could have a significant negative effect on our financial condition, results of operations and stock price, which could have an adverse effect on the Company's net assets.
- Volatility or disruption in the financial markets could materially adversely affect our business and the trading price of our common stock.
- Global economic conditions could have an adverse effect on our business, operating results and financial condition.

Risks Relating to Our Business and Industry

We have identified material weaknesses in our disclosure controls and procedures and internal control over financial reporting which we are working to remediate. Failure to remediate these material weaknesses or any other material weaknesses that we identify in the future could result in material misstatements in our financial statements.

Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, as amended, our management is required to report on, and our independent registered public accounting firm is required to attest to, the effectiveness of our internal control over financial reporting. The rules governing the standards that must be met for management to assess our internal control over financial reporting are complex and require significant documentation, testing and possible remediation. Annually, we perform activities that include reviewing, documenting and testing our internal control over financial reporting. In addition, if we fail to maintain the adequacy of our internal control over financial reporting, we will not be able to conclude on an ongoing basis that we have effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act of 2002. If we fail to achieve and maintain an effective internal control environment, we could suffer misstatements in our financial statements and fail to meet our reporting obligations, which would likely cause investors to lose confidence in our reported financial information.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of a company's annual or interim financial statements will not be prevented or detected on a timely basis. Our management may be unable to conclude in future periods that our disclosure controls and procedures are effective due to the effects of various factors, which may, in part, include unremediated material weaknesses in internal control over financial reporting. For further discussion of the material weaknesses, see Item 4, Controls and Procedures.

Management is committed to maintaining a strong internal control environment and is working towards achieving effective controls. Management anticipates that the new controls, as implemented and when tested for a sufficient period of time, will remediate the material weaknesses. We may not be successful in promptly remediating the material weaknesses identified by management, or be able to identify and remediate additional control deficiencies, including material weaknesses, in the future. If not remediated, our failure to establish and maintain effective disclosure controls and procedures and internal control over financial reporting could result in material misstatements in our financial statements and a failure to meet our reporting and financial obligations, each of which could have a material adverse effect on our financial condition and as a result, our stockholders could lose confidence in our financial results, which could harm our business and the value of our shares.

Particularly in our Virtuals business, we rely on a relatively small number of customers for a significant portion of our sales, and the loss of, or material reduction in, sales to any of our top customers could have an adverse effect on our business, results of operations, financial condition and prospects.

Certain key customers, including certain UK, Italian and Greek gaming terminal customers and certain Virtual Sports customers, make a significant contribution to our revenue and profitability. Our top ten customers generated approximately 49% of total revenue, however, no customers generated more than 10% of total revenue in the year ended December 31, 2024. We expect that these customers will continue to represent a significant portion of our sales in the future. However, the loss of any of our top customers, whether through contract expiry and non-renewal, breach of contract or other adverse factors could materially adversely affect our revenue or return on capital and leave us with surplus terminals. Moreover, if any of these customers experience reduced revenue, such reduction could adversely affect any revenue-sharing arrangements we have with those customers, reduce our own revenue and adversely affect our financial results.

We are dependent on our relationships with key suppliers to obtain equipment and other supplies for our business on acceptable terms.

We have achieved significant cost savings through our centralization of equipment and non-equipment purchases. However, as a result, we are exposed to the credit and other risks of a group of key suppliers. While we make every effort to evaluate our counterparties prior to entering into long-term and other significant procurement contracts, we cannot predict the impact on our suppliers of the current economic environment and other developments in their respective businesses. Insolvency, financial difficulties, supply chain delays or other factors may result in our suppliers not being able to fulfill the terms of their agreements with us. Further, such factors may render suppliers unwilling to extend contracts that provide favorable terms to us, or may force them to seek to renegotiate existing contracts with us. In addition, our business has signed a number of significant contracts whose performance depends upon third party suppliers delivering equipment on schedule for us to meet its contract commitments. Failure of the suppliers to meet their delivery commitments could result in us being in breach of and subsequently losing those contracts. Although we believe we have alternative sources of supply for the equipment and other supplies used in our business, concentration in the number of our suppliers could lead to delays in the delivery of products or components, and possible resultant breaches of contracts that we have entered into with our customers; increases in the prices we must pay for products or components; problems with product quality or components coming to the end of their life; and other concerns.

Disruption of our supply chain or distribution capabilities have an adverse effect on our business, financial condition, and results of operations.

Our ability to manufacture and ship machines is critical to our success. We are subject to damage or disruption to supplies of parts or our manufacturing or distribution capabilities (in particular, to the extent that our parts are sourced globally) due to weather, including any potential effects of climate change, natural disaster, fire, terrorism, adverse changes in political conditions or political unrest, pandemic, strikes, labor shortages, freight transportation availability, disruption in logistics, import restrictions, or other factors that impair our ability to manufacture or sell our machines. Failure to take adequate steps to mitigate the likelihood or potential impact of such events, or to effectively manage such events if they occur, adversely affect our business, financial condition, and results of operations, as well as require additional resources to restore our supply chain.

Our results of operations could be adversely affected by labor shortages, turnover, and labor cost increases.

Inflationary pressures, shortages in the labor market, and increased competition within and outside our industry for talented employees have increased our labor costs, which could negatively impact our profitability. Labor shortages or lack of skilled labor, and current UK policy have led to increases in costs to meet demand as we roll out incremental programs to attract and retain talent. Further taxes may be introduced in the UK which may further increase labor costs. Labor shortages may also negatively impact us from servicing all demand that exists for our products or operating our service operations and manufacturing facilities efficiently.

We operate in a highly competitive industry and our success depends upon our ability to effectively compete with numerous worldwide businesses.

We face competition from a number of businesses, including worldwide businesses, many of which have substantially greater financial resources and operating scale than we do, or which may operate in countries which have lower labor costs. Such competition could adversely affect our ability to win new contracts and sales and renew existing contracts. We operate in a period of intense price-based competition in some key sectors, which could affect the profitability of the contracts and sales we do win.

In certain sectors, our businesses also face competition from suppliers, operators or licensees who offer products for internet gaming in illegal or unregulated sectors, but are still able or permitted to supply products and compete with us in regulated sectors. These competitors often have substantially greater financial resources and operating scale than we do.

If we cannot successfully compete in our industry and business segments, our business, results, financial condition and prospects could suffer.

We are heavily dependent on our ability to renew our long-term contracts with our customers and we could lose substantial revenue if we are unable to renew certain of these contracts, or to renew them on substantially similar terms.

Generally, customer contracts in our Gaming, Virtual Sports and Interactive business segments are for initial terms of three to five years, but longer in certain territories, with renewals at the customer's option. Generally, our customer contracts within the Leisure business segment are for terms of four to six years (although in certain cases they are longer), but certain customers have options for early termination under certain circumstances or to reduce machines volumes in certain circumstances, and we may face pressure to renew or upgrade terminals during the lives of these contracts, which could adversely affect revenue or our return on capital and leave us with surplus terminals. At any given time, we have multiple substantial customer contracts that have years to run and others that may be nearing expiration or renewal, which we may lose if we cannot compete effectively to retain their business.

There can be no assurance that current contracts will be extended or that we will be awarded contract extensions or new contracts as a result of competitive bidding processes or otherwise. The termination, expiration or failure to renew one or more of our contracts could cause us to lose substantial revenue.

We could lose substantial revenue due to introduction or increase of gaming taxes, levies, withholding taxes and other local taxes.

Changes in applicable gambling regulations or taxation regimes may affect the revenue or profits generated by the contracts we enter into with our customers. Many of the contracts we have with our customers are on revenue-sharing (net of gaming taxes) terms, and therefore changes which adversely affect our customers are likely to adversely affect us. In addition, any such changes may cause our customers to seek to renegotiate their contracts, may alter the terms on which such customers are prepared to renew their contracts and may affect their ability or willingness to renew their contracts. Finally, revenues generated in third party countries (i.e. outside of the EU or the UK) often attract withholding and/or other local sales taxes which, even if recoverable, may impact short-term cashflow. Mandatory levies are and can be introduced in certain places, such as the UK, to fund research into the prevention, treatment, and prevention of gambling related harm.

Our ability to bid on new contracts may be dependent upon our ability to fund any required up-front capital expenditures through our cash from operations, the incurrence of indebtedness or the raising of additional equity capital.

Our Gaming and Leisure terminal contracts in the UK, Italy and Greece often require significant up-front capital expenditures for terminal assembly, software customization and implementation, systems and equipment installation and telecommunications configuration. Historically, we have funded these up-front costs through cash flows generated from operations and external borrowings. Our ability to continue to procure new contracts, including in new jurisdictions, will depend upon, among other things, our liquidity levels at the time or our ability to obtain additional debt or equity funding at commercially acceptable terms to finance the initial up-front costs. If we do not have adequate liquidity or are unable to obtain other funding for these up-front costs on favorable terms or at all, we may not be able to bid on certain contracts, which could restrict our ability to grow and have an adverse effect on our ability to retain existing contracts and therefore on future profitability. Certain contracts within the Leisure business segment also require injections of capital during the term for new or replacement hardware.

Our business depends on our ability to prevent or mitigate the effects of a cybersecurity attack.

Our information technology may be subject to cyber-attacks, security breaches or computer hacking, including a widespread ransomware attack encrypting corporate IT equipment, a directed motivated attack against us or a data breach or cyber incident happening to a third-party network and affecting us. Regardless of our efforts, there may still be a breach and the costs to eliminate, mitigate or address the aforementioned threats and vulnerabilities before or after a cyber incident could be significant. Any such breaches or attacks could result in interruptions, delays or cessation of service, and loss of existing or potential suppliers or customers. In addition, breaches of our security measures and the unauthorized dissemination of sensitive personal, proprietary or confidential information about the Company, our business partners or other third parties could expose us to significant potential liability and reputational harm. We could also be negatively impacted by existing and proposed laws and regulations, and government policies and practices related to cybersecurity, data privacy, data localization and data protection. The risk of cyber attacks may also increase owing to current trends worldwide.

On November 8, 2023, we detected a ransomware attack on our information technology (“IT”) systems. The attack impacted and disrupted certain of the Company’s corporate IT systems but did not impact any product systems. As part of its cyber security, by design and physical separation, the product systems were separated from the corporate systems and therefore protected from attack. On November 15, 2023, the company also became aware that Company data (including in the form of personal data) had been exfiltrated. The Company has continued to work to improve its defences against cybersecurity incidents, its educational programs for its employees and consultants in this area, and to comply with all recommendations from the Information Commissioners Office.

Although we continually take significant steps to mitigate cybersecurity risk across a range of functions, such measures can never eliminate the risk entirely or provide absolute security, and the Company has experienced and expects to continue to experience attempts at cyberattacks on its information systems. While there have not been cybersecurity incidents or vulnerabilities that have had a material adverse effect on the company, there is no assurance that there will not be cybersecurity incidents or vulnerabilities that will have a material adverse effect in the future.

One of the major risks to our business is the use of AI by malicious actors. AI-powered bots can imitate human players in online gambling platforms, potentially undermining the fairness and integrity of games. These bots can be programmed to try and exploit vulnerabilities in a gambling platform's security infrastructure, can launch advanced phishing attacks, malware, and ransomware, imitate human players in online gambling platforms, potentially undermining the fairness and integrity of games, and pose a significant threat to the security of online gambling platforms. These attacks can lead to substantial financial losses, compromise game, financial or user data, and damage the company's reputation.

Detecting fraudulent or malicious activity can be difficult. Although we have implemented measures intended to detect and reduce the occurrence of fraudulent activities, including click fraud, we cannot guarantee that we will be fully successful in doing so. If we fail to detect or prevent fraudulent or other malicious activity, it may result in dissuading sellers and customers alike from engaging with our products and services. Any actual or alleged future fraudulent activity may damage our reputation, or diminish the value of our brand name, either of which could adversely impact our business, results of operations and financial condition.

Our business depends upon the protection of our intellectual property and proprietary information.

We believe that our success depends, in part, on protecting our intellectual property in the UK and in other countries. Our intellectual property includes certain trademarks relating to our systems, as well as certain patents and proprietary or confidential information that is not subject to patent or similar protection. Our intellectual property protects the integrity of our games, systems, products and services, which is a core value of the industries in which we operate. Protecting our intellectual property can be expensive and time-consuming, may not always be successful depending on local laws or other circumstances, and we also may choose not to pursue registrations in certain countries. Competitors may independently develop similar or superior products, software, systems or business models. In cases where our intellectual property is not protected by an enforceable patent, or other intellectual property protection, such independent development may result in a significant diminution in the value of our intellectual property.

There can be no assurance that we will be able to protect our intellectual property. We enter into confidentiality and license agreements with our employees, vendors, consultants and, to the extent legally permissible, our customers, and generally control access to, and the distribution of, our game designs, systems and other software documentation and other proprietary information, as well as the designs, systems and other software documentation and other information we license from others. Despite our effort to protect these proprietary rights, parties may try to copy our gaming products, business models or systems, use certain of our confidential information to develop competing products, or independently develop or otherwise obtain and use our gaming products or technology, any of which could have an adverse effect on our business. Policing unauthorized use of our technology is difficult and expensive, particularly because of the global nature of our operations. The laws of some countries may not adequately protect our intellectual property.

There can be no assurance that our business activities, games, products and systems will not infringe upon, misappropriate or otherwise violate the proprietary rights of others, or that other parties will not assert infringement or misappropriation claims against us. Any such claim and any resulting litigation, should it occur, could subject us to significant liability for costs and damages and could result in invalidation of our proprietary rights, distract management, and/or require us to enter into costly and burdensome royalty and licensing agreements. Such royalty and licensing agreements, if required, may not be available on terms acceptable to us, or may not be available at all. In the future, we may also need to file lawsuits to defend the validity of our intellectual property rights and trade secrets, or to determine the validity and scope of the proprietary rights of others. Such litigation, whether successful or unsuccessful, could result in substantial costs and diversion of resources.

We also rely on certain products and technologies that we license from third parties. Proprietary licenses typically limit our use of intellectual property to specific uses and for specific time periods. There can be no assurance that these third-party licenses, or the support for such licenses, will continue to be available to us on commercially reasonable terms. In the event that we cannot renew and/or expand existing licenses, we may be required to discontinue or limit our use of the products that include, incorporate, or rely on licensed intellectual property.

Data privacy and security laws and regulations in the jurisdictions in which we do business could increase the cost of our operations and subject us to possible sanctions and other penalties.

Our business is subject to a number of federal, state, local and foreign laws and regulations governing data privacy and security, including with respect to the collection, storage, use, transmission and protection of personal information. In particular, we are subject to the EU General Data Protection Regulation (the “EU GDPR”) where we are established in the EEA or where we are not established in the EEA but process personal data of individuals in the EEA in relation to the offering of goods or services to, or the monitoring the behavior of, individuals in the EEA.

Following the end of the Brexit Transition Period on December 31, 2020, the EU GDPR has been implemented in the UK as the “UK GDPR”. The requirements of the UK GDPR are (for the time being) virtually identical to those of the EU GDPR.

The EU GDPR and the UK GDPR (collectively the “GDPR”) set out a number of requirements that must be complied with when handling personal data including (amongst others): (i) accountability and transparency requirements, and enhanced requirements for obtaining valid consent; (ii) obligations to consider data protection as any new products or services are developed and to limit the amount of personal data processed; (iii) obligations to comply with data protection rights of data subjects; and (iv) reporting of personal data breaches to the supervisory authority without undue delay (and no later than 72 hours where feasible).

The GDPR also prohibits the international transfer of personal data from the EEA/UK to countries outside of the EEA/UK unless made to a country deemed to have adequate data privacy laws by the European Commission or UK Government or a data transfer mechanism has been put in place. In July 2020, the Court of Justice of the European Union (“CJEU”) in its Schrems II ruling invalidated the EU-US Privacy Shield framework, a self-certification mechanism that facilitated the lawful transfer of personal data from the EEA/UK to the U.S., with immediate effect. The CJEU upheld the validity of standard contractual clauses (“SCCs”) as a legal mechanism to transfer personal data but companies relying on SCCs will need to carry out a transfer privacy impact assessment, which among other things, assesses laws governing access to personal data in the recipient country and considers whether supplementary measures that provide privacy protections additional to those provided under SCCs will need to be implemented to ensure an essentially equivalent level of data protection to that afforded in the EU. This may have implications for our cross-border data flows and may result in compliance costs.

In addition, Brexit has implications for transfers of personal data between the UK and the EU and vice versa. Transfers of personal data from the UK to the EU are unrestricted and do not require additional safeguards as the UK has approved the adequacy of the EU and all 12 nations deemed adequate by the EU. As regards transfers of personal data from the EEA to the UK, under the terms of the Trade and Cooperation Agreement agreed between the EU and UK on December 24, 2020, such data flows remain unrestricted as the European Commission granted the UK an “adequacy decision” meaning transfers of personal data from the EEA to the UK may continue unrestricted and would not require any additional safeguards. We are also required to sign up to standard contractual clauses for protection of customer data in third countries, and to comply with local data protection requirements in places where the end users of our companies are established, as for example, Brazil.

Compliance with the GDPR in each required jurisdiction incurs compliance and operational costs. In addition, a data supervisory authority may find our data processing practices and compliance steps to be inconsistent with the GDPR’s application in their respective jurisdiction. Data supervisory authorities also have the power to issue fines for non-compliance of the GDPR of up to 4% of an organization’s annual worldwide turnover or €20m (£17.5 million under the UK GDPR), whichever is higher. Data subjects also have a right to compensation as a result of an organization’s breach of the GDPR that has affected them, for financial or non-financial losses (e.g., distress).

Our results of operations fluctuate due to seasonality and other factors and, therefore, our periodic operating results are not guarantees of future performance.

Our revenue is subject to a number of variations. Equipment sales and software license revenue usually reflect a limited number of large transactions, which may not recur on an annual basis. Consequently, revenue and operating results can vary substantially from period to period as a result of the timing of equipment sales and software licensing. In addition, revenue may vary depending on the timing of contract awards and renewals, changes in customer budgets and general economic conditions. A proportion of our revenue is subject to regular seasonal variations of the sort often related to seasonal consumer behavior, income from the Leisure business segment is generally strongest in the spring and summer, predominantly in Leisure parks, and in Italy and Greece we experience reductions in revenue in the summer.

Our industry is subject to strict government regulations that could limit our existing operations and have a negative impact on our ability to grow.

In certain jurisdictions, forms of wagering, betting and lottery may be expressly authorized and governed by law and in other jurisdictions forms of wagering, betting and lottery may be expressly prohibited by law. If expressly authorized, such activities are typically subject to extensive and evolving governmental regulation. Gaming regulatory requirements vary from jurisdiction to jurisdiction. Therefore, we are subject to a wide range of complex gaming laws, rules and regulations in the jurisdictions in which we are licensed or may seek to be licensed. Most jurisdictions require that we are licensed or authorized, that our key personnel and certain of our security holders are found to be suitable or are licensed, and that our products are reviewed, tested and certified or approved before placement. If a license, approval, certification or finding of suitability is required by a regulatory or national authority and we fail to seek or do not receive the necessary approval, license, certification or finding of suitability, or if it is revoked, then we may be prohibited from distributing our products for use in the respective jurisdiction. Additionally, such prohibition could trigger reviews of our Company by regulatory bodies in other jurisdictions and adversely affect our ability to obtain or retain the required licenses and approvals in those jurisdictions.

The regulatory environment in any particular jurisdiction may change in the future, and any such change could have an adverse effect on our results of operations or business in general. Moreover, there can be no assurance that the operation of SBG terminals, Video Lottery Terminals or other Terminals, Virtual Sports betting, betting online, lottery or other forms of wagering systems will be approved, certified or found suitable by additional jurisdictions or that those jurisdictions in which these activities are currently permitted will continue to permit such activities in their existing forms (stricter regulations, including regulation relating to age verification, could come into force which could have adverse impacts on the Company) or at all. While we believe that we have the means to continue to develop procedures and policies designed to comply with and monitor the requirements of evolving laws, there can be no assurance that law enforcement agencies, governmental agencies or gaming regulatory authorities, whether in existing or new jurisdictions, will not seek to restrict our business or otherwise institute enforcement proceedings or other legal claims against the Company. Moreover, in addition to the risk of such enforcement actions or claims, we are also at risk from loss of business reputation in the event of any potential legal or regulatory investigation whether or not we are ultimately accused of or found to have committed any violations.

We supply our products to operators of gaming venues, platforms and websites who typically must themselves be licensed by gaming regulators. If any one of these operators fails to maintain its gaming licenses, or violates gaming laws or regulations, our business may suffer, due to our loss of a viable customer and, in instances where we have a revenue-sharing arrangement with the operator, due to our loss of our shares of the revenue generated by that operator's business.

We supply certain of our products to operators of gaming websites as well as to aggregators that provide content to other gaming operators utilizing the internet to offer services. Despite warranties from counterparties in our contracts, there is some risk that our products may be used by platforms or by customers who may take bets from customers in jurisdictions where no gaming laws or regulations exist or even where the provision of online gaming is ineffectively regulated. Although the Company seeks to ensure that its content is available through operators where online gaming is legal, if claims are made that any of those operators or software platforms are not operating solely in jurisdictions where gaming is legal, the operators may be subjected to investigation or enforcement action by regulatory authorities. An adverse determination could result in the operator being subject to penalties ranging from special conditions being applied to its licenses, license suspension, license loss, or the operator otherwise withdrawing from or curtailing its activities in its sector or being subjected to fines, penalties or other legal consequences. Any such developments could adversely affect such operator's revenue and have adverse effects on the Company, including loss of earnings from such operators or platforms, or the Company's ability to operate in such jurisdiction or in other jurisdictions. The Company may also itself be subject to investigations or enforcement action (if and to the extent that local laws or the laws of other jurisdictions in which the Company operates impose liability on suppliers for the activities of the customers that they supply or for receiving funds that are deemed to be illegal because of such activities). Although we attempt to protect ourselves against any such liability for the activities of the operators that we supply, including by contractually requiring those operators to operate in accordance with all applicable laws, not to operate in certain territories and only supplying operators whose activities have been reviewed to ascertain compliance with the requisite standards of regulatory and legal compliance, nonetheless, there is a risk that we may fail to undertake sufficient due diligence, or fail to receive accurate information on which to conduct due diligence. There is also a risk that there is a change in the operations by such operators, and a risk of lack of appropriate oversight by aggregator platforms. Our good relationships with gaming regulators, and our compliance with gaming laws and regulations is critical to our business. Any determination that we have, directly or indirectly, been engaged in unlawful activity relating to gaming may adversely affect our standing with gaming regulators, and our ability to obtain and retain required licenses and other approvals in such jurisdiction or other jurisdictions.

We may be required to obtain and maintain licenses and certifications from various state and local jurisdictions in order to operate certain aspects of our business and we and our key personnel and certain security holders may be subject to extensive background investigations and suitability standards. We may also become subject to regulation in any other jurisdiction where our customers are permitted to operate in the future. Licenses and ongoing regulatory compliance can be costly. There can be no assurance that we will be able to obtain new licenses or renew any of our existing licenses, and the loss, denial or non-renewal of any of our licenses could have an adverse effect on our business. Generally, regulatory authorities have broad discretion when granting, renewing or revoking approvals and licenses. Our failure, or the failure of any of our key personnel, systems or machines, in obtaining or retaining a required license or approval in one jurisdiction could have a negative impact on our ability (or the ability of any of our key personnel, systems or gaming machines) to obtain or retain required licenses and approvals in other jurisdictions. The failure to obtain or retain a required license or approval in any jurisdiction would decrease the geographic area where we may operate and generate revenue, decrease our share in the gaming marketplace and put us at a disadvantage compared with our competitors. In addition, the levy of substantial fines or forfeiture of assets could significantly harm our business, financial condition and results of operations.

Some jurisdictions also require extensive personal and financial disclosure and background checks from persons and entities beneficially owning a specified percentage, typically 5%, of equity securities of licensed or regulated businesses. The failure of beneficial owners of our common stock to submit to such background checks and provide required disclosure could jeopardize our business. In light of these regulations and the potential impact on our business, our second amended and restated certificate of incorporation provides for the prohibition of stock ownership by persons or entities who fail to comply with informational or other regulatory requirements under applicable gaming law, who are found unsuitable to hold our stock by gaming authorities or whose stock ownership adversely affects our ability to obtain, maintain, renew or qualify for a license, contract, franchise or other regulatory approval from a gaming authority. The licensing procedures and background investigations of the authorities that regulate our businesses and the proposed amendment may inhibit potential investors from becoming significant stockholders or inhibit existing stockholders from retaining or increasing their ownership.

We may be subject to disciplinary action if, after we receive notice that a person is unsuitable to be a stockholder or to have any other relationship with us or any of our subsidiaries, we:

- (i) pay that person any dividend or interest upon our voting securities,
- (ii) allow that person to exercise, directly or indirectly, any voting right conferred through securities held by that person,
- (iii) pay remuneration in any form to that person for services rendered or otherwise, or
- (iv) fail to pursue all lawful efforts to require such unsuitable person to relinquish voting securities including, if necessary, the immediate purchase of said voting securities for cash at fair market value.

Our businesses are subject to a number of federal, state, local and foreign laws and regulations governing data privacy and security, including with respect to the collection, storage, use, transmission and protection of personal information and other consumer data. In particular, the EU has adopted strict data privacy regulations. Following recent developments such as the European Court of Justice's 2015 ruling that the transfer of personal data from the EU to the U.S. under the EU/U.S. Safe Harbor was an invalid mechanism of personal data transfer, the adoption of the EU-U.S. Privacy Shield as a replacement for the Safe Harbor (which has since been declared invalid by Schrems II), and coming into effect of the EU's General Data Protection Regulation, data privacy and security compliance in the EU are increasingly complex and challenging. The scope of data privacy and security regulations continues to evolve, and we believe that the adoption of increasingly restrictive regulations in this area is likely within the U.S. and other jurisdictions. Compliance with data privacy and security restrictions could increase the cost of our operations and failure to comply with such restrictions could subject us to criminal and civil sanctions as well as other penalties.

We are subject to the provisions of the UK Bribery Act 2010, the U.S. Foreign Corrupt Practices Act and other anti-corruption laws. The UK Bribery Act generally prohibits giving a financial or other advantage to another person with the intention of inducing that person to improperly perform a relevant function or activity. The U.S. Foreign Corrupt Practices Act generally prohibits U.S. persons and companies and their agents from offering, promising, authorizing or making improper payments to foreign government officials for the purpose of obtaining or retaining business. Certain of these anti-corruption laws also contain provisions that require accurate record keeping and further require companies to devise and maintain an adequate system of internal accounting controls. Because a significant percentage of our revenue derives from foreign sources, and our business activities involve continuing relationships with governmental regulators, there exists a risk that certain provisions of these anti-corruption laws may be breached. We are also subject to anti-money laundering and anti-terrorist financing laws and regulations, and to economic and trade sanctions programs administered by the Office of Foreign Assets Control (OFAC) in the U.S. relating to our ability to engage in transactions with entities that are domiciled in countries or territories subject to comprehensive OFAC trade sanctions (currently, Cuba, Iran, North Korea, Syria, and Crimea), or that are included on OFAC's list of Specially Designated Nationals and Blocked Persons. Although we have policies and controls in place that are designed to ensure compliance with these laws, if those controls are ineffective or an employee or intermediary fails to comply with the applicable regulations, we may be subject to criminal and civil sanctions as well as other penalties. Any such violation could disrupt our business and adversely affect our reputation, results of operations, cash flows and financial condition.

We review and develop our internal compliance programs in an effort to ensure that we comply with legal requirements imposed in connection with our business activities. The compliance program is run on a day-to-day basis by our in-house legal department with compliance and technical advice provided by our compliance manager and outside professionals. There can be no assurance that such steps will prevent the violation of one or more laws or regulations, or that a violation by us or an employee will not result in the imposition of administrative, civil and even criminal sanctions, monetary fines or suspension or revocation of one or more of our licenses.

Our industry is subject to regulations that set parameters for levels of gaming or wagering duty, tax, stakes, prize, technology certifications and return to player percentages.

In most jurisdictions in which we operate or expect to seek to operate, the level of duty or taxation, the stakes, prizes and return to player percentages of wagering, betting and lottery games and the speed at which players can participate in gaming, or technology certifications are, or may be, defined by government regulations, according to each jurisdiction and remain subject to change. Those regulations may also affect the premises in which gaming activities may take place (i.e., by limiting the number of gaming machines which may be housed in a licensed gaming location, or by restricting the locations in which licensed gaming premises may be situated). Once authorized, such parameters are subject to extensive and evolving governmental regulation. Moreover, such gaming regulatory requirements vary from jurisdiction to jurisdiction. Therefore, we are subject to a wide range of complex gaming parameters in the jurisdictions in which we are licensed. If a key parameter is changed, such as the level of taxation or duty or the maximum stake or prize or return to player of a game, then it may be to the detriment of our business, financial condition, results and prospects or we may be unable to distribute our products profitably.

Our business is subject to evolving technology.

The sectors for our products are affected by changing technology, new regulations and evolving industry standards. Our ability to anticipate or respond to such changes and to develop and introduce new and enhanced products and services on a timely basis will be a significant factor in our ability to expand, remain competitive, attract new customers and retain existing contracts. For example, some of our contracts with customers require that the technology being licensed by the customer remain compliant with applicable regulations. Because regulatory changes cannot always be foreseen, such contractual requirements can from time-to-time result in us having to incur unforeseen costs to adapt our technology to changes in regulation.

Generally, there can be no assurance that we will achieve the necessary technological advances, have the financial resources, introduce new products or services on a timely basis or otherwise have the ability to compete effectively on a technological basis in the sectors we serve.

Our business competes on the basis of the stability, security and integrity of our software, networks, systems, games and products.

We believe that our success depends, in significant part, on providing secure products and systems to our vendors and customers with high levels of uptime, quality and availability. Attempts to penetrate security measures may come from various combinations of customers, retailers, vendors, players, employees and others. Our ability to monitor and ensure quality of our products is continually reviewed and enhanced. There can be no assurance that our business might not be affected by a security breach, virus, Denial of Service attack, or technical error, failure or lapse which could have an adverse impact on our business.

Additionally, we maintain a large number of games and terminals and jackpot systems, which rely on algorithms and software designed to pay out winnings to players at certain ratios. Our systems, testing and processes to monitor and ensure the payout of games are continually reviewed and enhanced, and are additionally reviewed and tested by third-party expert test houses. There can be no assurance that our business might not be affected by a malicious or unintentional breach or technical error, failure or lapse which could have an adverse impact on payout ratios which would consequently have an adverse effect on our business in the form of lost revenue or penalty payments to players or customers. Gaming regulators may take enforcement action against us (including the imposition of significant fines) where the payout ratios fall below the ratios advertised to customers, or our software, networks, systems, games and/or products otherwise suffer from technical error, failure or lapse.

We may be adversely affected by disruptions to our transaction gaming and lottery systems, as well as disruptions to our internal enterprise and information technology systems.

Our operations are dependent upon our transactional gaming, lottery and information technology systems. We rely upon such systems to manage customer systems on a timely basis, to coordinate our sales and installation activities across all of our locations and to manage invoicing. A substantial disruption in our transactional gaming, lottery and information technology systems for any prolonged time period (arising from, for example, system capacity limits from unexpected increases in our volume of business, outages, computer viruses, unauthorized access or delays in its service) could result in delays in serving our customers, which could adversely affect our reputation and customer relationships and could result in monetary penalties pursuant to the terms of customer contracts. Our systems might be damaged or interrupted by natural or man-made events or by computer viruses, physical or electronic break-ins, or similar disruptions affecting the Internet and our disaster recovery plan may be ineffective at mitigating the effects of these risks. Such delays, problems or costs could have an adverse effect on our financial condition, results of operations and cash flows.

Because tax laws and regulations are subject to interpretation and uncertainty, tax payments may ultimately differ from amounts currently recorded by the Company.

We are subject to income taxes as well as non-income based taxes, in both the U.S. and numerous foreign jurisdictions. The determination of the Company's worldwide provision for income taxes and other tax liabilities requires judgment and is based on diverse legislative and regulatory structures that exist in the various jurisdictions where the company operates. The ultimate tax outcome may differ from the amounts recorded in the Company's financial statements and may adversely affect the Company's financial results for the period when such determination is made. Tax authorities may disagree with certain positions we have taken and assess additional taxes via tax audit. We work with local tax experts to support our tax provisions in line with our tax strategy. However, there can be no assurance that we will not be subject to challenge and the future outcome of any potential audits could adversely affect our results of operations, financial condition and cash flows.

Gaming opponents persist in their efforts to curtail legalized gaming, which, if successful, could limit our existing operations.

Legalized gaming is subject to opposition from gaming opponents, including in the UK, Italy and other sectors where we are active. There can be no assurance that this opposition will not succeed in either preventing the legalization of gaming in jurisdictions where these activities are presently prohibited or prohibiting or limiting the expansion or continuance of gaming where it is currently permitted, in either case to the detriment of our business, financial condition, results and prospects.

Our directors and key personnel are subject to the approval of certain regulatory authorities, which, if withheld, would require us to sever our relationship with non-approved individuals, which could adversely impact our operations.

Our members, managers, directors, officers and key employees must be approved by certain government and state regulatory authorities. If such regulatory authorities were to find a person occupying any such position unsuitable, we would be required to sever our relationship with that person. We may thereby lose key personnel which would have a negative effect on our operations. Certain public and private issuances of securities and certain other transactions by us also require the approval of certain state regulatory authorities. Further, our gaming regulators can require us to disassociate ourselves from suppliers or business partners found unsuitable by the regulators. The regulatory environment in any particular jurisdiction may change in the future and any such change could have an adverse effect on our results of operations. In addition, we are subject to various gaming taxes, which are subject to increase at any time.

Licensing and gaming authorities have significant control over our operations and ownership, and could cause us to redeem certain stockholders on potentially disadvantageous terms.

Regulatory authorities have broad powers to request detailed financial and other information, to limit, condition, suspend or revoke a registration, gaming license or related approval and to approve changes in our operations. Some jurisdictions also require extensive personal and financial disclosure and background checks from persons and entities beneficially owning a specified percentage of equity securities of licensed or regulated businesses. For example, in the UK, an entity holding a gambling license must notify the Gambling Commission of the identity of any stockholder holding, directly or indirectly, 3% or more of its equity or voting rights, and must apply for permission to continue to rely on its operating license whenever a new person acquires, directly or indirectly, 10% or more of its equity or voting rights. The failure of beneficial owners of our common stock to submit to such background checks and provide required disclosure could jeopardize our business. Our second amended and restated certificate of incorporation provides that, to the extent required by the gaming authority making the determination of unsuitability or to the extent the Board of Directors determines, in its sole discretion, that a person is likely to jeopardize the Company's or any affiliate's application for, receipt of, approval for, right to the use of, or entitlement to, any gaming license, shares of our capital stock that are owned or controlled by an unsuitable person or its affiliates are subject to mandatory redemption by us. The redemption price may be paid in cash, by promissory note, or both, as required, and pursuant to the terms established by, the applicable gaming authority and, if not, as we elect. Such a redemption could occur on terms or at a time that a stockholder believes to be disadvantageous.

Changes in laws or regulations, or a failure to comply with, or liabilities under, any laws and regulations, may adversely affect our business, investments and results of operations.

We are subject to laws and regulations enacted by national, regional, state and local governments, including non-U.S. governments. Compliance with, and monitoring of, applicable laws and regulations may be difficult, time consuming and costly. Those laws and regulations and their interpretation and application may also change from time to time and those changes could have an adverse effect on our business, investments and results of operations. In addition, a failure to comply with applicable laws or regulations, as interpreted and applied, or liabilities thereunder, could have an adverse effect on our business and results of operations.

Certain of our executive officers and directors may become affiliated with entities engaged in business activities similar to those conducted by us (or may enter into similar business activities in the future) and, accordingly, may have conflicts of interest in determining whether a particular business opportunity should be presented to us or to another entity.

Certain of our executive officers and directors may become affiliated with entities that are engaged in businesses similar to the ones we operate (or may enter into similar business activities in the future). As a result, any of them may become aware of business opportunities which may be appropriate for presentation to us and to other entities to which they owe certain fiduciary or contractual duties. Accordingly, they may have conflicts of interest in determining to which entity a particular business opportunity should be presented — to us or to another entity. These conflicts may not be resolved in our favor and a potential business opportunity may be presented to another entity prior to its presentation to us. Our second amended and restated certificate of incorporation provides that we renounce our interest in any corporate opportunity offered to any director or officer unless such opportunity is expressly offered to such person solely in his or her capacity as a director or officer of our Company and such opportunity is one that we are legally and contractually permitted to undertake and would otherwise be reasonable for us to pursue.

We are a holding company and conduct all of our operations through our subsidiaries.

We are a holding company and derive all of our operating income from our subsidiaries. Other than any cash we retain, all of our assets are held by our direct and indirect subsidiaries. We rely on the earnings and cash flows of our subsidiaries, which are paid to us by our subsidiaries, if and only to the extent available, in the form of dividends and other payments or distributions, to meet our debt service obligations. The ability of our subsidiaries to pay dividends or make other payments or distributions to us will depend upon their respective operating results and may be restricted by, among other things, the laws of their jurisdiction of organization (which may limit the amount of funds available for the payment of dividends and other distributions to us), the terms of existing and future indebtedness and other agreements of our subsidiaries and the covenants of any future outstanding indebtedness we or our subsidiaries incur.

Our inability to complete future acquisitions of gaming and related businesses we acquire in the future could limit our future growth, if any.

We continue to pursue expansion and acquisition opportunities in gaming and related businesses. There can be no assurance that acquisition opportunities will be available on acceptable terms or at all or that we will be able to obtain necessary financing or regulatory approvals to complete potential acquisitions. Our ability to succeed in implementing our strategy will depend upon the ability of our management to identify, complete and successfully integrate commercially viable acquisitions. Acquisition transactions may disrupt our ongoing business and distract management from other responsibilities. Any future acquisition transactions involving the use of company stock would dilute our existing stockholders and earnings per share.

Our business may be affected by changes in general and local economic and political conditions.

The demand for our services is sensitive to general and local economic conditions over which we have no control, including changes in the levels of consumer disposable income and geographic exposure to macro-economic trends and taxation. In addition, the economic stability of certain Eurozone countries where we conduct or intend to conduct business may become affected by sovereign debt crises or other general and local economic and political conditions. Adverse changes in economic conditions may affect our business generally or may be more prevalent or concentrated in particular sectors in which we operate. Any deterioration in economic conditions or the continuation of uncertain economic conditions could have an adverse effect on our business, financial condition, results of operations and prospects. Other economic risks which may adversely affect our performance include high interest rates, inflation and volatile foreign exchange markets, and effects arising from Great Britain's exit from the European Union ("Brexit").

The performance of our business may also be subject to political risks in certain jurisdictions where we operate, including change of government, political unrest, war or terrorism.

Our revenue can vary substantially from period to period and you should not rely upon our periodic operating results as indications of future performance.

Our revenues are subject to variations. Wagering equipment sales and software license revenue usually reflect a limited number of large transactions, which may not recur on an annual basis. Consequently, revenue and operating results can vary substantially from period to period as a result of the timing of major equipment sales and software license revenue. In addition, revenue may vary depending on the timing of contract awards and renewals, changes in customer budgets and general economic conditions. Revenue may also vary based on adverse sequences of payouts of prizes, unusual jackpot wins, and other variations in game margin.

Our business could also be affected by natural or man-made disasters such as floods, storms or terrorist attacks. We have taken steps to have disaster recovery plans in place but there can be no assurance that such an event would not have a significant adverse impact on our business.

We have operations in a variety of countries, which subjects us to additional risks.

We are a global business and derived substantially all of our revenue outside the U.S. during the year ended December 31, 2024. In the year ended December 31, 2024, we earned approximately 73% of our revenue from our operations in the UK, 7% of our revenue from our operations in Greece, and 20% of our revenue from our operations in the rest of the world. Our business in foreign markets subjects us to risks customarily associated with such operations, including:

- foreign withholding taxes on, or bank regulatory restrictions on expatriating, our subsidiaries' earnings that could reduce cash flow available to meet our required debt service and other obligations;
- the complexity of foreign laws, regulations and markets;

- the impact of foreign labor laws and disputes;
- potential risks relating to our ability to manage our foreign operations, monitor our customers' activities or our partners' activities which may subject us to risks involving such other entities' financial condition or to inconsistent interests or goals;
- gaming tax increases;
- other economic, tax and regulatory policies of foreign governments; and
- the ability to attract and retain key personnel in foreign jurisdictions.

Our consolidated financial results are significantly affected by foreign currency exchange rate fluctuations. Foreign currency exchange rate exposures arise from current transactions and anticipated transactions denominated in currencies other than U.S. Dollars, and from the translation of foreign currency balance sheet accounts into GBP-denominated or USD-denominated balance sheet accounts. Exposure to currency exchange rate fluctuations exists and will continue because a significant portion of our revenue is denominated in currencies other than the USD, particularly the British pound ("GBP") and the Euro. Exchange rate fluctuations have in the past adversely affected operating results and cash flows and may continue to adversely affect our results of operations and cash flows and the value of assets.

As a result of the geographic concentration of our operations in the UK, Italy and Greece, our operating results and cash flow depend significantly on economic conditions and the other factors listed above in these sector areas. There can be no assurance that we will be able to operate on a continuing successful basis in these sectors or in any combination of different geographical sectors.

Our business could be negatively affected by ownership changes and consolidation in the gaming industry.

Because a substantial part of our revenue is recurring in nature, our medium to long term results of operations, cash flows and financial condition could be negatively affected if any of our customers were sold to or merged with other customers, or if consolidation in the gaming industry were otherwise affected. Consolidation among gaming operators could result in our customers using more products and services of our competitors or reducing their spending on our products, or could otherwise cause downward pricing pressures, any of which outcomes could negatively affect our business.

We may not be able to capitalize on the expansion of interactive gaming or other trends and changes in the gaming and lottery industries, including due to laws and regulations governing these industries, and other factors.

We participate in new and evolving aspects of the interactive gaming and lottery industries. Part of our strategy is to take advantage of the liberalization of regulations covering these industries on a global basis. These industries involve significant risks and uncertainties, including legal, business and financial risks. The fast-changing environment in these industries can make it difficult to plan strategically and can provide opportunities for competitors to grow their businesses at our expense. Consequently, our future results of operations, cash flows and financial condition are difficult to predict and may not grow at the rates we expect.

Laws relating to interactive gaming are evolving. To varying degrees, governments have taken steps to change the regulation of interactive wagering through the implementation of new or revised licensing and taxation regimes, including the possible imposition of sanctions on unlicensed providers. We cannot predict the timing, scope or terms of the implementation or revision of any such state, federal or foreign laws or regulations, or the extent to which any such laws and regulations may facilitate or hinder our strategy.

In jurisdictions that authorize interactive gaming, we cannot assure that we will be successful in offering our technology, content and services to interactive gaming operators, because we expect to face intense competition from our traditional competitors in the gaming and lottery industries as well as a number of other domestic and foreign competitors (and, in some cases, the operators themselves), many of which have substantially greater financial resources or experience in this area than we do.

Know-your-customer and geo-location programs and technologies supplied by third parties are an important aspect of certain interactive gaming products and services, because they can confirm certain information with respect to players and prospective players, such as age, identity and location. Payment processing programs and technologies, typically provided by third parties, are also a necessary feature of interactive wagering products and services. These programs and technologies are costly, and our use of them may have an adverse impact on our results of operations, cash flows and financial condition. Additionally, we cannot assure that products or services containing these programs and technologies will be available to us on commercially reasonable terms, if at all, or that they will perform accurately or otherwise in accordance with required specifications.

Our business is capital intensive and our ability to retain customers may be influenced by our ability to deploy additional capital.

Customers of our SBG products may request us to incur capital expenditures to provide gaming terminals to support their land-based operations. While we seek to obtain what we believe to be satisfactory rates of return on such investments, these capital expenditures can be meaningful and may be concentrated within short periods of time. To the extent that we have insufficient access to capital or liquidity at the time that a customer, or prospective customer, makes such a request, we may be at a competitive disadvantage in retaining or attracting such customer. Such a circumstance could have an adverse effect on our business, financial condition, results of operations or prospects.

We may be subject to claims arising from the operations of our various businesses for periods prior to the dates we acquired them.

We may be subject to claims or liabilities arising from the ownership or operation businesses we have acquired for the periods prior to our acquisition of them, including environmental, employee-related and other liabilities and claims not covered by insurance.

Our success depends upon our key personnel.

Our business results depend largely upon the continued contributions of various members of our management team, as well as certain key technical specialists, game designers, operational experts and other developers and operators of key intellectual property and processes. If we lose the services of one or more members of our management team or key employees, our business, financial condition and results of operations, as well as the market price of our securities, could be adversely affected.

The long-term performance of our business relies on our ability to attract, develop and retain talented personnel and our labor force while controlling our labor costs.

To be successful, we must attract, develop and retain highly qualified and talented personnel who have the experience, knowledge and expertise to successfully implement our key business strategies. We also must attract, develop and retain our labor force while maintaining labor costs. We compete for employees, including sales people, regional management, executive officers and others, with a broad range of employers in many different industries, including large multinational firms, and we invest significant resources in recruiting, developing, motivating and retaining them. The failure to attract and retain key employees, or to develop effective succession planning to assure smooth transitions of those employees and the knowledge, customer relationships and expertise they possess, could negatively affect our competitive position and our operating results. Further, if we are unable to cost-effectively recruit, train and retain sufficient skilled personnel, we may not be able to adequately satisfy increased demand for our products and services, which could adversely affect our operating results.

Restrictions in our existing borrowings, including covenants set forth in our existing debt facilities, or any other indebtedness we may incur in the future, could adversely affect our business, financial condition, or results of operations, and our ability to make distributions to stockholders and the value of our common stock.

Our existing borrowings, and any other indebtedness we may enter into, may limit our ability to, among other things:

- incur or guarantee additional debt;
- make distributions or dividends on or redeem or repurchase shares of common stock;
- make certain investments and acquisitions;
- make capital expenditures;
- incur certain liens or permit them to exist;
- enter into certain types of transactions with affiliates;
- acquire, merge or consolidate with another company; and
- transfer, sell or otherwise dispose of all or substantially all of our assets.

The provisions of our existing borrowings may affect our ability to obtain future financing and pursue attractive business opportunities and our flexibility in planning for, and reacting to, changes in business conditions.

As of December 31, 2024, our senior debt consisted of an aggregate of £235.0 million (\$294.4 million) of Senior Secured Notes (carrying an interest rate of 7.875% per annum, and maturing on June 1, 2026), and we had £20.0 million (\$25.1 million) of credit facility borrowings available under the RCF Agreement, with £15.0 million (\$18.8 million) drawn as of December 31, 2024 (see Note 13 to our audited financial statements for the year ended December 31, 2024, included elsewhere in this Report).

The Indenture governing the Senior Secured Notes contains incurrence covenants that limit the ability of the Company and the Company's restricted subsidiaries to, among other things, (i) incur or guarantee additional debt and issue certain preferred stock of restricted subsidiaries; (ii) create or incur certain liens; (iii) make restricted payments, including dividends or distributions to the Company's stockholders or repurchase the Company's stock; (iv) prepay or redeem subordinated debt; (v) make certain investments, including participating joint ventures; (vi) create encumbrances or restrictions on the payment of dividends or other distributions by restricted subsidiaries; (vii) sell assets, or consolidate or merge with or into other companies; (viii) sell or transfer all or substantially all of the Company's assets or those of the Company's subsidiaries on a consolidated basis; (ix) engage in certain transactions with affiliates; and (x) create unrestricted subsidiaries. Certain of these covenants will be suspended if and for so long as the Senior Secured Notes have investment grade ratings from any two of Moody's Investors Service, Inc., Standard & Poor's Investors Ratings Services and Fitch Ratings, Inc. These covenants are subject to exceptions and qualifications as set forth in the Indenture.

The RCF Agreement governing credit facility borrowings contains various covenants (which include restrictions regarding the incurrence of liens, the incurrence of indebtedness by the Company's subsidiaries and fundamental changes, subject in each case to certain exceptions), representations, warranties, limitations and events of default (which include non-payment, breach of obligations under the financing documents, cross-default, insolvency and litigation) customary for similar facilities for similarly rated borrowers and subject to customary carve-outs and grace periods. Following the occurrence of an event of default which has not been waived or remedied, the Lenders who represent more than 66.67% of total commitments under the RCF may, subject to the terms of an intercreditor agreement (which governs the relationship between the Lenders and the holders of the Senior Secured Notes), instruct the agent to (i) accelerate the RCF Loans, (ii) instruct the security agent to enforce the transaction security and/or (iii) exercise any other remedies available to the Lenders.

The RCF Agreement requires that the Company maintain a maximum consolidated senior secured net leverage ratio of 6.25x on the test date for the relevant period ended June 30, 2022, stepping down to 6.0x on March 31, 2022, 5.75x on March 31, 2023 and 5.50x from March 31, 2024 and thereafter (the “RCF Financial Covenant”). The RCF Financial Covenant is calculated as the ratio of consolidated senior secured net debt to consolidated pro forma EBITDA (defined as net loss excluding depreciation and amortization, interest expense, interest income and income tax expense) for the 12-month period preceding the relevant quarterly testing date and is tested quarterly on a rolling basis, subject to the Initial Facility (as defined in the RCF Agreement) being drawn on the relevant test date. The RCF Agreement does not include a minimum interest coverage ratio or other financial covenants.

We may have future capital needs and may not be able to obtain additional financing on acceptable terms.

Economic and credit market conditions, the performance of the gaming industry and our financial performance, as well as other factors, may constrain our financing abilities. Our ability to secure additional financing, if available, and to satisfy our financial obligations under indebtedness outstanding from time to time will depend upon our future operating performance, the availability of credit, economic conditions and financial, business and other factors, many of which are beyond our control.

We may require additional financing to fund our operations and growth. The failure to secure additional financing could have an adverse effect on our continued development or growth. None of our officers, directors or stockholders is required to provide any financing to us.

We may be unable to identify and develop sufficient new products and product lines and integrate them into our existing business, which may adversely affect our ability to compete; our expansion into new sectors may present competitive and regulatory challenges that differ from current ones.

Our business depends in part on our ability to identify and develop future products and product lines that complement existing products and product lines and that respond to our customers’ and players’ needs. We may not be able to compete effectively unless our product selection keeps up with trends in the sectors in which it competes or trends in new products. If our new products and product lines do not meet our customers’ and players’ expectations, or if they are not brought to market in a timely and effective manner, our revenue (especially our revenue under revenue participation-based contracts) and financial performance will be negatively affected. In addition to market factors, our ability to develop new products and their ability to achieve commercial success will depend on a number of factors, including our ability to:

- effectively market our games to our customers and to existing and new players;
- adapt to changing customer needs and player preferences;
- adapt to new technologies;
- adapt game features and contents for an increasingly diverse set of devices and specifications;
- minimize launch delays and cost overruns on the development of new products and features;
- expand and enhance games and content after their initial release;
- attract, retain and motivate talented and experienced game designers, product managers and engineers;
- achieve and maintain player engagement;
- develop games that can build upon or become franchise games;
- maintain quality content and game experience;
- compete successfully against a large and growing number of market participants;
- integrate new products and product lines into our existing business; and
- minimize and quickly resolve bugs or outages.

In addition, if new technologies are protected by the intellectual property rights of others, including our competitors, we may be prevented from introducing new products and product lines based on these technologies or expanding into sectors created by these technologies. Even if we are able to develop new products and product lines that achieve success, it is possible that these products and product lines could divert players of our other games without growing our overall user base, which could harm our operating results. Furthermore, the success of new products and product lines will depend upon market demand and there is a risk that new products and product lines will not deliver expected results, which could adversely affect our future sales and results of operations. It is difficult to know whether we will succeed in continuing to develop successful new products and product lines.

Our expansion into new sectors may present competitive, distribution and regulatory challenges that differ from current ones. We may be less familiar with new product categories and may face different or additional risks, as well as increased or unexpected costs, compared to existing operations.

Changes in customer and player preferences could adversely affect our results of operations.

Competition in the gaming industry is intense and subject to rapid change, including changes from evolving customer and player preferences. Accordingly, our success in the gaming industry is dependent on our ability to offer attractive products to our customers and players. In the markets in which we operate, we compete with various other gaming vendors and our customers and players now have access to many other forms of recreational and leisure activities. Our participation-based revenue will depend on the appeal of our gaming offerings to our customers and players relative to our competitors. If we are not able to anticipate and react to changes in customer and player preferences, our competitive and financial position may be adversely affected.

In addition, our future success will also depend on the success of the gaming industry as a whole in attracting and retaining players. Gaming may lose popularity as new leisure activities arise or as other leisure activities become more popular. Alternatively, changes in social mores and demographics could result in reduced acceptance of gaming as a leisure activity. If the popularity of gaming declines for any reason, our business, financial condition and results of operations may be adversely affected.

Our financial success is dependent on our customers' ability to attract and maintain players.

We have a participation-driven business model, whereby a significant amount of our revenue is generated from the gaming revenue of our customers, typically as a percentage of gross revenue. Accordingly, our results of operation and financial condition have been and are expected to continue to be influenced by the ability of our customers to attract and maintain players. The ability of our customers to attract and maintain players depends on a number of factors, including player gaming preferences, marketing of our products and player perceptions of our customers. If we are unable to provide our customers with products that players find engaging or fail to perform our obligations in maintaining the products we provide to our customers, players may reduce the amount they spend with our customers, which in turn may have an adverse effect on our results of operations (see “*We may be unable to identify and develop sufficient new products and product lines and integrate them into our existing business, which may adversely affect our ability to compete; our expansion into new sectors may present competitive and regulatory challenges that differ from current ones.*”). Under most of our contracts, our customers are under no obligation to market our products and therefore we are dependent on our customers in promoting our products to maintain and attract players. Failure by our customers to effectively market our products may result in decreased gaming revenue for our customers from our products, which may have an adverse effect on our results of operations. Player perception of our customers may also impact the willingness of players to engage with our customers, which in turn may have an adverse effect on our results of operation.

Risks Relating to Our Status as a Public Company and Ownership of Our Common Stock

We may be required to recognize impairment charges related to goodwill, identified intangible assets and property and equipment or to take write-downs or write-offs, restructuring or other charges that could have a significant negative effect on our financial condition, results of operations and stock price, which could have an adverse effect on our common stock and your investment.

We are required to test goodwill and any other intangible asset with an indefinite life for possible impairment on the same date each year and on an interim basis if there are indicators of a possible impairment. We are also required to evaluate amortizable intangible assets and property and equipment for impairment if there are indicators of a possible impairment. There is significant judgment required in the analysis of a potential impairment of goodwill, identified intangible assets and property and equipment. If, as a result of a general economic slowdown, deterioration in one or more of the sectors in which we operate or impairment in our financial performance and/or future outlook, the estimated fair value of our long-lived assets decreases, we may determine that one or more of our long-lived assets is impaired. An impairment charge would be determined based on the estimated fair value of the assets and any such impairment charge could have an adverse effect on our financial condition and results of operations.

Even though these charges may be non-cash items and would not have an immediate impact on our liquidity, the fact that we report charges of this nature could contribute to negative market perceptions about the Company or our securities. In addition, charges of this nature may cause us to be unable to obtain future financing on favorable terms or at all.

The liquidity of the trading markets for our securities and other factors may adversely affect the price of our securities.

The price of our securities may be affected by the light volume of the trading markets for our securities as well as a variety of other factors including due to general economic conditions and forecasts, our general business condition and the release of our financial reports. If our results do not meet the expectations of investors or securities analysts, the market price of our securities may decline. In addition, fluctuations in the price of our securities could contribute to the loss of all or part of your investment. Any of the factors listed below could have an adverse effect on the price of our securities, and our securities may trade at prices significantly below the price you paid for them. In such circumstances, the trading price of our securities may not recover and may experience a further decline.

Factors affecting the trading price of the Company's securities may include:

- market conditions affecting the gaming industry;
- quarterly variations in our results of operations;
- changes in government regulations;
- the announcement of acquisitions by us or our competitors;
- changes in general economic and political conditions;
- volatility in the financial markets;
- results of our operations and the operations of others in our industry;
- changes in interest rates;
- threatened or actual litigation and government investigations;
- the addition or departure of key personnel;
- actions taken by our stockholders, including the sale or disposition of their shares of our common stock; and
- differences between our actual financial and operating results and those expected by investors and analysts and changes in analysts' recommendations or projections.

Broad market and industry factors may materially harm the market price of our securities irrespective of our operating performance. The stock market in general, and NASDAQ in particular, have experienced price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of the particular companies affected. The trading prices and valuations of these stocks, and of our securities, may not be predictable. A loss of investor confidence in the market for retail stocks or the stocks of other companies which investors perceive to be similar to the Company could depress our stock price regardless of our business, prospects, financial condition or results of operations. A decline in the market price of our securities also could adversely affect our ability to issue additional securities and our ability to obtain additional financing in the future.

Depending on the number of shares you hold and other factors, you may not be able to sell your shares at the times you prefer at desirable market prices.

We do not currently intend to pay dividends on our common stock.

We do not currently expect to pay cash dividends on our common stock and have not paid cash dividends on our common stock to date. Any future dividend payments are within the absolute discretion of our Board of Directors and will depend upon, among other things, our results of operations, working capital requirements, capital expenditure requirements, financial condition, level of indebtedness, contractual restrictions with respect to payment of dividends, business opportunities, anticipated cash needs, provisions of applicable law and other factors that our Board of Directors may deem relevant.

Our business and stock price may suffer if securities or industry analysts do not publish or cease publishing research or reports about the Company, our business, or our sector, or if they change their recommendations regarding our common stock adversely, the price and trading volume of our common stock could decline.

The trading market for our common stock will be influenced by the research and reports that industry or securities analysts may publish about us, our business, our sector, or our competitors. If securities or industry analysts do not continue to cover the Company, our stock price and trading volume would likely be negatively affected. If any of the analysts who may cover the Company change their recommendation regarding our stock adversely, or provide more favorable relative recommendations about our competitors, the price of our common stock would likely decline. If any analyst who may cover the Company were to cease coverage of the Company or fail to regularly publish reports on the Company, we could lose visibility in the financial markets, which could cause our stock price or trading volume to decline.

We may issue a significant number of shares of our common stock or other securities from time to time.

We may issue shares of our common stock or other securities from time to time as consideration for, or to finance, future acquisitions and investments or for other capital needs. We cannot predict the size of future issuances of our shares or the effect, if any, that future sales and issuances of shares would have on the market price of our common stock. If any such acquisition or investment is significant, the number of shares of common stock or the number or aggregate principal amount, as the case may be, of other securities that we may issue may in turn be substantial and may result in additional dilution to our stockholders. We may also grant registration rights covering shares of our common stock or other securities that we may issue in connection with any such acquisitions and investments. On May 17, 2021, the Company filed a registration statement on Form S-3, pursuant to which the Company may offer and sell from time to time, in one or more series, any one of the following securities of our company, for total gross proceeds up to \$300,000,000:

- common stock;
- preferred stock;
- secured or unsecured debt securities consisting of notes, debentures or other evidence of indebtedness which may be senior debt securities, senior subordinated debt securities or subordinated debt securities, each of which may be convertible into equity securities;
- warrants to purchase our securities;

- rights to purchase any of the foregoing securities; or
- units comprised of, or other combinations of, the foregoing securities.

Although the registration statement has expired, we may in the future file additional registration statements in order to register similar securities as those listed above, upon which the market price of our securities could drop significantly if the holders of these securities sell them or are perceived by the market as intending to sell them.

Anti-takeover provisions contained in our second amended and restated certificate of incorporation and bylaws, as well as provisions of Delaware law, could impair a takeover attempt.

Our second amended and restated certificate of incorporation and bylaws contain provisions that could have the effect of delaying or preventing changes in control or changes in our management without the consent of our Board of Directors. These provisions include:

- no cumulative voting in the election of directors, which limits the ability of minority stockholders to elect director candidates;
- the exclusive right of our Board of Directors to elect a director to fill a vacancy created by the expansion of the Board of Directors or the resignation, death, or removal of a director with or without cause by stockholders, which prevents stockholders from being able to fill vacancies on our Board of Directors;
- the ability of our Board of Directors to determine whether to issue shares of our preferred stock and to determine the price and other terms of those shares, including preferences and voting rights, without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquirer;
- limiting the liability of, and providing indemnification to, our directors and officers;
- designating the Court of Chancery of the State of Delaware as the exclusive forum for adjudication of disputes;
- controlling the procedures for the conduct and scheduling of stockholder meetings; and
- advance notice procedures that stockholders must comply with in order to nominate candidates to our Board of Directors or to propose matters to be acted upon at a stockholders' meeting, which may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of the Company.

These provisions, alone or together, could delay or dissuade hostile takeovers and changes in control of the Company or changes in our Board of Directors and management.

As a Delaware corporation, we are also subject to provisions of Delaware law, including Section 203 of the Delaware General Corporation Law, which prevents some stockholders holding more than 15% of our outstanding common stock from engaging in certain business combinations without approval of the holders of substantially all of our outstanding common stock. Any provision of our second amended and restated certificate of incorporation or bylaws, or Delaware law that has the effect of delaying or deterring a change in control could limit the opportunity for our stockholders to receive a premium for their shares of our common stock and could also affect the price that some investors are willing to pay for our common stock.

Risks Relating to Economic and Political Conditions

Volatility or disruption in the financial markets could materially adversely affect our business and the trading price of our common stock.

Our business relies on stable and efficient financial markets. Any disruption in the credit and capital markets could adversely impact our ability to obtain financing on acceptable terms. Volatility in the financial markets could also result in difficulties for financial institutions and other parties that we do business with, which could potentially affect the ability to access financing under existing arrangements. We are exposed to the impact of any global or domestic economic disruption. Our ability to continue to fund operating expenses, capital expenditures and other cash requirements over the long term may require access to additional sources of funds, including equity and debt capital markets, and market volatility and general economic conditions may adversely affect our ability to access capital markets. In addition, the inability of our vendors to access capital and liquidity with which to maintain their inventory, production levels and product quality and to operate their businesses, or the insolvency of our vendors, could lead to their failure to deliver merchandise. If we are unable to purchase products when needed, our sales could be materially adversely affected. Accordingly, volatility or disruption in the financial markets could impair our ability to execute our growth strategy and could have an adverse effect on the trading price of our common stock.

Currency exchange rate fluctuations could result in lower revenue, higher costs and decreased margins and earnings.

We conduct purchase and sale transactions in various currencies, which increases our exposure to fluctuations in foreign currency exchange rates globally. International revenue and expenses generally are derived from sales and operations in various foreign currencies, and this revenue and these expenses could be affected by currency fluctuations, specifically amounts recorded in foreign currencies and translated into USD for consolidated financial reporting, as weakening of foreign currencies relative to the USD will adversely affect the USD value of the Company's foreign currency-denominated sales and earnings. Currency exchange rate fluctuations could also disrupt the business of the independent manufacturers that produce our products by making their purchases of raw materials more expensive and more difficult to finance. Foreign currency fluctuations could have an adverse effect on our results of operations and financial condition.

We may hedge other foreign currency exposures to lessen and delay, but not to completely eliminate, the effects of foreign currency fluctuations on our financial results. Since the hedging activities are designed to lessen volatility, they not only reduce the negative impact of a stronger USD or other trading currency, but they also reduce the positive impact of a weaker USD or other trading currency. Our future financial results could be significantly affected by the value of the USD in relation to the foreign currencies in which we conduct business. The degree to which our financial results are affected for any given time period will depend in part upon our hedging activities, and there can be no assurance that our hedging activities will be effective.

Global economic conditions could have an adverse effect on our business, operating results and financial condition.

The uncertain state of the global economy continues to affect businesses around the world, most acutely in emerging markets and developing economies. If global economic and financial market conditions do not improve or deteriorate, the following factors could have an adverse effect on our business, operating results and financial condition:

- Slower consumer spending may result in reduced demand for our products, reduced orders from retailers for our products, order cancellations, lower revenue, higher discounts, increased inventories and lower gross margins;
- In the future, we may be unable to access financing in the credit and capital markets at reasonable rates in the event we find it desirable to do so;
- We conduct transactions in various currencies, which increases our exposure to fluctuations in foreign currency exchange rates relative to the USD. Continued volatility in the markets and exchange rates for foreign currencies and contracts in foreign currencies could have a significant impact on our reported operating results and financial condition;

- Continued volatility in the availability and prices for commodities and raw materials we use in our products and in our supply chain could have an adverse effect on our costs, gross margins and profitability;
- If operators or distributors of our products experience declining revenue or experience difficulty obtaining financing in the capital and credit markets to purchase our products, this could result in reduced orders for our products, order cancellations, late retailer payments, extended payment terms, higher accounts receivable, reduced cash flows, greater expense associated with collection efforts and increased bad debt expense;
- If operators or distributors of our products experience severe financial difficulty, some may become insolvent and cease business operations, which could negatively affect the sale of our products to consumers; and
- If contract manufacturers of our products or other participants in our supply chain experience difficulty obtaining financing in the capital and credit markets to purchase raw materials or to finance capital equipment and other general working capital needs, it may result in delays or non-delivery of shipments of our products.

International hostilities, terrorist or cyber-terrorist activities, natural disasters, pandemics, and infrastructure disruptions could prevent us from effectively serving our customers and thus adversely affect our results of operations.

Acts of terrorist violence, cyber-terrorism, political unrest, armed regional and international hostilities and international responses to these hostilities, natural disasters, including hurricanes or floods, global health risks or pandemics or the threat of or perceived potential for these events could have a negative impact on us. These events could adversely affect our customers' levels of business activity (or involve government mandated shutdowns of our venues) and precipitate sudden significant changes in regional and global economic conditions and cycles. These events also pose significant risks to our employees and our physical facilities and operations around the world, whether the facilities are ours or those of our third-party service providers or customers. By disrupting communications and travel and increasing the difficulty of obtaining and retaining highly skilled and qualified personnel, these events could make it difficult or impossible for us to deliver products and services to our customers. Extended disruptions of electricity, other public utilities or network services at our facilities, as well as system failures at our facilities or otherwise, could also adversely affect our ability to serve our customers. We may be unable to protect our employees, facilities and systems against all such occurrences. We generally do not have insurance for losses and interruptions caused by terrorist attacks, conflicts and wars. If these disruptions prevent us from effectively serving our customers, our results of operations could be adversely affected.

ITEM 1B. UNRESOLVED STAFF COMMENTS.

None.

ITEM 1C. CYBERSECURITY.

The Company maintains a governance structure to address cybersecurity risk, which involves a dedicated Information Security Team (the "Information Security Team"), an Information Security Governance Board (the "Information Security Governance Board"), the Audit Committee of the Board and the Board.

The Company's Information Security Team, led by our Director of Information Security, is responsible for identifying, assessing, mitigating, and reporting on material cybersecurity risks to the Company's Information Security Governance Board. The Company's Director Information Security holds high-level licenses and certifications relating to information security, including being a Certified Chief Information Security Officer and holding a BCS Foundation Certificate in Information Security Management Principles. The Company's Information Security Governance Board, chaired by the Company's Director of Information Security and comprised of the General Counsel, the President & Chief Executive Officer, the Chief Financial Officer, and the Chief Technology Officer - Product, drives awareness and alignment across broad stakeholder groups for cybersecurity governance and risk management and reporting. The Information Security Governance Board receives quarterly reports from the Company's Director of Information Security. The Audit Committee receives at least quarterly reports from the Company's Director of Information Security. The Audit Committee periodically reports to the Board.

We have implemented a risk-based approach to identify and assess the cybersecurity threats that could affect our business and information systems. Our cybersecurity program is aligned with industry standards and best practices, such as ISO 27001. We conduct periodic risk assessments to identify the potential impact and likelihood of various cyber scenarios, including those involving third-party service providers, and to determine the appropriate mitigation strategies and controls. We use various tools and methodologies to manage cybersecurity risk, including implementation of a business continuity process that includes a comprehensive Incident Response Plan and Procedure that is reviewed on a regular cadence. We also monitor and evaluate our cybersecurity posture and performance on an ongoing basis through regular vulnerability scans, penetration tests, threat intelligence feeds, and external audits by an independent third party. The Company maintains the ISO 27001 accreditation. We maintain a vendor onboarding program pursuant to which third-party service providers with access to personal, confidential or proprietary information to implement and maintain comprehensive cybersecurity practices consistent with applicable legal standards and industry best practices. The Company's assessment of risks associated with use of third-party providers is part of the Company's overall cybersecurity risk management program.

The Company also maintains a training program (“Training Program”), which is designed, implemented, and maintained by the Company’s Director of Information Security. This Training Program reinforces the Company’s information technology risk and security management policies, standards and practices, as well as the expectation that employees comply with these policies and engages personnel through training on how to identify potential cybersecurity risks and protect the Company’s resources and information, as well as how to respond to unauthorized access to or use of Company information. The Training Program training is mandatory for all employees at least annually, and it is supplemented by Company-wide assessment initiatives, including periodic phishing campaigns.

Although we have designed our cybersecurity program and governance procedures above to mitigate cybersecurity risks, we face unknown cybersecurity risks, threats and attacks. To date, these risks, threats or attacks have not had a material impact on our operations, business strategy or financial results, but we cannot provide assurance that they will not have a material impact in the future. See the section entitled “Risk Factors” included elsewhere in this Annual Report for further information. We continuously work to enhance our cybersecurity risk management program.

ITEM 2. PROPERTIES.

As of December 31, 2024, the Company occupied approximately 300,000 square feet of leased space in the UK, 3,200 square feet in New York and 17,000 square feet in Kochi, India. The primary locations were as follows:

- Approximately 40,000 square feet of office space on one floor in Burton-on-Trent, East Midlands, UK.
- Approximately 1,700 square feet of flexible office space in Manchester, UK.
- Approximately 105,000 square feet of warehousing, across six UK Regional Distribution Centres.
- Approximately 80,000 square feet of administrative offices, workshop and warehousing in Bridgend, South Wales, UK.
- Approximately 60,000 square feet of administrative offices, repair centre and warehousing at Ashby de La Zouche, UK.
- Approximately 17,000 square feet of office space on one floor in Kochi, India.
- Approximately 3,200 square feet of office space on one floor in New York.

ITEM 3. LEGAL PROCEEDINGS.

Securities Matters Arising From the Company’s Restated Financial Statements and Related Matters

On March 12, 2024, the Company received a subpoena from the SEC seeking documents concerning, among other things, the Company’s recently restated financial statements. The Company cooperated with the SEC’s inquiry. On January 28, 2025, the SEC staff notified the Company that it had concluded its investigation as to the Company and did not intend to recommend an enforcement action.

From time to time, the Company is involved in legal matters arising in the ordinary course of business. While the Company believes that such matters are currently not material, there can be no assurance that matters arising in the ordinary course of business for which the Company is, or could be, involved in litigation, will not have a material adverse effect on its business, financial condition or results of operations.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

PART II

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

Market Information

Our common stock is listed and traded on the Nasdaq Capital Market under the symbol “INSE”.

Holders

As of March 26, 2025, there were 32 holders of record of our common stock. This does not include the number of stockholders who hold shares of our common stock through banks, brokers or other financial institutions or nominees.

Recent Sales of Unregistered Securities

None.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

There were no share repurchase activities during the three months ended December 31, 2024.

Dividends

We do not currently expect to pay cash dividends on our common stock and have not paid cash dividends on our common stock to date. Any future dividend payments are within the absolute discretion of our Board of Directors and will depend upon, among other things, our results of operations, working capital requirements, capital expenditure requirements, financial condition, level of indebtedness, contractual restrictions with respect to payment of dividends, business opportunities, anticipated cash needs, provisions of applicable law and other factors that our Board of Directors may deem relevant.

ITEM 6. Reserved

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the financial statements and related notes thereto included elsewhere in this report. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual future results could differ materially from the historical results discussed below. Factors that could cause or contribute to such differences include, but are not limited to, those identified below and those discussed in the section titled "Risk Factors" included elsewhere in this report.

Forward-Looking Statements

We make forward-looking statements in this Management's Discussion and Analysis of Financial Condition and Results of Operations. For definitions of the term Forward-Looking Statements, see the definitions provided in the Cautionary Note Regarding Forward-Looking Statements at the start of this Annual Report on Form 10-K for the twelve-month period ended December 31, 2024.

Seasonality

Our results of operations can fluctuate due to seasonal trends and other factors. Sales of our gaming machines can vary quarter on quarter due to both supply and demand factors. Player activity for our holiday parks is generally higher in the second and third quarters of the year, particularly during the summer months and slower during the first and fourth quarters of the year.

Revenue

We generate revenue in four principal ways: i) on a participation basis, ii) on a fixed rental fee basis, iii) through product sales and iv) through software license fees. Participation revenue generally includes a right to receive a share of our customers' gaming revenue, typically as a share of net win but sometimes as a share of the handle or "coin in" which represents the total amount wagered.

Geographic Range

Geographically, the majority of our revenue is derived from, and the majority of our non-current assets are attributable to, our UK operations. The remainder of our revenue is derived from, and non-current assets attributable to, Greece and the rest of the world (including North America).

For the twelve-months ended December 31, 2024, we derived approximately 73% of our revenue from the UK (including customers headquartered in the UK but whose revenue is generated globally), 7% from Greece, and the remaining 20% across the rest of the world. For the twelve-months ended December 31, 2023, we derived approximately 78% of our revenue from the UK (including customers headquartered in the UK but whose revenue is generated globally), 8% from Greece, and the remaining 14% across the rest of the world. The UK percentage was impacted by specific Hardware sales, which generally result in a lower margin ("Low Margin sales"), this increased UK revenue for the twelve-month period by 13%.

As of December 31, 2024, our non-current assets (excluding goodwill) were attributable as follows: 80% to the UK, 7% to Greece and 13% across the rest of the world. As of December 31, 2023, our non-current assets (excluding goodwill) were attributable as follows: 70% to the UK, 12% to Greece and 18% across the rest of the world.

Foreign Exchange

Our results are affected by changes in foreign currency exchange rates as a result of the translation of foreign functional currencies into our reporting currency and the re-measurement of foreign currency transactions and balances. The impact of foreign currency exchange rate fluctuations represents the difference between current rates and prior-period rates applied to current activity. The geographic region in which the largest portion of our business is operated is the UK and the British pound ("GBP") is considered to be our functional currency. Our reporting currency is the U.S. dollar ("USD"). Our results are translated from our functional currency of GBP into the reporting currency of USD using average rates for profit and loss transactions and applicable spot rates for period-end balances. The effect of translating our functional currency into our reporting currency, as well as translating the results of foreign subsidiaries that have a different functional currency into our functional currency, is reported separately in Accumulated Other Comprehensive Income.

During the twelve-months ended December 31, 2024, we derived approximately 27% of our revenue from sales to customers outside the UK, compared to 22% during the twelve months ended December 31, 2023.

In the section "Results of Operations" below, currency impacts shown have been calculated as the current-period average GBP:USD rate less the equivalent average rate in the prior period, multiplied by the current period amount in our functional currency (GBP). The remaining difference, referred to as functional currency at constant rate, is calculated as the difference in our functional currency, multiplied by the prior-period average GBP:USD rate. This is not a U.S. GAAP measure but is one which management believes gives a clearer indication of results. In the tables below, variances in particular line items from period to period exclude currency translation movements, and currency translation impacts are shown independently.

Non-GAAP Financial Measures

We use certain financial measures that are not compliant with U.S. GAAP ("Non-GAAP financial measures"), including EBITDA and Adjusted EBITDA, to analyze our operating performance. In this discussion and analysis, we present certain non-GAAP financial measures, define and explain these measures and provide reconciliations to the most comparable U.S. GAAP measures. See "Non-GAAP Financial Measures" below.

Results of Operations

Our results are affected by changes in foreign currency exchange rates, primarily between our functional currency (GBP) and our reporting currency (USD). During the periods ended December 31, 2024 and December 31, 2023, the average GBP:USD rates were for the twelve-month period 1.28 and 1.25, respectively.

The following discussion and analysis of our results of operations has been organized in the following manner:

- a discussion and analysis of the Company's results of operations for the twelve-month period ended December 31, 2024, compared to the same period in 2023; and
- a discussion and analysis of the results of operations for each of the Company's segments (Gaming, Virtual Sports, Interactive and Leisure) for the twelve-month periods ended December 31, 2024, compared to the same period in 2023, including key performance indicator ("KPI") analysis.

A discussion and analysis of the Company's consolidated results of operation and results of operations for each of the Company's segments for the twelve-month period ended December 31, 2023, compared to the same period in 2022, can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of our Form 10-K for the fiscal year ended December 31, 2023 filed with the SEC on April 15, 2024. There were no significant changes in the trends, discussions and analyses included therein.

In the discussion and analysis below, certain data may vary from the amounts presented in our consolidated financial statements due to rounding.

For all reported variances, refer to the overall company and segment tables shown below. All variances discussed in the overall company and segment

results are on a functional currency (at constant rate) basis, which excludes the impact of any changes in foreign currency exchange rates.

Key Events

During the twelve-month period ended December 31, 2024 in the Gaming segment, William Hill committed to leasing 5,000 new Vantage® terminals. Deployment of these new terminals began in the fourth quarter of 2024, with expected completion in the first half of 2025. OPAP in Greece ordered 4,000 new VLT's, with an expected delivery of 2,400 machines in the first half of 2025, with the balance of 1,600 machines in the fourth quarter of 2025. We also successfully delivered 720 Valor terminals to Western Canada Lottery Corporation ("WCLC").

During the twelve-month period ended December 31, 2024 the Virtual Sports segment established partnerships with key sporting organizations, including the NBA, NFL and NHL. These collaborations have enabled the creation of unique products featuring official players and teams from these leagues.

During the twelve-month period ended December 31, 2024 the Interactive segment went live with 41 new operators, including Winmasters, Midnite, Favbet, OLG and bet365 in New Jersey. The total number of customers at the end of the period increased by 26 due to the closure of several smaller-scale customers. In addition, Inspired licensed its remote gaming server ("RGS") to an operator customer, allowing the customer to host its own instance of the most recent version of our RGS. Inspired also launched Hybrid Dealer, a US-patented online product category that offers players casino and gameshow content.

During the twelve-month period ended December 31, 2024 we joined the Scientific Games Content Hub Partner Program, the global lottery industry's premier content delivery platform, enabling Inspired to distribute Virtual Sports products to Scientific Games iLottery customers around the world.

During the twelve-month period ended December 31, 2024, as part of a strategic reorganization, Inspired exited its lease at the in-house manufacturing facility in Bridgend, Wales. This has enabled us to outsource our manufacturing to our new long-term manufacturing partner Trio, in order to optimize our cost structure and enhance production efficiency.

Inspired also announced the engagement of Tunley Environmental to conduct a thorough business carbon assessment, with the goal of reducing the company's carbon footprint aligning with the Company's commitment to reduce its environmental footprint as required by UK laws and regulations.

Key agreements made in the twelve-month period ended December 31, 2024 include a new contract with Kambi Group to integrate Inspired Virtual Sports products into the Kambi sportsbook platform. In addition, in the Leisure segment Inspired won a new multi-year contract with Parkdean Resorts for the sole supply of amusement and gaming machines to their holiday park estate of 64 sites nationwide in the UK and a new multi-year contract with Away Resorts for sole supply to 19 sites nationwide in the UK.

Overall Company Results

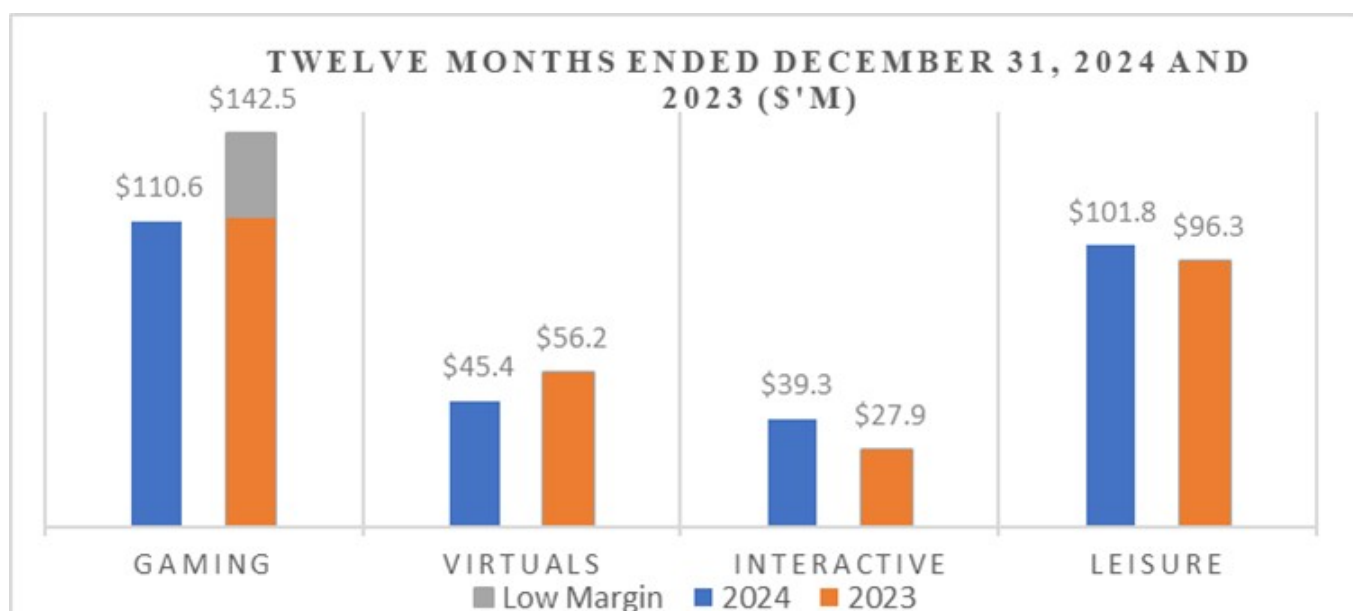
Twelve Months ended December 31, 2024, compared to Twelve Months ended December 31, 2023

	For the Twelve-Month Period ended		Variance December 31, 2024 vs December 31, 2023			
	December 31, 2024	December 31, 2023	Variance Attributable to Currency Movement	Variance on a Functional currency basis	Total Functional Currency Variance %	Total Reported Variance %
<i>(In millions)</i>						
Revenue:						
Service	\$ 258.6	\$ 257.8	\$ 6.9	\$ (6.1)	(2)%	-
Product	38.5	65.1	0.4	(27.0)	(41)%	(41)%
Total revenue	297.1	322.9	7.3	(33.1)	(10)%	(8)%
Cost of Sales, excluding depreciation and amortization:						
Cost of Service	(70.3)	(75.1)	(1.9)	6.7	(9)%	(6)%
Cost of Product	(22.0)	(53.5)	(0.4)	31.9	(60)%	(59)%
Staff-related selling, general and administrative expenses	(65.5)	(62.5)	(1.6)	(1.4)	2%	5%
Non-staff related selling, general and administrative expenses	(51.0)	(44.3)	(1.3)	(5.4)	12%	15%
Labor costs capitalized	11.9	11.8	0.2	(0.1)	(1)%	1%
Other segment items:						
Stock-based compensation	(7.6)	(11.2)	(0.1)	3.7	(33)%	(32)%
Depreciation and amortization	(43.3)	(39.6)	(1.1)	(2.6)	7%	9%
Other selling, general and administrative expenses	(18.6)	(9.6)	(0.5)	(8.5)	89%	94%
Net operating Income	30.7	38.9	0.6	(8.8)	(22)%	(21)%
Other income (expense)						
Interest expense, net	(29.4)	(27.4)	(0.4)	(1.6)	6%	7%
Other finance income (expense)	0.5	0.4	-	0.1	25%	25%
Total other income (expense), net	(28.9)	(27.0)	(0.4)	(1.5)	6%	7%
Net Income from continuing operations before income taxes	1.8	11.9	0.2	(10.3)	(87)%	(85)%
Income tax income (expense)	63.0	(5.0)	0.7	67.3	(1346)%	(1360)%
Net Income	\$ 64.8	\$ 6.9	\$ 0.9	\$ 57.0	826%	839%
<i>Exchange Rate - \$ to £</i>	<i>1.28</i>	<i>1.25</i>				

See “Segments Results” below for a more detailed explanation of the significant changes in our components of revenue within the individual segment results of operations.

Revenue (for the twelve-months ended December 31, 2024, compared to the twelve-months ended December 31, 2023)

Consolidated Reported Revenue by Segment



- There were no Low Margin-related sales for the twelve-month period ended December 31, 2024. For the twelve-month period ended December 31, 2023 Low Margin-related revenue was \$30.6 million.

For the twelve-month period ended December 31, 2024, revenue on a functional currency (at constant rate) basis decreased by \$33.1 million, or 10%.

For the twelve-month period ended December 31, 2024 Gaming revenue declined by \$34.0 million, predominantly due to a decrease in product sales of \$27.1 million, as the prior year period contained \$30.6 million of Low Margin sales compared to no Low Margin sales in the current period. Gaming service revenue decreased by \$6.9 million, predominantly due to declines in mainland Europe and Greece. Virtual Sports declined by \$12.0 million, with \$10.9 million of the reduction coming from online sales, while Interactive grew by \$10.6 million due to growth driven in the UK and North American markets. Leisure revenue grew by \$3.0 million predominantly due to growth in the Holiday Parks and Pubs sectors.

Cost of Sales, excluding depreciation and amortization

Cost of sales, excluding depreciation and amortization, for the twelve-month period ended December 31, 2024, decreased by \$38.6 million, or 30%. This was driven by a decrease in cost of service of \$6.7 million and a \$31.9 million decrease in cost of product, predominantly driven by the decrease in low margin product sales.

Non-staff related selling, general and administrative expenses

Non-Staff related selling, general and administrative expenses for the twelve-month period ended December 31, 2024 increased by \$5.4 million, or 12%. The increase in the twelve-month period was predominantly driven by increases in storage and distribution of \$1.6 million, IT of \$1.1 million, facility costs of \$1.0 million, and audit and accountancy costs of \$1.1 million.

Stock-based compensation

During the twelve-month period ended December 31, 2024, the Company recorded expenses of \$7.6 million, compared to expenses of \$11.2 million, for the twelve-month period ended December 31, 2023. All expenses related to outstanding awards, but the twelve-months ended December 31, 2023, included \$0.4 million of shares that fully vested on the date of grant.

Depreciation and amortization

Depreciation and amortization for the twelve-month period ended December 31, 2024, increased by \$2.6 million, driven mainly by increases in Virtuals of \$2.1 million and Interactive of \$1.7 million for increased software development and intangible assets, and Leisure of \$0.9 million for increase of machine assets, offset by reductions in Gaming of \$2.2 million as machine assets reach full depreciation.

Other selling, general and administrative expenses

Other selling, general and administrative expenses for the twelve-month period ended December 31, 2024 increased by \$8.5 million, or 89%. The increase in the twelve-month period was driven primarily by the costs of the restatement of previously issued financial statements and costs relating to restructuring costs.

Net operating income

During the twelve-month period ended December 31, 2024, net operating income was \$30.7 million, a decrease of \$8.8 million, compared to the prior year period. This decrease was primarily driven by the increase in non-staff related selling, general and administrative expenses, depreciation and amortization, along with other selling general and administrative expenses, partially offset by an increase in gross margin and reduction in stock-based compensation.

Net Income

For the twelve-month period ended December 31, 2024, net income was \$64.8 million, compared to net income of \$6.9 million in the prior year period. The increase was primarily driven by an increase of income tax income of \$67.3 million, due to the reversal of the majority of the company's valuation allowance on its deferred tax assets, partially offset by the decrease in net operating income and increases in interest expense and income tax expense.

Deferred Tax

The Company has not recognized deferred tax liabilities in respect of unremitted earnings that are considered indefinitely reinvested in foreign subsidiaries. We do not provide for taxes on our undistributed earnings of foreign subsidiaries that have not been previously taxed because we intend to invest such undistributed earnings indefinitely outside of the United States.

Segment Results (for the twelve months ended December 31, 2024, compared to the twelve months ended December 31, 2023)

Gaming

We generate revenue from our Gaming segment through the delivery of our gaming terminals preloaded with proprietary gaming software, server-based content, as well as services such as terminal repairs, maintenance, software updates and upgrades on a when and if available basis and content development. We receive rental fees for machines, typically in conjunction with long-term contracts, on both a participation and fixed fee basis. Our participation contracts are typically structured to pay us a percentage of net win (defined as net revenue to our operator customers, after deducting player winnings, free bets or plays and any relevant regulatory levies) from gaming terminals placed in our customers' facilities. Typically, we recognize revenue from these arrangements on a daily basis over the term of the contract.

Revenue growth for our Gaming business is principally driven by changes in (i) the number of operator customers we have, (ii) the number of Gaming machines in operation, (iii) the net win performance of the machines and (iv) the net win percentage that we receive pursuant to our contracts with our customers.

Gaming, Key Performance Indicators

**For the Twelve-Month
Period ended**

**Variance December 31, 2024
vs December 31, 2023**

Gaming	December 31, 2024		December 31, 2023		%	
End of period installed base (# of terminals) ⁽²⁾	34,916		34,500		416	1.2%
Total Gaming - Average installed base (# of terminals) ⁽²⁾	34,863		34,563		300	0.9%
Participation - Average installed base (# of terminals) ⁽²⁾	29,897		30,305		(408)	(1.3)%
Fixed Rental - Average installed base (# of terminals)	4,971		4,290		681	15.9%
Service Only - Average installed base (# of terminals)	5,770		11,688		(5,918)	(50.6)%
Customer Gross Win per unit per day ^{(1) (2)}	£ 96.6	£ 96.6	£ -		-	-
Customer Net Win per unit per day ^{(1) (2)}	£ 70.8	£ 70.6	£ 0.2		0.2	0.3%
Inspired Blended Participation Rate	5.4%		5.6%		(0.2)%	
Inspired Fixed Rental Revenue per Gaming Machine per week	£ 28.6	£ 35.5	£ (6.9)		(6.9)	(19.4)%
Inspired Service Rental Revenue per Gaming Machine per week	£ 5.3	£ 5.1	£ 0.2		0.2	3.9%
Gaming Long term license amortization (£'m)	£ 2.1	£ 2.6	£ (0.5)		(0.5)	(19.2)%
Number of Machine sales	3,118		9,741		(6,623)	(68.0)%
Average selling price per terminal	£ 8,044	£ 5,866	£ 2,178		2,178	37.1%

(1) Includes all SBG terminals in which the Company takes a participation revenue share across all territories.

(2) Includes approximately 2,500 lottery terminals where the revenue share is on handle instead of net win.

In the table above:

“End of Period Installed Base” is equal to the number of deployed Gaming terminals at the end of each period that have been placed on a participation or fixed rental basis. Gaming participation revenue, which comprises the majority of Gaming Service revenue, is directly related to the participation terminal installed base. This is the medium by which our customers generate revenue and distribute a revenue share to the Company. To the extent all other KPIs and certain other factors remain constant, the larger the installed base, the higher the Company’s revenue would be for a given period. Management gives careful consideration to this KPI in terms of driving growth across the segment. This does not include Service Only terminals.

Revenue is derived from the performance of the installed base as described by the Gross and Net Win KPIs.

If the End of Period Installed Base is materially different from the Average Installed Base (described below), we believe this gives an indication as to potential future performance. We believe the End of Period Installed Base is particularly useful for assessing new customers or markets, to indicate the progress being made with respect to entering new territories or jurisdictions.

“Total Gaming - Average Installed Base” is the average number of deployed Gaming terminals during the period consisting of both participation terminals and fixed rental terminals. Therefore, it is more closely aligned to revenue in the period. We believe this measure is particularly useful for assessing existing customers or markets to provide comparisons of historical size and performance. This does not include Service Only terminals.

“Participation - Average Installed Base” is the average number of deployed Gaming terminals that generated revenue on a participation basis.

“Fixed Rental - Average Installed Base” is the average number of deployed Gaming terminals that generated revenue on a fixed rental basis.

“Service Only - Average Installed Base” is the average number of terminals that generated revenue on a Service only basis.

“Customer Gross Win per unit per day” is a KPI used by our management to (i) assess impact on the Company’s revenue, (ii) determine changes in the performance of the overall market and (iii) evaluate the impact of regulatory change and our new content releases on our customers. Customer Gross Win per unit per day is the average per unit cash generated across all Gaming terminals in which the Company takes a participation revenue share across all territories in the period, defined as the difference between the amounts staked less winnings to players divided by the Average Installed Base in the period, then divided by the number of days in the period.

Gaming revenue accrued in the period is derived from Customer Gross Win accrued in the period after deducting gaming taxes (defined as a regulatory levy paid by the Customer to government bodies) and applying the Company’s contractual revenue share percentage.

Our management believes Customer Gross Win measures are meaningful because they represent a view of customer operating performance that is unaffected by our revenue share percentage and allow management to (1) readily view operating trends, (2) perform analytical comparisons and benchmarking between customers and (3) identify strategies to improve operating performance in the different markets in which we operate.

“Customer Net Win per unit per day” is Customer Gross Win per unit per day after giving effect to the deduction of gaming taxes.

“Inspired Blended Participation Rate” is the Company’s average revenue share percentage across all participation terminals where revenue is earned on a participation basis, weighted by Customer Net Win per unit per day.

“Inspired Fixed Rental Revenue per Gaming Machine per week” is the Company’s average fixed rental amount across all fixed rental terminals where revenue is generated on a fixed fee basis, per unit per week.

“Inspired Service Rental Revenue per Gaming Machine per week” is the Company’s average service rental amount across all service only rental terminals where revenue is generated on a service only fixed fee basis, per unit per week.

“Gaming Long term license amortization” is the upfront license fee per terminal which is typically spread over the life of the terminal.

Our overall Gaming revenue from terminals placed on a participation basis can therefore be calculated as the product of the Participation - Average Installed Base, the Customer Net Win per unit per day, the number of days in the period, and the Inspired Blended Participation Rate, which is equal to “Participation Revenue”.

“Number of Machine sales” is the number of terminals sold during the period.

“Average selling price per terminal” is the total revenue in GBP of the Gaming terminals sold divided by the “number of Machine sales”.

Gaming, Recurring Revenue

Set forth below is a breakdown of our Gaming recurring revenue. Gaming recurring revenue principally consists of Gaming participation revenue and fixed rental revenue.

<i>(In £ millions)</i>	For the Twelve-Month Period ended		Variance December 31, 2024 vs December 31, 2023	
	December 31, 2024	December 31, 2023		%
Gaming Recurring Revenue				
Total Gaming Revenue	£ 86.7	£ 114.0	£ (27.3)	(24)%
Gaming Participation Revenue	£ 41.7	£ 44.3	£ (2.6)	(6)%
Gaming Project Recurring Revenue	£ 0.7	£ 0.9	£ (0.2)	(22)%
Other Fixed Fee Recurring Revenue	£ 9.1	£ 16.3	£ (7.2)	(44)%
Gaming Long-term license amortization	£ 2.2	£ 2.7	£ (0.5)	(19)%
Total Gaming Recurring Revenue *	£ 53.7	£ 64.2	£ (10.5)	(16)%
Gaming Recurring Revenue as a % of Total Gaming Revenue †	62%	56%	6%	
Total Gaming revenue excluding Low Margin Sales	86.7	89.7	(3.0)	-
Gaming Recurring Revenue as a % of Total Gaming Revenue (excluding Low Margin Sales) *	62%	72%	(10)%	

* Does not reflect Low Margin-related revenue.

† Total Gaming Revenue for the twelve-month period ended December 31, 2024 includes no Low Margin sales. Total Gaming Revenue for the twelve-month period ended December 31, 2023 includes £24.3 million of Low Margin sales.

In the table above:

“Gaming Participation Revenue” includes our share of revenue generated from (i) our Gaming terminals placed in gaming and lottery venues; and (ii) licensing of our game content and intellectual property to third parties.

“Gaming Other Fixed Fee Recurring Revenue” includes service revenue in which the Company earns a periodic fixed fee on a contracted basis.

“Gaming Project Recurring Revenue” relates specifically to a single customer for machine estate upgrades and distribution.

“Gaming Long term license amortization” – see the definition provided above.

“Total Gaming Recurring Revenue” is equal to Gaming Participation Revenue plus Gaming Other Fixed Fee Recurring Revenue.

Gaming, Service Revenue by Region

Set forth below is a breakdown of our Gaming service revenue by geographic region. Gaming Service revenue consists principally of Gaming participation revenue, Gaming other fixed fee revenue, Gaming long-term license amortization and Gaming other non-recurring revenue. See “Gaming Segment Revenue” below for a discussion of gaming service revenue between the periods under review.

<i>(In millions)</i>	For the Twelve-Month Period ended		Variance		
	December 31, 2024	December 31, 2023	December 31, 2024 vs December 31, 2023		Total Functional Currency %
Service Revenue:					
UK LBO	\$ 34.5	\$ 37.0	\$ (2.5)	(7)%	(18)%
UK Other	16.1	13.9	2.2	16%	13%
Italy	1.7	2.8	(1.1)	(39)%	(43)%
Greece	15.2	18.7	(3.5)	(19)%	(20)%
Rest of the World	1.8	2.1	(0.3)	(14)%	(19)%
Lotteries	5.4	5.2	0.2	4%	4%
Total Service revenue	\$ 74.7	\$ 79.6	\$ (4.9)	(6)%	(13)%
<i>Exchange Rate - \$ to £</i>	<i>1.28</i>	<i>1.25</i>			

Note: Exchange rate in the table is calculated by dividing the USD total service revenue by the GBP total service revenue, therefore this could be slightly different from the average rate during the period depending on timing of transactions.

Gaming, Results of Operations

<i>(In millions)</i>	For the Twelve-Month Period ended		Variance December 31, 2024 vs December 31, 2023			
	December 31, 2024	December 31, 2023	Variance Attributable to Currency Movement	Variance on a Functional currency basis	Total Functional Currency Variance %	Total Reported Variance %
Revenue:						
Service	\$ 74.7	\$ 79.6	\$ 2.0	\$ (6.9)	(9)%	(6)%
Product	35.9	62.9	0.1	(27.1)	(43)%	(43)%
Total revenue	110.6	142.5	2.1	(34.0)	(24)%	(22)%
Cost of Sales, excluding depreciation and amortization:						
Cost of Service	(20.0)	(24.6)	(0.2)	4.8	(20)%	(19)%
Cost of Product	(21.2)	(52.4)	(0.2)	31.4	(60)%	(60)%
Total cost of sales	(41.2)	(77.0)	(0.4)	36.2	(47)%	(46)%
Staff-related selling, general and administrative expenses	(18.1)	(17.9)	(0.4)	0.2	(1)%	1%
Non-staff related selling, general and administrative expenses	(10.5)	(9.3)	(0.4)	(0.8)	9%	13%
Labor costs capitalized	4.5	4.5	0.1	(0.1)	(2)%	-
Other segment items:						
Stock-based compensation	(0.9)	(1.5)	(0.1)	0.7	(47)%	(40)%
Depreciation and amortization	(16.8)	(18.7)	(0.4)	2.3	(12)%	(10)%
Other selling, general and administrative expenses	(3.7)	-	(0.1)	(3.6)	97%	100%
Net operating Income	\$ 23.9	\$ 22.6	\$ 0.4	\$ 0.9	4%	6%
<i>Exchange Rate - \$ to £</i>	<i>1.28</i>	<i>1.25</i>				

Note: Exchange rate in the table is calculated by dividing the USD total revenue by the GBP total revenue, therefore this could be slightly different from the average rate during the period depending on timing of transactions.

All variances discussed in the Gaming results below are on a functional currency (at a constant rate) basis, which excludes the impact of any changes in foreign currency exchange rates.

Gaming Revenue

During the twelve-month period ended December 31, 2024, Gaming revenue decreased by \$34.0 million, or 24%. This was driven by a \$6.9 million decrease in Service revenue and \$27.1 million decrease in Product revenue.

The decrease in Gaming Service revenue was driven by a \$3.8 million decline in Greece, predominantly due to the reduction in Gross Win per day and expiry of historical amortized license revenues, and \$3.4 million in the UK market inclusive of shop closures in UK Licensed Betting Offices (“LBO”), which was mostly offset by growth in Other UK of \$1.8 million driven by one-off license sales.

The Product revenue decrease was primarily driven by lower Product sales of \$27.1 million, as the prior year period contained \$30.6 million of Low Margin sales. This was partially offset by \$12.8 million in revenue growth in North America.

Gaming Operating / Net Income

Net income for the twelve-month period ended December 31, 2024 increased by \$0.9 million. The increase was primarily due to an increase in gross margin of \$2.2 million (as the \$34.0 million revenue decrease was offset by a \$36.2 million decrease in total costs of sales primarily driven by the decrease in Low Margin sales in the current period) and a decrease in depreciation and amortization of \$2.3 million due to the full depreciation of machine assets, partially offset by an increase in non-staff related selling, general and administrative expenses of \$0.8 million driven by lower overhead recoveries of \$0.8 million, and an increase in other selling, general and administrative expenses costs of \$3.6 million relating to restructuring costs for the closure of the Bridgend manufacturing facility.

Virtual Sports

We generate revenue from our Virtual Sports segment through our on-premise licensing solution and hosting of our products. We primarily receive fees on a participation basis. Our participation contracts are typically structured to pay us a percentage of net win (defined as net revenue to our operator customers, after deducting player winnings, free bets or plays and other promotional costs and any relevant regulatory levies) from Virtual Sports content placed on our customers’ websites or in our customers’ facilities. Typically, we recognize revenue from these arrangements on a daily basis over the term of the contract.

Revenue growth for our Virtual Sports segment is principally driven by the number of customers we have, the net win performance of the games and the net win percentage that we receive pursuant to our contracts with our customers.

Virtual Sports, Key Performance Indicators

	For the Twelve-Month Period ended		Variance December 31, 2024 vs December 31, 2023	
	December 31, 2024	December 31, 2023		%
	Virtuals			
No. of Live Customers at the end of the period	58	56	2	(3.6)%
Average No. of Live Customers	56	57	(1)	(1.8)%
Total Revenue (£'m)	£ 35.6	£ 45.3	£ (9.7)	(21.4)%
Total Revenue £'m - Retail	£ 9.2	£ 10.2	£ (1.0)	(9.8)%
Total Revenue £'m - Online Virtuals	£ 26.4	£ 35.2	£ (8.8)	(25.0)%

In the table above:

“No. of Live Customers at the end of the period” and “Average No. of Live Customers” represent the number of customers from which there is Virtual Sports revenue at the end of the period and the average number of customers from which there is Virtual Sports revenue during the period, respectively.

“Total Revenue (£m)” represents total revenue for the Virtual Sports segment, including recurring and upfront service revenue. Total revenue is also divided between “Total Revenue (£m) – Retail,” which consists of revenue earned through players wagering at Virtual Sports venues, “Total Revenue (£m) – Online Virtuals,” which consists of revenue earned through players wagering on Virtual Sports online.

Virtual Sports, Recurring Revenue

Set forth below is a breakdown of our Virtual Sports recurring revenue, which consists of Retail Virtuals and Online Virtuals recurring revenue as well as long-term license amortization. See “Virtual Sports Segment Revenue” below for a discussion of Virtual Sports Service revenue between the periods under review.

<i>(In £ millions)</i>	For the Twelve-Month Period ended		Variance December 31, 2024 vs December 31, 2023	
	December 31, 2024	December 31, 2023		%
	Virtual Sports Recurring Revenue			
Total Virtual Sports Revenue	£ 35.6	£ 45.3	£ (9.7)	(21.4)%
Recurring Revenue - Retail Virtuals	£ 9.0	£ 9.9	£ (0.9)	(9.1)%
Recurring Revenue - Online Virtuals	£ 25.6	£ 34.6	£ (9.0)	(26.0)%
Total Virtual Sports Long-term license amortization	£ 0.1	£ 0.2	£ (0.1)	(50.0)%
Total Virtual Sports Recurring Revenue	£ 34.7	£ 44.7	£ (10.0)	(22.4)%
Virtual Sports Recurring Revenue as a Percentage of Total Virtual Sports Revenue	97.5%	98.7%	(1.2)%	

“Recurring Revenue” includes our share of revenue generated from (i) our Virtual Sports products placed with operators; (ii) licensing our game content and intellectual property to third parties; and (iii) our games on third-party online gaming platforms that are interoperable with our game servers.

“Virtual Sports Long term license amortization” is the upfront license fee which is typically spread over the life of the contract.

Virtual Sports, Results of Operations

	<u>For the Twelve-Month Period ended</u>		<u>Variance December 31, 2024 vs December 31, 2023</u>			
	<u>December 31, 2024</u>	<u>December 31, 2023</u>	<u>Variance Attributable to Currency Movement</u>	<u>Variance on a Functional currency basis</u>	<u>Total Functional Currency Variance %</u>	<u>Total Reported Variance %</u>
<i>(In millions)</i>						
Service Revenue	\$ 45.4	\$ 56.2	\$ 1.2	\$ (12.0)	(21)%	(19)%
Cost of Service	(1.7)	(1.4)	-	(0.3)	(21)%	(21)%
Staff-related selling, general and administrative expenses	(9.2)	(8.3)	(0.3)	(0.6)	7%	11%
Non-staff related selling, general and administrative expenses	(2.7)	(2.4)	(0.1)	(0.2)	8%	13%
Labor costs capitalized	4.3	3.5	-	0.8	23%	23%
Other segment items:						
Stock-based compensation	(0.5)	(0.4)	-	(0.1)	25%	25%
Depreciation and amortization	(5.6)	(3.2)	(0.2)	(2.2)	69%	75%
Net operating income	\$ 30.0	\$ 44.0	\$ 0.6	\$ (14.6)	(33)%	(32)%
<i>Exchange Rate - \$ to £</i>	<i>1.28</i>	<i>1.25</i>				

Note: Exchange rate in the table is calculated by dividing the USD service revenue by the GBP service revenue, therefore this could be slightly different from the average rate during the period depending on timing of transactions.

All variances discussed in the Virtual Sports results below are on a functional currency (at constant rate) basis, which excludes the impact of any changes in foreign currency exchange rates.

Virtual Sports revenue

During the twelve-month period ended December 31, 2024 revenue decreased by \$12.0 million, or 21% driven by a major customer optimizing its customer base.

Virtual Sports operating income

During the twelve-month period ended December 31, 2024, net operating income decreased by \$14.5 million. These declines were primarily due to the decrease in gross margin of \$12.3 million, an increase in non-staff related selling, general and administrative expenses of \$0.2 million predominantly driven by higher external consultant and recruitment costs, and an increase in depreciation and amortization of \$2.2 million for increased software development and intangible assets.

Interactive

We generate revenue from our Interactive segment through various gaming content made available via third-party aggregation platforms integrated with our remote gaming server or directly on the Company’s remote gaming server platform, and services such as customer support, platform maintenance, updates and upgrades. Typically, we receive fees on a participation basis. Our participation contracts are usually structured to pay us a percentage of net win (defined as net revenue to our operator customers, after deducting player winnings, free bets or plays and other promotional costs and any relevant regulatory levies) from Interactive content placed on our customers’ websites. Typically, we recognize revenue from these arrangements on a daily basis over the term of the contract.

Revenue growth for our Interactive segment is principally driven by the number of customers we have, the number of live games, the net win performance of the games and the net win percentage that we receive pursuant to our contracts with our customers.

Interactive, Key Performance Indicators

Interactive	For the Twelve-Month Period ended		Variance December 31, 2024 vs December 31, 2023	
	December 31, 2024	December 31, 2023		%
No. of Live Customers at the end of the period	175	149	26	17.4%
Average No. of Live Customers	167	142	25	17.6%
No. of Games available at the end of the period	323	290	33	11.4%
Average No. of Games available	311	279	32	11.5%
No. of Live Games at the end of the period	303	275	28	10.2%
Average No. of Live Games	292	259	33	12.7%
Total Revenue (£'m)	£ 30.8	£ 22.4	£ 8.4	37.5%

In the table above:

“No. of Live Customers at the end of the period” and “Average No. of Live Customers” represent the number of customers from which there is Interactive revenue at the end of the period and the average number of customers from which there is Interactive revenue during the period, respectively.

“No. of Games available at the end of the period” and “Average No. of Games available” represents the number of games that are available for operators to deploy at the end of the period (including inactive legacy games still available in inactive new games that are available but have not yet gone live with any operators) and the average number of games that are available for operators to deploy during the period, respectively. This incorporated live games and inactive games.

“No. of Live Games at the end of the period” and “Average No. of Live Games” represents the number of games from which there is Interactive revenue at the end of the period and the average number of games from which there is Interactive revenue during the period, respectively.

“Total Revenue (£m)” represents total revenue for the Interactive segment, including recurring and upfront service revenue.

Interactive, Results of Operations

	For the Twelve-Month Period ended		Variance December 31, 2024 vs December 31, 2023			
	December 31, 2024	December 31, 2023	Variance Attributable to Currency Movement	Variance on a Functional currency basis	Total Functional Currency Variance %	Total Reported Variance %
<i>(In millions)</i>						
Service Revenue	\$ 39.3	\$ 27.9	\$ 0.8	\$ 10.6	38%	41%
Cost of Service	(1.7)	(1.7)	-	-	-	-
Staff-related selling, general and administrative expenses	(8.9)	(8.4)	(0.3)	(0.2)	2%	6%
Non-staff related selling, general and administrative expenses	(5.4)	(4.9)	(0.2)	(0.3)	6%	10%
Labor costs capitalized	2.3	2.5	(0.2)	-	-	(8)%
Other segment items:						
Stock-based compensation	(0.4)	(0.6)	-	0.2	(33)%	(33)%
Depreciation and amortization	(5.5)	(3.7)	0.1	(1.7)	46%	49%
Net operating income	\$ 19.7	\$ 11.1	\$ 0.2	\$ 8.4	76%	77%
<i>Exchange Rate - \$ to £</i>	<i>1.28</i>	<i>1.25</i>				

Note: Exchange rate in the table is calculated by dividing the USD service revenue by the GBP service revenue, therefore this could be slightly different from the average rate during the period depending on timing of transactions.

All variances discussed in the Interactive results below are on a functional currency (at constant rate) basis, which excludes the impact of any changes in foreign currency exchange rates.

Interactive revenue

During the twelve-month period ended December 31, 2024 revenue increased by \$10.6 million, or 38%, driven by recurring revenue growth in the UK, North America and mainland Europe due to the launch of new content across the estate and increased promotional activity through exclusive deals with tier-one customers.

Interactive operating income

Operating income for the twelve-month period ended December 31, 2024 increased by \$8.6 million. This increase was driven by the increase in gross margin, partially offset by increases in staff related selling, general and administrative expenses of \$0.3 million driven by annual salary increases and additional headcount, non-staff related selling, general and administrative expenses of \$0.3 million predominantly due to increased IT network costs supporting revenues, and depreciation and amortization of \$1.7 million for increased software development and intangible assets.

Leisure

We typically generate revenue from our Leisure segment through the supply of our gaming and amusement machines. We receive rental fees for machines, typically on a long-term contract basis, on both a participation and fixed fee basis. Our participation contracts are usually structured to pay us a percentage of net win (defined as net revenue to our operator customers, after deducting player winnings, free bets or plays, any relevant regulatory levies and minimum fixed incomes where applicable) from machines placed in our customers' facilities. We generally recognize revenue from these arrangements on a daily basis over the term of the contract.

Revenue growth for our Leisure segment is principally driven by the number of customers we have, the number of machines in operation, the net win performance of the machines and the net win percentage that we receive pursuant to our contracts with our customers.

Leisure, Key Performance Indicators

Leisure	For the Twelve-Month Period ended		Variance December 31, 2024 vs December 31, 2023	
	December 31, 2024	December 31, 2023		%
End of period installed base Gaming machines (# of terminals)	10,103	10,741	(638)	(5.9)%
Average installed base Gaming machines (# of terminals)	10,367	10,761	(394)	(3.7)%
End of period installed base Other (# of terminals)	3,595	4,209	(614)	(14.6)%
Average installed base Other (# of terminals)	3,892	4,371	(479)	(11.0)%
Pub Digital Gaming Machines - Average installed base (# of terminals)	6,200	6,175	25	0.4%
Pub Analogue Gaming Machines - Average installed base (# of terminals)	124	367	(243)	(66.2)%
MSA and Bingo Gaming Machines - Average installed base (# of terminals) ⁽¹⁾	2,944	3,048	(104)	(3.4)%
Inspired Leisure Revenue per Gaming Machine per week	£ 72.6	£ 67.7	£ 4.9	7.2%
Inspired Pub Digital Revenue per Gaming Machine per week	£ 74.1	£ 70.0	£ 4.1	5.9%
Inspired Pub Analogue Revenue per Gaming Machine per week	£ 31.3	£ 34.7	£ (3.4)	(9.8)%
Inspired MSA and Bingo Revenue per Gaming Machine per week	£ 97.7	£ 93.5	£ 4.2	4.5%
Inspired Other Revenue per Machine per week	£ 24.1	£ 21.4	£ 2.7	12.6%
Total Holiday Parks Revenue (Gaming and Non Gaming) (£'m)	£ 33.4	£ 32.2	£ 1.2	3.7%

(1) Motorway Service Area machines

In the table above:

“End of period installed base Gaming” and “Average installed base Gaming” represent the number of gaming machines installed (excluding Holiday Park machines) that are Category B and Category C only (UK Gambling Act 2005 places machines into categories dependent on maximum stake and prize available), from which there is participation or rental revenue at the end of the period or as an average over the period.

“End of period installed base Other” and “Average installed base Other” represent the number of all other category machines installed (excluding Holiday Park machines) from which there is participation or rental revenue at the end of the period or as an average over the period.

“Revenue per machine unit per week” represents the average weekly participation or rental revenue recognized during the period.

Leisure, Results of Operations

<i>(In millions)</i>	For the Twelve-Month Period ended		Variance December 31, 2024 vs December 31, 2023			
	December 31, 2024	December 31, 2023	Variance Attributable to Currency Movement	Variance	Total	Total
				on a Functional currency basis	Functional Currency Variance %	Reported Variance %
Revenue:						
Service	\$ 99.2	\$ 94.1	\$ 2.5	\$ 2.6	3%	5%
Product	2.6	2.2	-	0.4	18%	18%
Total revenue	101.8	96.3	2.5	3.0	3%	6%
Cost of Sales, excluding depreciation and amortization:						
Cost of Service	(46.9)	(47.4)	(1.3)	1.8	(4)%	(1)%
Cost of Product	(0.8)	(1.1)	-	0.3	(27)%	(27)%
Total cost of sales	(47.7)	(48.5)	(1.3)	2.1	(4)%	(2)%
Staff-related selling, general and administrative expenses	(16.8)	(16.7)	(0.5)	0.4	(2)%	1%
Non-staff related selling, general and administrative expenses	(14.8)	(13.0)	(0.4)	(1.4)	11%	14%
Labor costs capitalized	0.8	1.3	0.1	(0.6)	(46)%	(38)%
Other segment items:						
Stock-based compensation	(0.6)	(1.0)	-	0.4	(40)%	(40)%
Depreciation and amortization	(12.9)	(11.6)	(0.4)	(0.9)	8%	11%
Net operating Income	9.8	6.8	\$ -	\$ 2.9	44%	44%
<i>Exchange Rate - \$ to £</i>	<i>1.28</i>	<i>1.25</i>				

Note: Exchange rate in the table is calculated by dividing the USD total revenue by the GBP total revenue, therefore this could be slightly different from the average rate during the period depending on timing of transactions.

All variances discussed in the Leisure results below are on a functional currency (at constant rate) basis, which excludes the impact of any changes in foreign currency exchange rates.

Leisure Revenue

For the twelve-month period ended December 31, 2024 revenue increased by \$3.0 million, or 3%. The increases were primarily due to increased service revenue of \$2.6 million, primarily driven by the increase in Holiday Parks of \$1.4 million due to new locations and higher bookings and Pubs of \$1.0 million due to the roll out of Vantage machines throughout the current period.

Leisure Operating Income

Operating income for the twelve-month period ended December 31, 2024 increased by \$2.9 million. This was primarily due to the increase in gross margin, partially offset by increases in non-staff related selling, general and administrative expenses of \$1.4 million which mainly relates to increases in fleet expenses for increased vehicle leases, facility expenses due to increased rates and, storage and distribution costs for transporting machines around the business.

Non-GAAP Financial Measures

We use certain non-GAAP financial measures, including EBITDA, to analyze our operating performance. We use these financial measures to manage our business on a day-to-day basis. We believe that these measures are also commonly used in our industry to measure performance. For these reasons, we believe that these non-GAAP financial measures provide expanded insight into our business, in addition to standard U.S. GAAP financial measures. There are no specific rules or regulations for defining and using non-GAAP financial measures, and as a result the measures we use may not be comparable to measures used by other companies, even if they have similar labels. The presentation of non-GAAP financial information should not be considered in isolation from, or as a substitute for, or superior to, financial information prepared and presented in accordance with U.S. GAAP. You should consider our non-GAAP financial measures in conjunction with our U.S. GAAP financial measures.

We define our non-GAAP financial measures as follows:

EBITDA is defined as net income (loss) excluding depreciation and amortization, interest expense, interest income and income tax expense.

Adjusted EBITDA is defined as net income (loss) excluding depreciation and amortization, interest expense, interest income and income tax expense, and other additional exclusions and adjustments (see Adjusted EBITDA reconciliation table). Such additional excluded amounts include stock-based compensation U.S. GAAP charges where the associated liability is expected to be settled in stock, and changes in the value of earnout liabilities and income and expenditure in relation to legacy portions of the business (being those portions where trading no longer occurs) including closed defined benefit pension schemes. Additional adjustments are made for items considered outside the normal course of business, including but not limited to (1) restructuring costs, which include charges attributable to employee severance, impairments, management changes, restructuring, dual running costs, costs related to facility closures and integration costs, (2) merger and acquisition costs and (3) gains or losses not in the ordinary course of business (4) the costs of the restatement of previously issued financial statements.

We believe Adjusted EBITDA, when considered along with other performance measures, is a particularly useful performance measure, because it focuses on certain operating drivers of the business, including sales growth, operating costs, selling and administrative expense and other operating income and expense. We believe Adjusted EBITDA can provide a more complete understanding of our operating results and the trends to which we are subject, and an enhanced overall understanding of our financial performance and prospects for the future. Adjusted EBITDA is not intended to be a measure of liquidity or cash flows from operations or a measure comparable to net income or loss, because it does not take into account certain aspects of our operating performance (for example, it excludes non-recurring gains and losses which are not deemed to be a normal part of underlying business activities). Our use of Adjusted EBITDA may not be comparable to the use by other companies of similarly termed measures. Management compensates for these limitations by using Adjusted EBITDA as only one of several measures for evaluating our operating performance. In addition, capital expenditures, which affect depreciation and amortization, interest expense, and income tax benefit (expense), are evaluated separately by management.

Adjusted Revenue (Revenue Excluding Low Margin Gaming Hardware Sales) is defined as revenue excluding Gaming hardware sales that are sold at Low Margin with the intention of securing longer term recurring revenue streams.

Functional Currency at Constant rate. Currency impacts discussed have been calculated as the current-period average GBP: USD rate less the equivalent average rate in the prior period, multiplied by the current period amount in our functional currency (GBP). The remaining difference, referred to as functional currency at constant rate, is calculated as the difference in our functional currency, multiplied by the prior-period average GBP: USD rate, as a proxy for functional currency at constant rate movement.

Currency Movement represents the difference between the results in our reporting currency (USD) and the results on a functional currency (at constant rate) basis.

Reconciliations from net loss, as shown in our Consolidated Statements of Operations and Comprehensive Income (Loss), to Adjusted EBITDA are shown below.

Reconciliation to Adjusted EBITDA by segment for the Twelve Months ended December 31, 2024

<i>(In millions)</i>	<i>Statutory Heading</i>	For the Twelve-Month Period ended December 31, 2024					
		Total	Gaming	Virtual Sports	Interactive	Leisure	Corporate
Net Income/ (loss)	Net Income	\$ 64.8	\$ 23.9	\$ 30.0	\$ 19.7	\$ 9.8	\$ (18.6)
Pension charges (1)	Staff-related selling, general and administrative expenses	\$ 1.1					1.1
Cost of Group Restructure (2)	Other selling, general and administrative expenses	\$ 5.1	3.7				1.4
Cost of Group Restatement (3)	Other selling, general and administrative expenses	\$ 12.3					12.3
Stock-based compensation expense (4)	Stock-based compensation expense	\$ 7.6	0.9	0.5	0.4	0.6	5.2
Depreciation and amortization (4)	Depreciation and amortization	\$ 43.3	16.8	5.6	5.5	12.9	2.5
Interest expense net (4)	Interest expense net	\$ 29.4					29.4
Other finance expenses / (income) (4)	Other finance expenses / (income)	\$ (0.5)					(0.5)
Income Tax (4)	Income Tax	\$ (63.0)					(63.0)
Adjusted EBITDA		\$ 100.1	\$ 45.3	\$ 36.1	\$ 25.6	\$ 23.3	\$ (30.2)
Adjusted EBITDA		£ 78.4	£ 35.5	£ 28.0	£ 20.0	£ 18.2	£ (23.3)
<i>Exchange Rate - \$ to £ (6)</i>		<i>1.28</i>					

Note: Certain unallocated corporate function costs have not been allocated to the Company's reportable operating segments because these costs are not allocable and to do so would not be practical; these are shown in the Corporate category.

Reconciliation to Adjusted EBITDA by segment for the Twelve Months ended December 31, 2023

		For the Twelve-Month Period ended December 31, 2023					
(In millions)	Statutory Heading	Total	Gaming	Virtual Sports	Interactive	Leisure	Corporate
Net Income/ (loss)		\$ 6.9	\$ 22.6	\$ 44.0	\$ 11.1	\$ 6.8	\$ (77.6)
Pension charges (1)	Staff-related selling, general and administrative expenses	\$ 0.9					0.9
Cost of Group Restructure (2)	Other selling, general and administrative expenses	\$ 3.6					3.6
Cost of Group Restatement (3)	Other selling, general and administrative expenses	\$ 5.0					5.0
Stock-based compensation expense (4)	Stock-based compensation expense	\$ 11.2	1.5	0.4	0.6	1.0	7.7
Depreciation and amortization (4)	Depreciation and amortization	\$ 39.6	18.7	3.2	3.7	11.6	2.4
Interest expense net (4)	Interest expense net	\$ 27.4					27.4
Other finance expenses / (income) (4)	Other finance expenses / (income)	\$ (0.4)					(0.4)
Income tax (4)	Income tax	\$ 5.0					5.0
Adjusted EBITDA		\$ 99.2	\$ 42.8	\$ 47.6	\$ 15.4	\$ 19.4	\$ (26.0)
Adjusted EBITDA		£ 79.6	£ 34.5	£ 38.2	£ 12.3	£ 15.6	£ (21.0)
Exchange Rate - \$ to £ (5)		1.25					

Note: Certain unallocated corporate function costs have not been allocated to the Company's reportable operating segments because these costs are not allocable and to do so would not be practical; these are shown in the Corporate category.

Notes to Adjusted EBITDA reconciliation tables above:

- (1) "Pension charges" are profit and loss charges included within selling, general and administrative expenses, relating to a defined benefit scheme which was closed to new entrants in 1999 and to future accrual in 2010. As well as the amortization of net loss, the figure also includes charges relating to the Pension Protection Fund (which were historically borne by the pension scheme) and a small amount of associated professional services expenses. These costs are included within Corporate Functions.
- (2) "Cost of Group Restructure" include redundancy costs, payment in lieu of notice costs and any associated employer taxes. To qualify as an adjusting item, costs must be part of a large restructuring project, which will net save ongoing future costs or be in relation to the exit of an Executive.
- (3) "Cost of Group Restatement" includes accounting advice associated with the restatement of the 2020, 2021 and 2022 annual accounts and Q1 and Q2 2023 quarterly accounts. It also includes ongoing costs in 2024 relating to the SEC inquiry that was subsequently concluded in January 2025. To qualify as an adjusting item, costs must be specific to the event and be neither normal nor recurring in nature.

- (4) Stock-based compensation expense, Depreciation and amortization, Total other expense, net and Income tax are as described above in the Results of Operations line item discussions. Total expense, net includes interest income, interest expense, change in fair value of earnout liability, change in fair value of derivative liability and other finance income.
- (5) Exchange rate in the table is calculated by dividing the USD Adjusted EBITDA by the GBP Adjusted EBITDA, therefore this could be slightly different from the average rate during the period depending on timing of transactions.

Reconciliation to Adjusted Revenue

We believe that accounting for low margin hardware sales in conformance with U.S. GAAP can result in a distorted presentation of our revenue and growth. Therefore, we use Revenue Excluding Low Margin Sales, or Adjusted Revenue, to internally analyze our operating performance. A reconciliation from revenue, as shown in our Consolidated Statements of Operations and Comprehensive Loss included elsewhere in this report, to Adjusted Revenue is shown below.

<i>(In millions)</i>	For the Twelve-Month Period ended	
	December 31, 2024	December 31 2023
Net revenue	\$ 297.1	\$ 322.9
Less Low Margin Gaming Sales	-	(30.6)
Adjusted Revenue	\$ 297.1	\$ 292.3
Adjusted Revenue	£ 232.4	£ 234.7
<i>Exchange Rate - \$ to £</i>	<i>1.28</i>	<i>1.25</i>

Liquidity and Capital Resources

Twelve Months ended December 31, 2024, compared to Twelve Months ended December 31, 2023

Cash Flow Summary - A Two Year Comparative

(in millions)	Twelve Months ended		Variance
	Dec 31, 2024	Dec 31, 2023	2024 to 2023
Net profit	\$ 64.8	\$ 6.9	\$ 57.9
Non-cash interest expense relating to senior debt	1.1	2.0	(0.9)
Change in fair value of derivative liabilities and stock-based compensation expense	7.6	11.5	(3.9)
Depreciation and amortization (incl RoU assets)	47.7	43.4	4.3
Other net cash utilized by operating activities	(89.5)	(9.1)	(80.4)
Net cash provided by operating activities	31.7	54.7	(23.0)
Net cash used in investing activities	(40.1)	(57.6)	17.5
Net cash (used)/generated by financing activities	(1.6)	16.2	(17.8)
Effect of exchange rates on cash	(0.7)	1.7	(2.4)
Net (decrease)/increase in cash and cash equivalents	\$ (10.7)	\$ 15.0	\$ (25.7)

Net cash provided by operating activities

For the twelve months ended December 31, 2024, net cash inflow provided by operating activities was \$31.7 million, compared to a \$54.7 million inflow for the twelve months ended December 31, 2023, representing a \$23.0 million decrease in cash generation. The decrease was driven primarily through trading levels and the working capital position with adverse movements in accounts receivable due to timing of sales recognition with high levels at the end of 2024 and in accounts payable due to varying levels of production activity with the end of 2023 seeing significant activity in Greece installing 2,500 machines during the last few months of the prior year.

Amortization of debt fees decreased by \$0.9 million, to \$1.1 million, due to the marking to market for short term currency contracts held at the end of 2023.

Change in the fair value of derivative and warrant liabilities and stock-based compensation expense decreased by \$3.9 million from \$11.5 million to \$7.6 million due to lower stock-based compensation expense (\$3.4 million) and 2023 having a gain relating to terminated cross currency swaps (\$0.5 million) which terminated at the end of September 2023.

Depreciation and amortization increased by \$4.3 million, to \$47.7 million, with increases of \$1.7 in million amortization of intangible assets, \$1.7 million contract costs amortization, \$0.6 million in machine depreciation and \$0.6 million in amortization of right of use assets offset by a \$0.5 million decrease in software development cost amortization.

Other net cash utilized by operating activities increased by \$80.4 million to an outflow of \$89.5 million. The relative movements between the twelve months ended December 31, 2024 and the twelve months ended December 31, 2023 resulted in unfavorable movements of \$61.9 million in corporate tax and other current taxes, \$23.9 million in accounts receivable and \$15.0 million in accounts payable and accrued expenses. The movement in corporate tax and other current taxes was due to a reversal of the Company's valuation allowance on their deferred tax assets in various jurisdictions as well as an inclusion for global low-taxed income. The movements in accounts receivable was due to timing of machine sales with the end of 2024 seeing high levels. There were fewer machine sales at the end of 2023 but 2023 includes the collection of a significant machine sale made at the end of 2022. The movements in accounts payable was due to different activity levels in Greece with 2023 also seeing higher accounts payable levels as a result of the restatement exercise. These unfavorable movements were partly offset by favorable movements in prepayments and accrued income \$13.8 million, inventory \$4.1 million and deferred revenue \$2.4 million.

Net cash used in investing activities

Net cash utilized in investing activities decreased by \$17.5 million, to \$40.1 million in the twelve months ended December 31, 2024. This was driven by a reduced spend on plant, property and equipment \$15.0 million decrease compared to 2023, which included the updating of machines in Greece with 2,500 terminals installed, and capitalized software (a \$2.9 million decrease to 2023). The twelve months ended December 31, 2023 included a \$0.6 million acquisition relating to Lot.to. These were partly offset by a \$1.0 million increase in contract cost additions.

Net cash (used)/generated by financing activities

During the twelve months ended December 31, 2024, net cash used by financing activities was \$1.6 million all relating to finance lease spend. During the twelve months ended December 31, 2023, net cash generated by financing activities was \$16.2 million due to the draw down of £15.0 million (\$18.9 million) of the Company's revolving facility. This was offset by the Company's repurchase of its common shares under the Share Repurchase Program, \$1.6 million, and finance lease spend of \$1.1 million.

Funding Needs and Sources

To fund our obligations, historically we have relied on a combination of cash flows provided by operations and the incurrence of additional debt or the refinancing of existing debt. As of December 31, 2024, we had liquidity consisting of \$29.3 million in cash and a further \$6.3 million of undrawn revolver facility. This compares to \$40.0 million of cash as of December 31, 2023, with a further \$6.4 million of revolver facilities undrawn. We had a working capital outflow of \$89.5 million for the twelve months ended December 31, 2024, compared to a \$9.1 million outflow for the twelve months ended December 31, 2023.

The level of our working capital surplus or deficit varies with the level of machine production we are undertaking and our capitalization as well as the seasonality evident in some of the businesses. In periods with minimal machine volumes and capital spend, our working capital is typically more stable. In periods where significant numbers of machines are being produced, the levels of inventory and creditors are typically higher and there is a natural timing difference between converting the stock into sellable or capitalized plant and settling payments to suppliers. These factors can result in significant working capital volatility. In periods of low activity, our working capital volatility is reduced. Working capital is reviewed and managed with the aim of ensuring that current liabilities are covered by the level of cash held and the expected level of short-term receipts.

Some of our business operations require cash to be held within the machines. As of December 31, 2024, \$2.9 million of our \$29.3 million of cash were held as operational floats within the machines. At December 31, 2023, \$3.1 million of our \$40.0 million of cash were held as operational floats within the machines

Management currently believes that the Company's cash balances on hand, cash flows expected to be generated from operations, and the ability to control and defer capital projects will be sufficient to fund the Company's net cash requirements through April 2026.

Long Term and Other Debt

<i>(In millions)</i>	December 31, 2024		December 31, 2023	
Cash held	£ 23.4	\$ 29.3	£ 31.4	\$ 40.0
Revolver drawn	(15.0)	(18.8)	(15.0)	(19.1)
Original principal senior debt	(235.0)	(294.4)	(235.0)	(299.6)
Cash interest accrued	(1.9)	(2.4)	(1.6)	(2.0)
Finance lease creditors	(18.4)	(23.0)	(1.9)	(2.4)
Total	£ (246.9)	\$ (309.3)	£ (222.1)	\$ (283.1)

Debt Covenants

Under our debt facilities in place as of December 31, 2024, we are not subject to covenant testing on the Senior Secured Notes. We are, however, subject to covenant testing at the level of Inspired Entertainment Inc., the ultimate holding company, on our Super Senior Revolving Credit Facility which requires the Company to maintain a maximum consolidated senior secured net leverage ratio of 6.25x on the test date for the relevant period ended June 30, 2021, stepping down to 6.0x on March 31, 2022, 5.75x on March 31, 2023 and 5.50x from March 31, 2024 and thereafter (the “RCF Financial Covenant”). The RCF Financial Covenant is calculated as the ratio of consolidated senior secured net debt to consolidated pro forma EBITDA (defined as net loss excluding depreciation and amortization, interest expense, interest income and income tax expense) for the 12-month period preceding the relevant quarterly testing date and is tested quarterly on a rolling basis, subject to the Initial Facility (as defined in the RCF Agreement) being drawn on the relevant test date. The RCF Financial Covenant does not include a minimum interest coverage ratio or other financial covenants. Covenant testing at December 31, 2024 showed covenant compliance.

The Indenture contains covenants and certain reporting requirements including the requirement to provide the Lender, within 60 days after the close of the quarter, unaudited quarterly financial statements with footnote disclosures. The Company was unable to comply with this requirement as of September 30, 2023 due to the requirement to restate previously reported financial statements as reported in a Current Report on Form 8-K filed with the SEC on November 8, 2023. The debt agreement allows the Company a 30-day grace period to provide such financial information once they receive any notice of non-compliance. No such notice was received and concurrent with the filing of the September 30, 2023 10-Q with the SEC on February 27, 2024, the reporting requirement was met.

There were no other breaches of the debt covenants in the twelve-month periods ended December 31, 2024 or December 31, 2023.

Liens and Encumbrances

As of December 31, 2024, our senior secured notes were secured by the imposition of a fixed and floating charge in favor of the lender over all the assets of the Company and certain of the Company’s subsidiaries.

Share Repurchases

The Board of Directors has authorized the Company to use up to \$25.0 million to repurchase shares of Inspired common stock, subject to repurchases being effected on or before May 10, 2025. Management has discretion as to whether to repurchase shares of the Company and as of December 31, 2024, an aggregate of \$12.0 million of our shares of common stock had been repurchased over the past three years.

Contractual Obligations

As of December 31, 2024, our contractual obligations were as follows:

Contractual Obligations (in millions)	Total	Less than 1 year	1-2 years	3-5 years	More than 5 years
Operating activities					
Interest on long term debt	\$ 34.8	\$ 23.2	\$ 11.6	\$ -	\$ -
Purchase of Vantage machines	17.1	17.1	-	-	-
Financing activities					
Revolver repayment	19.7	19.7	-	-	-
Senior secured notes - principal repayment	294.4	-	294.4	-	-
Finance lease payments	23.0	4.4	4.7	13.9	-
Operating lease payments	16.8	5.1	4.0	4.3	3.4
Interest on non-utilization fees	0.2	0.2	-	-	-
Total	<u>\$ 406.0</u>	<u>\$ 69.7</u>	<u>\$ 314.7</u>	<u>\$ 18.2</u>	<u>\$ 3.4</u>

Off-Balance Sheet Arrangements

As of December 31, 2024, there were no off-balance sheet arrangements, as defined in Item 303(a)(4)(ii) of Regulation S-K, promulgated by the U.S. Securities and Exchange Commission.

Critical Accounting Estimates

The preparation of our audited consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions. We exercise considerable judgment with respect to establishing sound accounting policies and in making estimates and assumptions that affect the reported amounts of our assets and liabilities, our recognition of revenue and expenses, and our disclosure of commitments and contingencies at the date of the consolidated financial statements. On an on-going basis, we evaluate our estimates and judgments. We base our estimates and judgments on a variety of factors, including our historical experience, knowledge of our business and industry and current and expected economic conditions, that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. We periodically re-evaluate our estimates and assumptions with respect to these judgments and modify our approach when circumstances indicate that modifications are necessary. While we believe that the factors we evaluate provide us with a meaningful basis for establishing and applying sound accounting policies, we cannot guarantee that the results will always be accurate. Since the determination of these estimates requires the exercise of judgment, actual results could differ from such estimates.

For a discussion of other recently issued accounting standards, and assessments as to their impacts on the Company, see Note 1 “Nature of Operations, Management’s Plans and Summary of Significant Accounting Policies” in the Notes to Consolidated Financial Statements included in Part II, Item 8 of this report.

Revenue

Application of GAAP related to the measurement and recognition of revenue requires us to make judgments and estimates. Specifically, complex arrangements with nonstandard terms and conditions may require significant contract interpretation to determine the appropriate accounting. The Company often enters into contracts with customers that consist of a combination of services and products that are accounted for as one or more distinct performance obligations. Management applies judgment in evaluating the contractual terms and conditions that impact the identification of performance obligations and the pattern of revenue recognition. For these arrangements that contain multiple promises, judgement is also required to determine the stand-alone selling price (“SSP”) for each distinct performance obligation. In instances where SSP is not directly observable, such as when we do not sell the product or service separately, we determine the SSP using information that may include market conditions, size of the customer, geography and other observable inputs or, as necessary, unobservable considerations such as historical experience, knowledge of our business and industry and our current or expected selling practices.

Revenue recognition is also impacted by our ability to estimate variable consideration, including, for example, estimates for income earned but unbilled prior to the reporting period end. We consider various factors when making these judgments, including a review of specific transactional data and contracted terms, information obtained subsequent to the reporting period end and historical experience. Evaluations are conducted each quarter to assess the adequacy of the estimates.

Other significant judgments include determining whether the Company is acting as the principal or the agent in a transaction.

The Company recognized service and product revenue of \$258.6 million and \$38.5 million, respectively, for the year ended December 31, 2024. The Company’s revenue recognition policy, which requires significant judgments and estimates, is fully described in Note 1 “Nature of Operations, Management’s Plans and Summary of Significant Accounting Policies” in the Notes to Consolidated Financial Statements included in Part II, Item 8 of this report.

Goodwill Impairment Assessment

Application of the goodwill impairment test requires judgment, including the identification of reporting units, assignment of assets and liabilities to reporting units, assignment of goodwill to reporting units, and determination of the fair value of each reporting unit. Performance of the qualitative goodwill assessment requires judgment in identifying and considering the significance of relevant key factors, events and circumstances that affect the fair value or carrying amount of the reporting units. Such events and circumstances that we have considered include macroeconomic conditions, industry specific and market considerations, and reporting unit-specific factors such as overall actual and projected financial performance, among other factors. We also considered the results from the most recent date that a fair value measurement was performed as a part of a quantitative goodwill assessment and specifically the cushion between each reporting unit’s fair value and carrying value. The estimates used to calculate the fair value of a reporting unit as a part of a quantitative goodwill assessment change from year to year based on operating results, market conditions, and other factors. Changes in these estimates and assumptions could materially affect the determination of fair value and goodwill impairment, if any, for each reporting unit.

Long-lived Assets and Finite-lived Intangible Assets

We evaluate the recoverability of intangible assets and other long-lived assets with finite useful lives by comparing the carrying value of the asset group to the estimated undiscounted future cash flows that we expect the asset to generate if events or changes in circumstances indicate that these assets are not recoverable. If the asset group fails the recoverability test, an impairment loss is measured as the amount by which the carrying amount of the asset group exceeds its fair value. The fair value is determined using a discounted cash flow approach where projections of future cash flows generated by those assets are discounted using an estimated discount rate. Significant judgment is required to estimate the amount and timing of future cash flows and the relative risk of achieving those cash flows. We also make judgments about the remaining useful lives of intangible assets and other long-lived assets that have finite lives. While we believe our estimates of future operating results and projected cash flows are reasonable, any significant adverse changes in key assumptions (i.e., adverse change in the extent or manner in which an asset or asset group is being used or expectation that, more likely than not, an asset or asset group will be sold or otherwise disposed of before the end of its useful life) or adverse changes in economic and market conditions may cause a change in our evaluation of recoverability or our estimation of fair value and could result in an impairment charge that could be material to our financial statements. Any impairment loss shall be allocated to the long-lived assets of the group on a pro rata basis using the relative carrying amounts of those assets, except that the loss allocated to an individual long-lived asset of the group shall not reduce the carrying amount of that asset below its fair value.

Software Development Costs

The Company must apply judgement in determining the amount of software development costs that should be capitalized. Specifically, we must evaluate, on a project by project basis, whether the resultant product or platform will be completed and generate ongoing economic benefits, principally through revenue from our customers, which is subject to uncertainties.

Once the software is substantially complete or available for general release, capitalized internal-use and external-use software costs are amortized on a straight-line basis over the estimated economic useful life of the software, which ranges from two to five years. There is judgement involved in estimating the useful life of developed software and the two-to-five-year period was determined based on factors such as the continuous development in the technology, obsolescence, and anticipated life of the service offering before significant upgrades. Management evaluates the useful lives of these assets on a recurring basis and tests for impairment whenever events or changes in circumstances occur that could impact the recoverability of these assets.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our principal market risks are our exposure to changes in foreign currency exchange rates.

Interest Rate Risk

Following the Company's refinancing of its debt in May 2021, the external borrowings of £235.0 million (\$294.4 million) are provided at a fixed rate. Therefore, movements in rates such as LIBOR do not impact on the current borrowings and the only fluctuation that is expected to be reported will be that solely caused by movements in the exchange rates between the Company's functional currency and its reporting currency.

Foreign Currency Exchange Rate Risk

Our operations are conducted in various countries around the world, and we receive revenue and pay expenses from these operations in a number of different currencies. As such, our earnings are subject to movements in foreign currency exchange rates when transactions are denominated in (i) currencies other than GBP, which is our functional currency, or (ii) the functional currencies of our subsidiaries, which is not necessarily GBP. To estimate our foreign currency exchange rate risk, we identify material Euro and US Dollar trading and balance sheet amounts and recalculate the result using a 10% movement in the GBP:US Dollar exchange rate. For the trading figures the 10% movement is based on the average exchange rate throughout the reported period and for the balance sheet figures the 10% movement is based on the exchange rate used at December 31, 2024.

Excluding intercompany balances, our Euro and US Dollar functional currency net assets total approximately \$22.8 million and \$15.6 million respectively. We use a sensitivity analysis model to measure the impact of a 10% adverse movement of foreign currency exchange rates against the US Dollar. A hypothetical 10% adverse change in the value of the Euro and the US Dollar relative to GBP as of December 31, 2024, would result in favorable translation adjustments of approximately \$2.2 million and \$1.6 million respectively, recorded in other comprehensive loss.

Included within our trading results are earnings outside of our functional currency. Retained gains from Euro based entities earned in Euros and retained losses from USD based entities earned in US Dollars in the twelve months ended December 31, 2024, were €11.0 million and \$17.1 million, respectively. A hypothetical 10% adverse change in the value of the Euro and the US Dollar relative to GBP as of December 31, 2024, would result in translation adjustments of approximately \$1.1 million favorable and \$1.6 million unfavorable, respectively, recorded in trading operations.

The majority of the Company's trading is in GBP, the functional currency, although the reporting currency of the Company is the US Dollar. As such, changes in the GBP:USD exchange rate have an effect on the Company's results. A 10% weakening of GBP against the US Dollar would change the trading operational results unfavorably by approximately \$6.56 million and would result in unfavorable translation adjustments of approximately \$4.4 million, recorded in other comprehensive loss.

For further information regarding the external borrowings, see Note 13 to the Consolidated Financial Statements, "Long Term and Other Debt".

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

INSPIRED ENTERTAINMENT, INC. AND SUBSIDIARIES

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AS OF DECEMBER 31, 2024 AND 2023

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors of
Inspired Entertainment, Inc. and Subsidiaries

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Inspired Entertainment, Inc. and Subsidiaries (the “Company”) as of December 31, 2024 and 2023, the related consolidated statements of operations and comprehensive income (loss), stockholders’ deficit and cash flows for each of the three years in the period ended December 31, 2024, and the related notes (collectively referred to as the “financial statements”). In our opinion, based on our audit results, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

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, 2024, based on the criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 26, 2025, expressed an adverse opinion on the effectiveness of the Company’s internal control over financial reporting because of the existence of material weaknesses.

Basis for Opinion

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

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the 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 financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

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

Revenue Recognition

As described in Note 1 of the consolidated financial statements, the Company’s revenues are generated through four segments (Gaming, Virtual, Interactive, and Leisure). Each of the four segments provides different offerings to their customers. Examples include: (a) Gaming revenue includes delivery of gaming terminals preloaded with proprietary gaming software, sever-based content, as well as services such as terminal repairs, maintenance, software updates and upgrades, and content development; (b) Virtual revenue includes packaged products and services in either an on-premise solution or a hosted solution; (c) Interactive revenue is generated from various game content made available via third party aggregation platforms integrated with the Company’s remote gaming server or direct to operators on the Company’s remote gaming servers platform, and services such as customer support, platform maintenance, updates and upgrades; and (d) Leisure revenue is generated by jointly or wholly operating arcades, proving managed service solutions, and more. The Company recognized revenue of \$297.1 million for the year ended December 31, 2024.

Most of the Company’s revenue contracts with customers include multiple promises, the nature of which can vary for each segment and contract. The Company is required to identify whether a performance obligation is a promise within a contract to transfer a distinct good or service, or a series of distinct goods and services, to a customer. The evaluation of whether promises are both capable of being distinct in the context of a contract (and thus constitute performance obligations) can require significant judgment and could change the amount of revenue recognized in a given period.

We identified auditing the Company’s identification of the performance obligations as a critical audit matter because there is significant judgment exercised by management when evaluating their customer contracts, which may include several promised goods and services, as well as identifying the correct transaction price, all of which will impact the amount of revenue recognized in a given period. This required a high degree of auditor judgment in performing procedures and evaluating audit evidence.

The primary audit procedures we performed to address this critical audit matter included:

- We obtained an understanding of management’s process for customer contracts in accordance with the applicable accounting standards.
- We evaluated the terms and considerations of the customer contracts on a sample basis.
- We identified the promised goods and services within the customer contracts to ensure that these promised goods and services were consistent with the standard offering by the Company.
- We assessed the transaction price per contract to ensure the pricing structure was consistent with all other contracts.
- We tested certain contracts to ensure the lease and non-lease components of the contract are recognized under the applicable accounting standards.

Software development costs

As described in Note 1 to the consolidated financial statements, the Company develops software for internal use and capitalizes the software development costs incurred during the application development stage. Costs are capitalized when preliminary development efforts are successfully completed, management has authorized and committed project funding, and it is probable that the project will be completed and the software will be used as intended. The Company will stop capitalizing these costs when the software is substantially complete and ready for its intended use, including the completion of all significant testing. Costs are amortized on a straight-line basis over the estimated useful life of the related asset, generally estimated to be two to five years.

Additionally, the Company develops software for external use and capitalizes the software development costs incurred once technological feasibility has been reached. Technological feasibility is achieved when the entity has completed all planning, designing, coding, and testing activities that are necessary to establish that the product can be produced to meet its design specifications including functions, features, and technical performance requirements. The Company will stop capitalizing these costs on the date that the software is available for general release to the customers. Costs are amortized on a straight-line basis over the estimated useful life of the related asset, generally estimated to be two to five years.

The Company capitalized \$11.8 million of software development costs, with the majority of the costs being employee wages, during the year ended December 31, 2024. Total capitalized software development costs are \$22.4 million as of December 31, 2024.

We identified software development costs as a critical audit matter because of the judgment exercised by management in determining whether costs incurred on software development projects have met the capitalization criteria, which in turn, required a higher degree of auditor judgment in performing procedures and evaluating audit evidence.

The primary audit procedures we performed to address this critical audit matter include:

- We obtained an understanding of management’s process for evaluating software development costs and the nature of software development costs capitalized.
- We assessed management’s methodology utilized in calculating capitalized software development costs which is based on the allocation of capitalized labor costs. We made certain inquiries of project members to further assess the reasonableness of time allocated to the selected projects.
- We inspected underlying documentation for a sample of projects to evaluate whether the costs were capitalizable under the applicable accounting standards.
- We tested individual payroll-related costs, on a sample basis, and assessed whether such costs were properly capitalized based upon the nature and stage of work performed and whether the requisite capitalization criteria were met.
- We conducted corroborative interviews with Company personnel involved in software development regarding the nature and functionality of costs incurred related to capitalized software projects.

/s/ Marcum LLP

Marcum LLP

We have served as the Company’s auditor since 2016.

New York, NY

March 26, 2025

INSPIRED ENTERTAINMENT, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in millions, except share data)

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Assets		
Cash	\$ 29.3	\$ 40.0
Accounts receivable, net	65.4	43.8
Inventory	28.0	32.3
Prepaid expenses and other current assets	36.0	39.6
Corporate tax and other current taxes receivable	1.2	—
Total current assets	159.9	155.7
Property and equipment, net	56.4	60.7
Software development costs, net	22.4	20.3
Other acquired intangible assets subject to amortization, net	16.1	13.4
Goodwill	57.8	58.8
Finance lease right of use asset	18.7	—
Operating lease right of use asset	16.2	14.2
Costs of obtaining and fulfilling customer contracts, net	11.0	9.4
Deferred tax	67.4	—
Other assets	12.5	10.5
Total assets	\$ 438.4	\$ 343.0
Liabilities and Stockholders' Deficit		
Current liabilities		
Accounts payable and accrued expenses	\$ 53.7	\$ 60.8
Corporate tax and other current taxes payable	12.3	6.3
Deferred revenue, current	5.8	5.6
Operating lease liabilities	5.1	4.7
Current portion of long-term debt	18.8	19.1
Current portion of finance lease liabilities	4.4	0.7
Other current liabilities	3.9	3.5
Total current liabilities	104.0	100.7
Long-term debt	292.2	295.6
Finance lease liabilities, net of current portion	18.6	1.6
Deferred revenue, net of current portion	12.8	7.1
Operating lease liabilities	11.7	9.8
Other long-term liabilities	2.4	4.1
Total liabilities	441.7	418.9
Commitments and contingencies		
Stockholders' deficit		
Preferred stock; \$0.0001 par value; 1,000,000 shares authorized, no shares issued and outstanding at December 31, 2024 and December 31, 2023, respectively	—	—
Common stock; \$0.0001 par value; 49,000,000 shares authorized; 26,581,972 shares and 26,219,021 shares issued and outstanding at December 31, 2024 and December 31, 2023, respectively	—	—
Additional paid in capital	389.9	386.1
Accumulated other comprehensive income	48.3	44.3
Accumulated deficit	(441.5)	(506.3)
Total stockholders' deficit	(3.3)	(75.9)
Total liabilities and stockholders' deficit	\$ 438.4	\$ 343.0

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

INSPIRED ENTERTAINMENT, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
(in millions, except share and per share data)

	Year Ended December 31, 2024	Year Ended December 31, 2023	Year Ended December 31, 2022
Revenue:			
Service	\$ 258.6	\$ 257.8	\$ 246.8
Product sales	38.5	65.1	37.7
Total revenue	297.1	322.9	284.5
Cost of sales:			
Cost of service ⁽¹⁾	(70.3)	(75.1)	(71.4)
Cost of product sales ⁽¹⁾	(22.0)	(53.5)	(23.5)
Selling, general and administrative expenses	(130.8)	(115.8)	(102.7)
Acquisition and integration related transaction expenses	—	—	(0.5)
Depreciation and amortization	(43.3)	(39.6)	(39.9)
Net operating income	30.7	38.9	46.5
Other expense			
Interest expense, net	(29.4)	(27.4)	(25.2)
Gain on disposal of business	—	—	0.9
Other finance income	0.5	0.4	1.1
Total other expense, net	(28.9)	(27.0)	(23.2)
Net income before income taxes	1.8	11.9	23.3
Income tax benefit (expense)	63.0	(5.0)	(2.1)
Net income	64.8	6.9	21.2
Other comprehensive (loss) income:			
Foreign currency translation gain (loss)	1.4	(5.9)	12.7
Deferred tax on foreign currency translation gain (loss)	(1.0)	—	—
Reclassification of loss on hedging instrument to comprehensive income	—	0.3	0.7
Actuarial gains (losses) on pension plan	4.7	(0.7)	(6.4)
Deferred tax on actuarial gains (losses) on pension plan	(1.1)	—	—
Other comprehensive income (loss)	4.0	(6.3)	7.0
Comprehensive income (loss)	\$ 68.8	\$ 0.6	\$ 28.2
Net income per common share – basic	\$ 2.27	\$ 0.25	\$ 0.76
Net income per common share – diluted	\$ 2.22	\$ 0.24	\$ 0.73
Weighted average number of shares outstanding during the year – basic	28,521,027	28,073,408	28,049,918
Weighted average number of shares outstanding during the year – diluted	29,199,375	29,214,583	29,092,855
Supplemental disclosure of stock-based compensation expense			
Stock-based compensation included in:			
Selling, general and administrative expenses	\$ (7.6)	\$ (11.2)	\$ (10.8)

(1) Excluding depreciation and amortization

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

INSPIRED ENTERTAINMENT, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT
(in millions, except share data)

	Common stock		Additional paid in capital	Accumulated other comprehensive income	Accumulated deficit	Total stockholders' deficit
	Shares	Amount				
Balance as of January 1, 2022	26,433,562	\$ —	\$ 372.3	\$ 43.6	\$ (522.4)	\$ (106.5)
Foreign currency translation adjustments	—	—	—	12.7	—	12.7
Actuarial losses on pension plan	—	—	—	(6.4)	—	(6.4)
Reclassification of loss on hedging instrument to comprehensive income	—	—	—	0.7	—	0.7
Issuances under stock plans	543,294	—	(4.1)	—	—	(4.1)
Repurchases of common stock	(1,067,340)	—	—	—	(10.4)	(10.4)
Stock-based compensation expense	—	—	10.0	—	—	10.0
Net income	—	—	—	—	21.2	21.2
Balance as of December 31, 2022	25,909,516	—	378.2	50.6	(511.6)	(82.8)
Foreign currency translation adjustments	—	—	—	(5.9)	—	(5.9)
Actuarial losses on pension plan	—	—	—	(0.7)	—	(0.7)
Reclassification of loss on hedging instrument to comprehensive income	—	—	—	0.3	—	0.3
Issuances under stock plans	435,283	—	(2.9)	—	—	(2.9)
Repurchases of common stock	(125,778)	—	—	—	(1.6)	(1.6)
Stock-based compensation expense	—	—	10.8	—	—	10.8
Net income	—	—	—	—	6.9	6.9
Balance as of December 31, 2023	26,219,021	—	386.1	44.3	(506.3)	(75.9)
Foreign currency translation adjustments	—	—	—	1.4	—	1.4
Deferred tax on foreign currency translation adjustments	—	—	—	(1.0)	—	(1.0)
Actuarial gains on pension plan	—	—	—	4.7	—	4.7
Deferred tax on actuarial gains on pension plan	—	—	—	(1.1)	—	(1.1)
Issuances under stock plans	362,951	—	(3.0)	—	—	(3.0)
Stock-based compensation expense	—	—	6.8	—	—	6.8
Net income	—	—	—	—	64.8	64.8
Balance as of December 31, 2024	26,581,972	\$ —	\$ 389.9	\$ 48.3	\$ (441.5)	\$ (3.3)

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

INSPIRED ENTERTAINMENT, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)

	Year Ended December 31, 2024	Year Ended December 31, 2023	Year Ended December 31, 2022
Cash flows from operating activities:			
Net income	\$ 64.8	\$ 6.9	\$ 21.2
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	43.3	39.6	39.9
Amortization of right of use asset	4.4	3.8	3.5
Profit on disposal of trade and assets	—	—	(0.9)
Stock-based compensation expense	7.6	11.2	10.8
Reclassification of loss on hedging instrument to comprehensive income	—	0.3	0.7
Amortization of deferred financing fees relating to senior debt	1.1	2.0	1.8
Deferred tax	(69.4)	—	—
Changes in assets and liabilities:			
Accounts receivable	(22.8)	1.1	(13.5)
Inventory	3.8	(0.3)	(16.7)
Prepaid expenses and other assets	5.8	(8.0)	(5.7)
Corporate tax and other current taxes payable	1.1	(6.4)	(6.1)
Accounts payable and accrued expenses	(10.6)	4.5	5.8
Deferred revenue and customer prepayment	7.2	4.7	(4.4)
Operating lease liabilities	(4.0)	(3.9)	(3.8)
Pension contributions	(1.5)	(1.4)	(1.4)
Other long-term liabilities	0.9	0.6	(1.6)
Net cash provided by operating activities	31.7	54.7	29.6
Cash flows from investing activities:			
Purchases of property and equipment	(17.0)	(32.0)	(20.6)
Acquisition of subsidiary company assets	—	—	(0.6)
Acquisition of third-party company trade and assets	—	(0.6)	—
Disposal of trade and assets	—	—	1.3
Purchases of capital software and internally developed costs	(11.8)	(14.7)	(10.4)
Contract cost expense	(11.3)	(10.3)	(7.2)
Net cash used in investing activities	(40.1)	(57.6)	(37.5)
Cash flows from financing activities:			
Proceeds from issuance of revolver	—	18.9	—
Repurchase of common stock	—	(1.6)	(10.4)
Repayments of finance leases	(1.6)	(1.1)	(0.6)
Net cash (used in) provided by financing activities	(1.6)	16.2	(11.0)
Effect of exchange rate changes on cash	(0.7)	1.7	(3.9)
Net (decrease) increase in cash	(10.7)	15.0	(22.8)
Cash, beginning of period	40.0	25.0	47.8
Cash, end of period	\$ 29.3	\$ 40.0	\$ 25.0
Supplemental cash flow disclosures			
Cash paid during the period for interest	\$ 26.6	\$ 24.0	\$ 23.0
Cash paid during the period for income taxes	\$ 2.5	\$ 5.0	\$ —
Cash paid during the period for operating leases	\$ 9.2	\$ 6.6	\$ 7.8
Supplemental disclosure of noncash investing and financing activities			
Additional paid in capital from net settlement of RSUs	\$ (3.0)	\$ (2.9)	\$ (4.1)
Lease liabilities arising from obtaining finance lease right of use assets	\$ (18.7)	\$ —	\$ —
Lease liabilities arising from obtaining operating lease right of use assets	\$ (6.5)	\$ (0.9)	\$ (1.8)
Adjustment to customer relationships intangible asset arising from adjustment to fair value of assets acquired	\$ —	\$ —	\$ (0.9)
Right of use property and equipment assets acquired through finance lease	\$ 21.9	\$ 1.2	\$ —
Property and equipment transferred to inventory	\$ —	\$ —	\$ 0.8

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

INSPIRED ENTERTAINMENT, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2024 AND 2023, AND FOR THE YEARS ENDED
DECEMBER 31, 2024, 2023 AND 2022

1. Nature of Operations, Management's Plans and Summary of Significant Accounting Policies

Company Description and Nature of Operations

We are a global gaming technology company, supplying content, platform, gaming terminals and other products and services to online and land-based regulated lottery, betting and gaming operators worldwide through a broad range of distribution channels, predominantly on a business-to-business basis. We provide end-to-end digital gaming solutions (i) on our own proprietary and secure network, which accommodates a wide range of devices, including land-based gaming machine terminals, mobile devices and online computer applications and (ii) through third party networks. Our content and other products can be found through the consumer-facing portals of our interactive customers and, through our land-based customers, in licensed betting offices, adult gaming centers, pubs, bingo halls, airports, motorway service areas and leisure parks.

Management Liquidity Plans

As of December 31, 2024, the Company's cash on hand was \$29.3 million, and the Company had working capital in addition to cash of \$26.6 million. The Company recorded net income of \$64.8 million, \$6.9 million and \$21.2 million for the years ended December 31, 2024, 2023 and 2022, respectively. Net income includes non-cash stock-based compensation of \$7.6 million, \$11.2 million and \$10.8 million for the years ended December 31, 2024, 2023 and 2022, respectively.

Historically, the Company has generally had positive cash flows from operating activities and has relied on a combination of cash flows provided by operations and the incurrence of debt and/or the refinancing of existing debt to fund its obligations. Cash flows provided by operations amounted to \$31.7 million, \$54.7 million and \$29.6 million for the years ended December 31, 2024, 2023 and 2022 respectively.

Management currently believes that the Company's cash balances on hand, cash flows expected to be generated from operations, ability to control and defer capital projects and amounts available from the Company's external borrowings will be sufficient to fund the Company's net cash requirements through March 2026.

INSPIRED ENTERTAINMENT, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2024 AND 2023, AND FOR THE YEARS ENDED
DECEMBER 31, 2024, 2023 AND 2022

Basis of Presentation

The accompanying consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the U.S. (“U.S. GAAP”).

Principles of Consolidation

All monetary values set forth in these consolidated financial statements are in US Dollars (“USD”) unless otherwise stated herein. The accompanying consolidated financial statements include the results of the Company and its wholly owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

Foreign Currency Translation

For most of our operations, the British pound (“GBP”) is our functional currency. Our reporting currency is the USD. We also have operations where the local currency is the functional currency, including our operations in mainland Europe and North America. Assets and liabilities of foreign operations are translated at period-end rates of exchange, equity is translated at historical rates of exchange and results of operations are translated at the average rates of exchange for the period. Gains or losses resulting from translating the foreign currency financial statements are recorded as a separate component of accumulated other comprehensive income in stockholders’ deficit. Gains or losses resulting from foreign currency transactions are included in Selling, general and administrative expenses and Interest expense, net in the Consolidated Statement of Operations and Comprehensive Income (Loss). Aggregate foreign currency losses included in net income amounted to \$2.4 million, \$1.1 million and \$0.1 million for the years ended December 31, 2024, December 31, 2023 and December 31, 2022, respectively.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. On an ongoing basis, management evaluates these estimates, including those related to the revenue recognition for contracts involving software and non-software elements, allowance for credit losses, inventory reserve for net realizable value, currency swaps, goodwill and intangible assets, useful lives of long-lived assets, stock-based compensation, valuation allowances on deferred taxes, pension liability, commitments and contingencies and litigation, among others. Management bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. We regularly evaluate these significant factors and make adjustments when facts and circumstances dictate. Actual results may differ from these estimates.

INSPIRED ENTERTAINMENT, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2024 AND 2023, AND FOR THE YEARS ENDED
DECEMBER 31, 2024, 2023 AND 2022

Cash

We deposit cash with financial institutions that management believes are of high credit quality. Substantially all of the Company's cash is held outside of the U.S. Included within the cash balance of \$29.3 million at December 31, 2024 is \$2.9 million of cash floats held on site at holiday parks.

Accounts Receivable

Accounts receivable are recorded at the invoiced amount and do not bear interest. Our standard credit terms are net 30 to 60 days.

Expected credit losses are estimated using the Aging Schedule method and are determined on the basis of the amount of time that a receivable has remained outstanding.

In estimating expected credit losses, management considers all available relevant information, including details about past events, current conditions, and reasonable and supportable forecasts.

Historical credit loss data is utilized as the basis of the estimation. This is then adjusted to take account of conditions that may have existed within the historical data which now differ from current expectations, and to recognize differences in asset-specific risk characteristics. When assessing conditions over the contractual life of the asset, management will utilize historical credit loss experience for the period beyond which it is possible to make reasonable and supportable forecasts.

Trade receivables are pooled by segment and the probability of default of each pool is assessed and evaluated.

Account balances are charged against the allowance after all collection efforts have been exhausted and the potential for recovery is considered remote.

Under certain contracts, the timing of our invoices does not coincide with revenue recognized under the contract. We have unbilled accounts receivable which represent revenue recorded in excess of amounts invoiced under the contract and generally become billable at contractually specified dates. These amounts consist primarily of revenue from our share of net winnings earned on a daily basis where the billing period does not fall on the last day of the period. We had \$26.0 million and \$24.0 million of unbilled accounts receivable as of December 31, 2024 and December 31, 2023, respectively.

Inventories

Inventories consist primarily of component parts and related parts used in gaming terminals. Inventories are stated at the lower of cost or net realizable value, using the first-in-first-out method. We determine the lower of cost or net realizable value of our inventory based on estimates of potentially excess and obsolete inventories after considering historical and forecasted demand and average selling prices. Demand for gaming terminals and parts inventory is also subject to technological obsolescence. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Property and Equipment

Property and equipment are recorded at cost, and when placed into service, depreciated and amortized to their residual values using the straight-line method over the estimated useful lives of the related assets as follows:

Leasehold property	Shorter of the useful life or the life of the lease
Gaming and amusement terminals	2 – 7 years
Plant and machinery and fixtures and fittings	3 – 10 years
Computer equipment	3 – 5 years

Our policy is to periodically review the estimated useful lives of our fixed assets. We also assess the recoverability of long-lived assets (or asset groups) whenever events or changes in circumstances indicate that the carrying amount of such an asset (or asset groups) may not be recoverable.

Where operating leases include an obligation for repairs and dilapidations costs associated with the retirement of the right-of-use asset, amounts are capitalized at the point at which a liability for an asset retirement obligation is recognized.

Repairs and maintenance costs are expensed as incurred. Upon retirement or sale, the cost of assets disposed and the related accumulated depreciation are written off and any resulting gain or loss is credited or charged to income.

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Software Development and Research and Development Costs

Research and development costs, which primarily consist of employee compensation costs and exclude costs relating to non-project time, leave and absence, are expensed as incurred, except for software product development costs that are eligible for capitalization, as described below. Total research and development costs amounted to \$22.7 million, \$20.3 million and \$18.3 million in the years ended December 31, 2024, 2023 and 2022, respectively. Software development costs amounting to \$7.8 million, \$7.5 million and \$6.9 million were capitalized during the years ended December 31, 2024, 2023 and 2022, respectively. In addition, amounts relating to Costs of obtaining and fulfilling customer contracts, net, of \$4.2 million, \$3.9 million and \$2.9 million were capitalized during the years ended December 31, 2024, 2023 and 2022, respectively. We expensed \$10.7 million, \$8.9 million and \$8.5 million during the years ended December 31, 2024, 2023 and 2022, respectively as they related to maintenance, research or support costs. Employee related costs associated with these activities are included in Selling, general and administrative expenses in the Consolidated Statement of Operations and Comprehensive Income (Loss).

We capitalize certain eligible costs incurred to develop internal-use software as well as external use software to be used in the products we sell, lease or market to customers. We account for costs incurred to develop internal use software, including software developed to deliver our cloud-based offerings to customers, in accordance with Accounting Standards Codification (“ASC”) 350-40, Internal Use Software. Consequently, certain direct costs incurred during the application development stages are capitalized while all other related costs are expensed as incurred. Once the software is substantially complete and ready for its intended use, we amortize the capitalized internal use software costs over their estimated economic useful life, which ranges from two to five years. Amortization of such costs is included in Depreciation and amortization in the Consolidated Statement of Operations and Comprehensive Income (Loss).

We purchase, license and incur costs to develop external use software to be used in the products we sell, lease or license to customers. Such costs are capitalized under ASC 985-20, Costs of Software to Be Sold, Leased, or Marketed. Costs incurred in developing such software are expensed when incurred as research and development costs until technological feasibility has been established, after which costs are capitalized up to the date the software is available for general release to customers. We capitalize the payments made for software that we purchase or license for use in our products that has previously met the technological feasibility criteria prior to our purchase or license. Once available for general release, capitalized external use software development costs are amortized over the estimated economic life, which ranges from two to five years. Amortization of such costs is included in Depreciation and amortization in the Consolidated Statement of Operations and Comprehensive Income (Loss).

Goodwill and Other Acquired Intangible Assets

Our principal acquired intangible assets relate to goodwill, trademarks, customer relationships and intellectual property licenses. Goodwill represents the excess purchase price over the fair value of the identifiable net assets acquired in a business combination. Trademarks and customer relationships were originally recorded at their fair values in connection with business combinations. Intellectual property licenses are recorded at cost related to specific contracts.

Goodwill and other intangible assets with indefinite useful lives are not amortized, but instead are tested for impairment at least annually. Intangible assets with finite lives are amortized on a straight-line basis over eighteen months to thirteen years to their estimated residual values and reviewed for impairment. Factors considered when assigning useful lives include legal, regulatory and contractual provisions, product obsolescence, demand, competition and other economic factors.

Impairment of Goodwill and Long-Lived Assets

Prior to 2024, we performed our annual goodwill impairment assessment as of December 31, the last day of our fiscal period, and whenever other facts and circumstances indicate that the carrying value may not be recoverable. During the fourth quarter of fiscal year 2024, we voluntarily made the decision to change the date of our annual impairment assessment from December 31 to December 1. The change was made to align the annual goodwill impairment assessment date more closely with the timing of our annual and long-term budgeting cycles.

We determined this change in accounting principle is preferable and will not affect our consolidated financial statements. This change is not applied retrospectively, as we believe the change in goodwill impairment testing date does not represent a material change to our method of applying an accounting principle in light of our internal controls over financial reporting and requirements to assess goodwill impairment upon certain triggering events, and does not delay, accelerate or avoid any impairment charges. Accordingly, the change will be applied prospectively.

For fiscal year 2024, we performed our annual goodwill impairment assessment as of December 1, 2024 on each of our reporting units and as of December 31, 2023 in fiscal year 2023. As such, no more than 12 months will have elapsed between our previous assessment.

For goodwill impairment evaluations, we first make a qualitative assessment to determine if goodwill is may be impaired. If it is more-likely-than-not that a reporting unit’s fair value is less than its carrying value, we then compare the fair value of the reporting unit to its respective carrying amount. Goodwill is carried, and therefore tested, at the reporting unit level. As of December 31, 2024 we have five reporting units, Virtual Sports, Interactive, Leisure, and two reporting units within our Gaming segment. If the fair value of the reporting unit is less than its carrying amount, the amount of the impairment loss, if any, will be measured by comparing the implied fair value of goodwill to its carrying amount and would be charged to operations as an impairment loss. As of December 31, 2024, 2023, and 2022 management determined there were no indicators of impairment and concluded that no impairment was required at any of these dates.

We assess the recoverability of long-lived assets and intangible assets with finite useful lives whenever events arise or circumstances change that indicate the carrying amount of an asset may not be recoverable. Recoverability of long-lived assets (or asset groups) to be held and used is measured by a comparison of the carrying amount of the asset (or asset group) to the expected net future undiscounted cash flows to be generated by that asset (or asset group) or, for

identifiable intangibles with finite useful lives, by determining whether the amortization of the intangible asset balance over its remaining life can be recovered through expected net future undiscounted cash flows. The amount of impairment of other long-lived assets and intangible assets with finite lives is measured by the amount by which the carrying amount of the asset exceeds the fair market value of the asset. As of December 31, 2024, 2023, and 2022 management determined there were no indicators of impairment and concluded that no impairment was required at any of these dates. Refer to Note 8, “Intangible Assets and Goodwill” for more information.

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Deferred Revenue and Deferred Cost of Sales

Deferred revenue arises from the timing differences between the shipment or installation of gaming terminals and systems products and the satisfaction of all revenue recognition criteria consistent with our revenue recognition policy, as well as prepayment of contracts which are recognized ratably over a service period, such as maintenance or licensing fees. Deferred cost of sales, recorded as prepaid expenses and other assets, consists of the direct costs associated with the manufacture of gaming equipment and systems products for which revenue has been deferred. Amounts expected to be recognized as revenue within the 12 months following the balance sheet date are classified as deferred revenue in current liabilities. Amounts not expected to be recognized as revenue within the 12 months following the balance sheet date are classified as deferred revenue, net of current portion.

Debt Issuance Costs

Debt issuance costs incurred in connection with the Company's debt are capitalized and amortized as interest expense over the term of the related debt. The Company presents debt issuance costs as a reduction from the carrying amount of debt. Only costs that are wholly attributable to obtaining the related debt finance are treated as debt issuance costs. Any other costs are expensed to the Consolidated Statement of Operations and Comprehensive Income (Loss) as part of Acquisition and integration related transaction expenses.

Value Added Tax

The Company is subject to Value Added Tax ("VAT") in some locations. The amount of VAT liability is determined by applying the applicable tax rate to the invoiced amount of goods and services sold less VAT paid on purchases made with the relevant supporting invoices. VAT is collected from customers by the Company on behalf of the tax authorities and is therefore not charged to the Consolidated Statement of Operations and Comprehensive Income (Loss).

Derivative Financial Instruments

The Company reviews any freestanding derivative financial instruments at each balance sheet date and classifies them on the consolidated balance sheet as:

- a) Equity if they (i) require physical settlement (full or net-share settlement), or (ii) gives the Company a choice of net-cash settlement or physical settlement in its own shares (full or net shares), or
- b) Assets or liabilities if they (i) require net-cash settlement (including a requirement to net cash settle the contract if an event occurs and if that event is outside the Company's control), or (ii) give the counterparty a choice of net-cash settlement or settlement in shares (full physical settlement or net-share settlement).

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At each reporting date, the Company determines whether a change in classification between assets and liabilities is required.

From time to time we enter into foreign currency forward contracts to mitigate the risk associated with cash payments required to be made in non-functional currencies or to mitigate the risk associated with cash to be received in non-functional currencies.

Revenue Recognition

The Company evaluates the recognition of revenue and rental income based on the criteria set forth in ASC 606 or ASC 842, as appropriate. Revenue is recognized net of rebates and discounts when control of the promised goods or services is transferred to customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services.

Under ASC 606, a performance obligation is a promise within a contract to transfer a distinct good or service, or a series of distinct goods and services, to a customer. Revenue is recognized when performance obligations are satisfied, and the customer obtains control of promised goods or services. The amount of revenue recognized reflects the consideration to which the Company expects to be entitled to receive in exchange for goods or services. Under the standard, a contract's transaction price is allocated to each distinct performance obligation. To determine revenue recognition for arrangements that the Company determines are within the scope of ASC 606, the Company performs the following five steps:

1. identify the contracts with a customer;
2. identify the performance obligations within the contract, including whether they are distinct in the context of the contract and capable of being distinct;

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3. determine the transaction price;
4. allocate the transaction price to the performance obligations in the contract; and
5. recognize revenue when, or as, the Company satisfies each performance obligation.

Step 1 – Identify the contract

The Company identifies contracts with its customers when all parties have approved the contract and are committed to perform their respective obligations, when each party's rights and the payment terms regarding the goods or services to be transferred can be identified. The contract must also have commercial substance, and it must be probable that the Company will collect the consideration to which it will be entitled.

Contracts entered into at or near the same time with the same customer or related parties of the customer are accounted for as one contract if any of the following criteria are met:

- a. Contracts were negotiated as a single commercial package (including whether a contract would be loss-making without taking into account the consideration received under another contract)
- b. Consideration in one contract depends on the other contract
- c. Goods or services (or some of the goods or services) are a single performance obligation.

Step 2 – Identify performance obligations

Performance obligations are identified by considering whether a good or service is distinct. The Company considers a good or service to be distinct only when the customer can benefit from it either on its own or together with other resources that are readily available, and when the promise to transfer the good or service to the customer is separately identifiable from other promises in the contract.

The Company applies the series guidance to its performance obligations where the following criteria apply:

- a. Each distinct good or service in the series meets the criteria to be a performance obligation satisfied over time.
- b. The same method would be used to measure progress toward complete satisfaction of the performance obligation to transfer each distinct good or service in the series to the customer.

Step 3 – Determine the transaction price

The Company considers all amounts to which it has rights in exchange for the goods or services transferred in determining the transaction price. This includes fixed and variable consideration. If the consideration promised by a customer includes a variable amount, we estimate the amount to which we expect to be entitled using either the expected value or most likely amount method.

In the case where the variable consideration is in the form of usage based fees, the Company evaluates the royalties to determine whether they qualify for the sales and usage-based royalty exception, as discussed under Step 5.

The Company also considers the impact of any liquidated damages clauses or service level agreements that could result in credits or refunds to the client or incentive payments/bonuses from the customer upon achieving certain agreed-upon metrics. Incentive payments are accounted for as variable considerations when the likely amount of revenue to be recognized can be estimated to the extent that it is probable that a significant reversal of any incremental revenue will not occur. Additionally, customers with volume discounts in contracts with functional IP are not considered to have material rights as royalty revenue is recognized when usage occurs.

Where variable considerations relate to a performance obligation determined to be a series, variable consideration is not estimated upfront in accordance with the exception allowed by ASC 606.

The Company's contracts with customers generally do not include non-cash consideration.

In determining the transaction price, the Company adjusts the promised amount of consideration for the effects of the time value of money if the payment terms are not standard and the timing of payments agreed to by the parties to the contract provide the customer or the Company with a significant benefit of financing, in which case the contract contains a significant financing component. In accordance with the practical expedient in ASC 606-10-32-18, the Company elected to not assess the existence of a significant financing component when the difference between payment and transfer of deliverables is a year or less. Invoices are generally issued as control transfers and/or as services are rendered. Our standard payment terms dictate that payment is due upon receipt of invoice, payable within 30 to 60 days.

Sales taxes and all other items of a similar nature are excluded from the measurement of the transaction price and shipping and handling activities are

treated as a fulfillment of our promise to transfer the goods, hence, included in cost of sales.

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Step 4 – Allocate the transaction price

The Company allocates the contract's transaction price to each performance obligation based on the relative standalone selling prices of the goods or services being provided. Where a contract includes multiple performance obligations, the Company determines the standalone selling price at contract inception of the distinct good or service underlying each performance obligation in the contract and allocates the transaction price in proportion to those standalone selling prices. Where possible, the Company uses the price charged for the good or service to other customers in similar circumstances as evidence of a standalone selling price. Where this is not possible, the standalone selling price is estimated by experienced management using the best available judgement considering multiple factors including, but not limited to, overall market conditions, including geographic or regional specific factors, competitive positioning, competitor actions, internal costs, profit objectives, and pricing practices.

With respect to performance obligations that are considered to be a series, where appropriate and where the required criteria are met, variable consideration is allocated entirely to a distinct good or service that is part of a series.

Step 5 – Recognize revenue

The Company recognizes revenue over time for performance obligations that meet one of the following criteria:

- a. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs.
- b. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- c. The Company's performance does not create an asset with an alternative use to the Company, and the Company has an enforceable right to payment for performance completed to date.

Revenue for the Company's remaining performance obligations that do not meet one of the above criteria is recognized at the point at which the customer obtains control of the good or service.

The Company assesses usage-based royalties it receives as consideration in contracts that predominantly relate to licenses of its intellectual property to determine if such royalties constitute a sales- or usage-based royalty, according to ASC 606-10-55-65, in which case the usage-based royalties are recognized as revenue when the usage occurs, and is reported by the licensee.

Acting as a Principal or an Agent

The Company evaluates arrangements where they may be acting as a principal or an agent. We may include subcontractor services or third-party vendor services or products in certain arrangements. In these arrangements, revenue from sales of third-party vendor services or products are recorded net of our costs when we are acting as an agent between the customer and the vendor, and gross when we are the principal for the transaction. To determine whether we are an agent or principal, we consider whether we obtain control of the services or products before they are transferred to the customer. In making this evaluation, several factors are considered, most notably whether we have primary responsibility for fulfillment to the customer, as well as inventory risk and pricing discretion.

Segment Revenue

The Company has detailed evaluation of segment specific revenue recognition requirements under ASC 606 or ASC 842, as appropriate.

Gaming Revenue

Gaming contracts typically include multiple performance obligations such as delivery of our gaming terminals preloaded with proprietary gaming software, sever-based content, as well as services such as terminal repairs, maintenance, software updates and upgrades on an when and if available basis and content development. Consideration with respect to these performance obligations typically takes the form of a fixed price per terminal billed upfront and a usage based fee in the form of percentage of net winnings, billed in arrears (usually monthly).

Transaction price is allocated to all performance obligations within a contract on the basis of their standalone selling prices. Terminal revenue is recognized at the point in time in accordance with contractual terms of each arrangement, but predominantly upon transfer of physical possession of the terminal or the lapse of customer acceptance provisions. Services such as terminal repairs, maintenance, software updates and upgrades and content development are considered stand-ready obligations; therefore, control transfers and revenue is recognized over time over the term of the service period. As the license of our intellectual property is the predominant item to which the royalty relates, revenue is recognized in the period the sale or usage occurs, and is reported by the licensee.

The Company also enters into arrangements that provide the customer with the right to use the terminals, wherein the Company operates as both a lessor and a content and service provider. ASC 842 provides a practical expedient that permits lessors to aggregate non-lease components (sever-based content, terminal repairs, maintenance, software updates and upgrades and content development) and the associated lease components (terminals) if certain conditions are met and account for the combined unit of accounting under either ASC 606 or ASC 842, based on the predominant characteristic in the arrangement. In contracts where we provide content and services that are identified as non-lease components as well as underlying assets that are identified as lease components

and the lease is an operating lease, the content and service provided to the customer represents the most critical element of the arrangement. The Company has elected to combine the non-lease component and the lease component and account for the entire arrangement under ASC 606 based on the consideration that the content and service offering is the predominant and critical element of the contract.

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Virtual Sports Revenue

In Virtual Sports, the Company packages products and services in two ways:

- An on-premise solution which consists of a complex software and networking package delivered to retail betting outlets that may install and run the solution in their own environment without connection to Inspired's platform; and
- A hosted solution capable of fulfilling the product delivery needs of the Company's customers which includes the proprietary Virtual Plug and Play end to end online and mobile turnkey solutions and a cloud-based solution that requires an XML sportsbook integration that is fully hosted and operated by Inspired.

For the on-premise solution, contracts typically include multiple performance obligations such as delivery of the software license, games and the content in addition to certain services such as software maintenance, support, updates, upgrades on an when and if available basis and content development. Consideration with respect to these performance obligations is a royalty that typically takes the form of a percentage of net winnings billed in arrears (usually monthly). As the license of intellectual property is the predominant item to which the royalty relates, the sales- and usage-based royalty is recognized in the period the sale or usage occurs, and is reported by the licensee. Services such as software maintenance, support, updates, upgrades on an when and if available basis and content development are considered stand-ready obligations; therefore, control transfers and revenue is recognized over time over the term of the service period.

Occasionally, customer arrangements also may include licenses for which the Company bills an upfront fixed fee. Revenue from such licenses is recognized at the point in time the customer obtains the right to use the license. Upfront fees are normally billed upon signing of the relevant agreement, and become due and payable at set times thereafter.

The Company also enters into arrangements to develop bespoke games on a fixed fee basis. The license to bespoke games is recognized at a point in time the customer obtains the right to use the license or when acceptance is obtained, in instances where acceptance is required. The Company has no ongoing service obligations subsequent to customer acceptance of the bespoke game, and they meet the criteria to be considered distinct. Payment for bespoke games is typically due within a number of days after delivery.

For the hosted solution, the Company provides daily access to the gaming platform as well as a stand ready obligation to deliver customer support, platform maintenance, updates and upgrades. Such arrangements are accounted for as a single performance obligation composed of a series of distinct services that are substantially the same and have the same pattern of transfer (i.e., distinct days of service). Consideration with respect to these arrangements typically takes the form of usage based fees (percentage of net winnings) which is recognized as usage is incurred. These fees are billed in arrears (usually monthly) and due typically 30 days from the date of the invoice.

Interactive Revenue

Interactive revenue is generated from various games content made available via third party aggregation platforms integrated with Inspired's remote gaming server or direct to operators on the Company's remote gaming servers platform, and services such as customer support, platform maintenance, updates and upgrades. The Company provides daily access to these platforms as well as a stand ready obligation to deliver customer support, platform maintenance, updates and upgrades, as such arrangements are accounted for as a single performance obligation composed of a series of distinct services that are substantially the same and have the same pattern of transfer (i.e., distinct days of service). When required, revenue is estimated based upon the prior period averages. Consideration with respect to these performance obligations typically takes the form of usage based fees (percentage of net win) which is recognized as usage is incurred. These fees are billed in arrears (usually monthly) and due typically 30 days from the date of the invoice. Revenue from aggregators who function as an agent is recognized on a net basis while revenue from operators where the Company is the principal is recognized on a gross basis.

Leisure Revenue

The Company jointly operate arcades within holiday resorts with the resort owners. The Company also wholly operates a number of gaming arcades within certain motorway service stations. The Leisure segment contract typically include one stand-ready performance obligation to provide managed services to pubs, holiday resorts and amusement arcades, both standalone and within motorway service stations. Managed service is an end-to-end management solution to provide a comprehensive range of gaming machine terminals, amusement machine terminals, and service of operating amusements over a term, as well as service obligations related to terminal repairs, content and maintenance, cash collections, personnel and other services. Consideration with respect to these performance obligations typically takes the form of usage based fees (percentage of net win) which is recognized as usage is incurred, with adjustments to account for the movement of income uncollected in the specific period. These fees are billed in arrears (usually monthly) and due typically 30 days from the date of the invoice.

The Company also provides terminal maintenance and spares management services to third parties, including customers. Consideration with respect to this stand-ready performance obligation takes the form of either variable fees based on number of machines being serviced during a period or fixed fees per time period. These fees are billed in arrears and typically settled within 30 days. Revenue is recognized over time over the term of the service period .

Costs to Obtain or Fulfill a Contract

The Company capitalizes certain contract acquisition costs that are incremental to obtaining a contract with a customer, to the extent that such costs are

recoverable from the associated contract margin. Capitalized contract acquisition costs primarily consist of certain sales commissions programs paid to internal sales personnel and external advisors.

The Company also capitalizes certain costs to fulfill a contract with a customer when the costs relate directly to the contract, are expected to generate resources that will be used to satisfy a future performance obligation under the contract and are expected to be recovered through revenue generated under the contract. These costs primarily consist of employee-related costs for time incurred on software development projects associated with customer contracts.

Capitalized contract acquisition costs and costs to fulfill a contract are amortized on a systematic basis over the expected period of benefit which ranges from 0 to 3 years based on the contract term and pattern of transfer of the underlying goods and/or services being provided to the customer.

Capitalized costs to obtain and fulfill contracts with customers are included in Costs of obtaining and fulfilling customer contracts, net, in the Consolidated Balance Sheets and amortization of such costs is included in Depreciation and amortization in the Consolidated Statement of Operations and Comprehensive Income (Loss).

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Disaggregation of revenue

Information on disaggregation of revenue is included in Note 25, “Segment Reporting and Geographic Information.”

Shipping and Handling Costs

Shipping and handling costs for products sales and terminals related to subscription services are included in cost of sales for all periods presented.

Share-Based Payment Arrangements

The Company accounts for stock-based compensation in accordance with ASC 718, “Compensation - Stock Compensation” (“ASC 718”). ASC 718 requires generally that all equity awards be accounted for at their “fair value.” This fair value is measured on the grant date for stock-settled awards. Fair value is equal to the underlying value of the stock for “full-value” awards such as restricted stock and restricted stock units that have time and performance vesting conditions, restricted stock and restricted stock units that have market conditions are valued using a Monte Carlo simulation model.

The Company has elected to recognize stock-based compensation cost using the graded vesting attribution method for each separately vesting tranche of the award from the grant date to the date that each tranche vests over the requisite service period for the restricted stock and restricted stock units. Costs equal to these fair values are recognized ratably over the requisite service period based on the number of awards that are expected to vest, or in the period of grant for awards that vest immediately and have no future service condition. The Company accounts for forfeitures as they occur. For awards that vest over time, previously recognized compensation cost is reversed if the service or performance conditions are not satisfied and the award is forfeited.

Subsequent modifications to outstanding awards result in incremental cost if the fair value is increased as a result of the modification. The incremental cost is charged over the estimated derived service period.

Income Taxes

Income taxes are accounted for under the asset and liability method. Our provision for income taxes is principally based on current period income (loss), changes in deferred tax assets and liabilities and changes in estimates with regard to uncertain tax positions. We estimate current tax expense and assess temporary differences resulting from differing treatments of items for tax and accounting purposes using enacted tax rates in effect for each taxing jurisdiction in which we operate for the period in which those temporary differences are expected to be recovered or settled. These differences result in deferred tax assets and liabilities. Our total deferred tax assets are principally comprised of depreciation and net operating loss carry forwards.

Significant management judgment is required to assess the likelihood that deferred tax assets will be recovered from future taxable income. In assessing the realizability of these deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will be realized. Management makes this assessment on a jurisdiction by jurisdiction basis considering the historical trend of taxable losses, projected future taxable income and the reversal of deferred tax liabilities.

We evaluate income tax uncertainties, assess the probability of the ultimate settlement with the applicable taxing authority and records an amount based on that assessment. Interest and penalties, if any, associated with uncertain tax positions are included in income tax expense.

Comprehensive (Loss) Income

We include and separately classify in comprehensive (loss) income unrealized gains and losses, gains or losses associated with pension or other post-retirement benefits, prior service costs or credits associated with pension or other post-retirement benefits and transition assets or obligations associated with pension or other post-retirement benefits.

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Leases

We determine if an arrangement is a lease at inception of the arrangement. Once it is determined that an arrangement is, or contains, a lease, that determination should only be reassessed if the legal arrangement is modified. Changes to assumptions such as market-based factors do not trigger a reassessment. Determining whether a contract contains a lease requires judgement. In general, arrangements are considered to be a lease when all of the following apply:

- it conveys the right to control the use of an identified asset for a period of time in exchange for consideration;
- we have substantially all economic benefits from the use of the asset; and
- we can direct the use of the identified asset.

The terms of a lease arrangement determine how a lease is classified and the resulting income statement recognition. When the terms of a lease effectively transfer control of the underlying asset, the lease represents an in substance financed purchase (sale) of an asset and the lease is classified as a finance lease by the lessee and a sales-type lease by the lessor. When a lease does not effectively transfer control of the underlying asset to the lessee, but the lessor obtains a guarantee for the value of the asset from a third party, the lessor would classify a lease as a direct financing lease. All other leases are classified as operating leases.

Where a lease contains more than one component, the consideration in the contract is allocated on a relative standalone price basis to the separate lease components and the non-lease components.

Leases – the Company as lessee

Lease assets and lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. As our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available on the date that we adopted Topic 842, or the commencement date, if later, in determining the present value of future payments. The lease ROU asset includes any lease payment made and initial direct costs incurred. Our operating lease terms may include options to extend or terminate the lease which are included in the measurement of the ROU assets and lease liabilities when it is reasonably certain that we will exercise that option.

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The lease expense for minimum operating lease payments is recognized on a straight-line basis over the lease term. Finance lease assets are amortized straight-line over their useful life where the lease transfers ownership of the underlying asset, or to the earlier of the end of the useful life of the asset and the end of the lease term where ownership is not transferred. Interest on finance leases is recognized as the amount that results in a constant periodic discount rate on the remaining balance of the liability.

We have operating lease agreements with lease and non-lease components. The Company did not make the election to treat the lease and non-lease components as a single component and considers the non-lease components as a separate unit of account.

The Company has elected not to apply the recognition requirements of ASC 842 to short-term operating leases. We recognize the lease payments for short-term leases on a straight-line basis over the lease term and variable lease payments in the period in which the obligation for those payments is incurred.

Leases – the Company as lessor

The Company's lease arrangements are a mixture of sales-type leases and operating leases.

Sales-type lease receivables are recognized based on the net investment in the lease, at the present value of future minimum lease payments receivable over the lease term, plus any guaranteed residual value of the underlying asset, at the commencement date.

The discount rate used in determining the present value of the future minimum lease payments is the rate implicit in the lease. This is calculated using the fair value of the underlying asset and the present value of any unguaranteed residual value.

The underlying asset is derecognized at the point of inception and a selling profit is recognized at lease commencement. Subsequent interest income is recognized over the term of the lease, at an amount that produces a constant periodic discount rate on the remaining balance of the net investment in the lease.

For operating leases, we continue to recognize the underlying asset. Lease income is recognized on a straight-line basis over the lease term.

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Recently Issued Accounting Standards

In October 2023, the FASB issued ASU No. 2023-06, “Disclosure Improvements – Codification Amendments in Response to the SEC’s Disclosure Update and Simplification Initiative” (“ASU 2023-06”). ASU 2023-06 modifies the disclosure or presentation requirements of a variety of Topics in the Codification. Certain of the amendments represent clarifications to or technical corrections of the current requirements. The guidance will be effective on the date on which the SEC’s removal of that related disclosure from Regulation S-X or Regulation S-K becomes effective, with early adoption prohibited. If by June 30, 2027, the SEC has not removed the applicable requirement from Regulation S-X or Regulation S-K, the pending content of the related amendment will be removed from the Codification and will not become effective. The amendments in the Update should be applied prospectively. The adoption of ASU 2023-06 is not expected to have a material impact on the Company’s financial statement presentation or disclosures.

In December 2023, the FASB issued ASU No. 2023-09, “Income Taxes (Topic 740): Improvements to Income Tax Disclosures” (“ASU 2023-09”). The amendments in ASU 2023-09 enhance income tax disclosures, primarily through standardization, disaggregation of rate reconciliation categories, and income taxes paid by jurisdiction. ASU 2023-09 is effective for annual periods beginning on January 1, 2025, with early adoption allowed. The Company is not early adopting ASU 2023-09 and will therefore adopt the standard in the 2025 financial statements. The adoption of ASU 2023-09 is not expected to have a material impact on the Company’s financial statement presentation or disclosures.

In March 2024, the FASB issued ASU No. 2024-02, “Codification Improvements—Amendments to Remove References to the Concepts Statements” (“ASU 2024-02”). This Update contains amendments to the Codification that remove references to various FASB Concepts Statements. In most instances, the references are extraneous and not required to understand or apply the guidance. In other instances, the references were used in prior Statements to provide guidance in certain topical areas. ASU 2024-02 is effective for annual periods beginning after December 15, 2024. The adoption of ASU 2024-02 is not expected to have a material impact on the Company’s financial statement presentation or disclosures.

In November 2024, the FASB issued ASU No. 2024-03, “Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of income statement expenses” (“ASU 2024-03”). The amendments in ASU 2024-03 require disclosure, in the notes to financial statements, of specified information about certain costs and expenses. The amendments require that at each interim and annual reporting period an entity: 1) Disclose the amounts of (a) purchases of inventory, (b) employee compensation, (c) depreciation, (d) intangible asset amortization, and (e) depreciation, depletion, and amortization recognized as part of oil and gas-producing activities (DD&A) (or other amounts of depletion expense) included in each relevant expense caption. A relevant expense caption is an expense caption presented on the face of the income statement within continuing operations that contains any of the expense categories listed in (a)–(e). 2) Include certain amounts that are already required to be disclosed under current generally accepted accounting principles (GAAP) in the same disclosure as the other disaggregation requirements. 3) Disclose a qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively. 4) Disclose the total amount of selling expenses and, in annual reporting periods, an entity’s definition of selling expenses. The guidance will be effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. We are still evaluating the effect of this guidance.

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Newly Adopted Accounting Standards

On January 1, 2024, the Company adopted ASU No. 2023-07, “Segment Reporting (Topic 280) – Improvements to Reportable Segment Disclosures” (“ASU 2023-07”). ASU 2023-07 improves reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The amendments in the Update 1) Require that a public entity disclose, on an annual and interim basis, significant segment expenses that are regularly provided to the chief operating decision maker (CODM) and included within each reported measure of segment profit or loss (collectively referred to as the “significant expense principle”). 2) Require that a public entity disclose, on an annual and interim basis, an amount for other segment items by reportable segment and a description of its composition. The other segment items category is the difference between segment revenue less the segment expenses disclosed under the significant expense principle and each reported measure of segment profit or loss. 3) Require that a public entity provide all annual disclosures about a reportable segment’s profit or loss and assets currently required by Topic 280 in interim periods. 4) Clarify that if the CODM uses more than one measure of a segment’s profit or loss in assessing segment performance and deciding how to allocate resources, a public entity may report one or more of those additional measures of segment profit. 5) Require that a public entity disclose the title and position of the CODM and an explanation of how the CODM uses the reported measure(s) of segment profit or loss in assessing segment performance and deciding how to allocate resources. 6) Require that a public entity that has a single reportable segment provide all the disclosures required by the amendments in this Update and all existing segment disclosures in Topic 280.

The Company previously disclosed Cost of service, Cost of product sales, Selling, general and administrative expenses, Stock-based compensation expense, Acquisition and integration related transaction expenses and Depreciation and amortization by reportable segment. The Company has reviewed its financial reporting for additional segment expenses not already disclosed that are regularly provided to the CODM, included in reported segment profit and loss reporting and also which are quantitatively and qualitatively significant. Three categories of expenses met these criteria and have been broken out in segment disclosures. The categories are 1) Staff-related selling, general and administrative expenses, which includes compensation, benefits, bonus and contractor/temporary personnel expenses for each segment. 2) Non-staff related selling, general and administrative expenses, composed of multiple categories across each segment. 3) Labor costs capitalized which include software development costs, a primary business activity and expense for each of the segments. The Company also discloses Other segment items by reportable segment and a description of its composition, together with the title and position of the group that makes up the CODM and how that group uses the reported measure(s) of segment profit or loss in assessing segment performance and deciding how to allocate resources.

Disclosures with respect to segment reporting are given in note 25 to these financial statements.

2. Acquisitions and Disposals

In January 2022, the Company sold its Italian VLT business, including all terminal and other assets, staff costs and facilities and contracts, to a non-connected party for total proceeds of €1.1 million (\$1.2 million), recognizing a profit on disposal of €0.8 million (\$0.9 million). The Company continues to serve these Italian markets in the form of the provision of platform and games.

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3. Accounts Receivable

Accounts receivable consist of the following:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
	(in millions)	
Trade receivables	\$ 61.5	\$ 42.8
Less: long-term receivable recorded in other assets	(0.9)	(3.0)
Finance lease receivables	5.8	5.1
Allowance for credit losses	(1.0)	(1.1)
Total accounts receivable, net	<u>\$ 65.4</u>	<u>\$ 43.8</u>

Changes in the allowance for credit losses are as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
	(in millions)	
Beginning balance	\$ (1.1)	\$ (1.4)
Additional allowance for credit losses	(0.1)	(0.2)
Recoveries	—	0.2
Write offs	0.2	0.4
Foreign currency translation adjustments	—	(0.1)
Ending balance	<u>\$ (1.0)</u>	<u>\$ (1.1)</u>

4. Inventory

Inventory consists of the following:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
	(in millions)	
Component parts	\$ 12.3	\$ 23.3
Work in progress	0.5	0.4
Finished goods	15.2	8.6
Total inventory	<u>\$ 28.0</u>	<u>\$ 32.3</u>

Component parts include parts for gaming terminals. Included in inventory are reserves for excess and slow-moving inventory of \$1.9 million and \$2.2 million as of December 31, 2024 and 2023, respectively. Our finished goods inventory primarily consists of gaming terminals which are ready for sale.

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5. Prepaid Expenses and Other Assets

Prepaid expenses and other assets consist of the following:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
	(in millions)	
Prepaid expenses and other assets	\$ 10.0	\$ 15.6
Unbilled accounts receivable	26.0	24.0
Total prepaid expenses and other assets	<u>\$ 36.0</u>	<u>\$ 39.6</u>

6. Property and Equipment, net

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
	(in millions)	
Short-term leasehold property	\$ 3.8	\$ 3.5
Gaming and amusement terminals	188.4	197.2
Computer equipment	12.8	12.7
Plant and machinery	4.2	4.1
	<u>209.2</u>	<u>217.5</u>
Less: accumulated depreciation and amortization	(152.8)	(156.8)
	<u>\$ 56.4</u>	<u>\$ 60.7</u>

Depreciation expense amounted to \$19.8 million, \$19.0 million and \$21.3 million for the years ended December 31, 2024, 2023 and 2022, respectively.

7. Software Development Costs, net

Software development costs, net consisted of the following:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
	(in millions)	
Software development costs	\$ 154.8	\$ 144.1
Less: accumulated amortization	(132.4)	(123.8)
	<u>\$ 22.4</u>	<u>\$ 20.3</u>

During the years ended December 31, 2024 and 2023, the Company capitalized \$12.0 million and \$12.5 million of software development costs, respectively. As of December 31, 2024 capitalized software development costs related to the Company's implementation of an enterprise resource planning system were not material. As of December 31, 2023 approximately \$1.3 million of capitalized software development costs related to the Company's implementation of an enterprise resource planning system. Other capitalized cloud-based implementation costs were not material as of December 31, 2024 and 2023.

The total amount of software costs amortized was \$10.7 million, \$10.3 million and \$9.7 million for the years ended December 31, 2024, 2023, and 2022, respectively. Software costs written down to net realizable value amounted to \$0.0 million, \$0.3 million and \$0.4 million for the years ended December 31, 2024, 2023 and 2022, respectively. The weighted average amortization period was 4.0 years and 3.8 years for the years ended December 31, 2024 and 2023, respectively.

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The estimated software amortization expense for the years ending December 31, excluding costs that are yet to commence amortization, are as follows:

Year ending December 31, (in millions)		
2025	\$	5.8
2026		3.5
2027		2.1
2028		0.4
2029		0.2
Thereafter		0.2
Total	\$	12.2

8. Intangible Assets and Goodwill

The following tables present certain information regarding our intangible assets. Amortizable intangible assets are being amortized on a straight-line basis over their estimated useful lives of eighteen months to thirteen years with no estimated residual values, which materially approximates the expected pattern of use.

	December 31, 2024	December 31, 2023
	(in millions)	
Trademarks	\$ 21.1	\$ 20.4
Customer relationships	28.9	29.5
Intellectual property licenses	6.1	—
	<u>56.1</u>	<u>49.9</u>
Less: accumulated amortization	(40.0)	(36.5)
	<u>\$ 16.1</u>	<u>\$ 13.4</u>

Aggregate intangible asset amortization expense amounted to \$3.3 million, \$1.5 million and \$1.5 million for the years ended December 31, 2024, 2023 and 2022, respectively.

The estimated intangible asset amortization expense for the years ending December 31 are as follows:

Year ending December 31, (in millions)		
2025	\$	3.0
2026		2.9
2027		2.7
2028		1.6
2029		1.3
Thereafter		4.6
Total	\$	16.1

Goodwill

Goodwill is summarized as follows:

	December 31, 2024	December 31, 2023
	(in millions)	
Balance at beginning of period, gross	\$ 79.3	\$ 76.0
Accumulated goodwill impairment losses, recognized year ended December 31, 2020	(20.5)	(20.5)
Balance at beginning of period, net	58.8	55.5
Foreign currency translation adjustments	(1.0)	3.3
Ending balance, net	<u>\$ 57.8</u>	<u>\$ 58.8</u>

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9. Other Assets

Other assets consist of the following:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
	(in millions)	
Long term finance lease receivable	\$ 5.1	\$ 7.3
Long term receivables	0.9	3.0
Long term prepaid expenses and other assets	3.0	0.2
Pension surplus	3.5	—
	<u>\$ 12.5</u>	<u>\$ 10.5</u>

10. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consist of the following:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
	(in millions)	
Accounts payable	\$ 29.3	\$ 41.9
Payroll and related costs	5.7	5.5
Cost of sales including inventory	4.6	6.4
Other creditors	14.1	7.0
	<u>\$ 53.7</u>	<u>\$ 60.8</u>

11. Contract Related Disclosures

The following table summarizes contract related balances:

	<u>Accounts Receivable</u>	<u>Unbilled Accounts Receivable</u>	<u>Right to recover asset</u>	<u>Deferred Income</u>	<u>Customer Prepayments and Deposits</u>
	(in millions)				
At December 31, 2024	\$ 61.5	\$ 26.0	\$ 0.6	\$ (18.6)	\$ (3.9)
At December 31, 2023	\$ 42.8	\$ 24.0	\$ 0.6	\$ (12.7)	\$ (2.9)

Unbilled accounts receivable are a form of contract asset and primarily result from revenue being recognized when or as control of a solution or service is transferred to the customer, but where invoicing is contingent upon the completion of other performance obligations or payment terms differ from the provisioning of services. The current portion of unbilled accounts receivable is reported within prepaid expenses and other current assets in the consolidated balance sheet, and the non-current portion is included in other assets. Right to recover assets are recognized in respect of the transfer of products with a right of return where the Company has also recognized a refund liability. Right to return assets are recognized in other debtors and refund liabilities are recognized as part of deferred income. Contract liabilities (deferred income and customer prepayments and deposits) primarily relate to consideration received from customers in advance of delivery of the related goods and services to the customer. Contract balances are reported in a net contract asset or liability position on a contract-by-contract basis at the end of each reporting period.

Revenue recognized that was included in the deferred income balance at the beginning of the period amounted to \$3.8 million, \$8.7 million and \$7.0 million for the years ended December 31, 2024, 2023 and 2022, respectively.

For the years ended December 31, 2024 and 2023 there was no significant amounts of revenue recognized as a result of changes in contract transaction price related to performance obligations that were satisfied in the respective prior periods.

The Company capitalizes certain costs incurred in obtaining or fulfilling a customer contract. The following table summarizes amounts capitalized on the Consolidated Balance Sheets at December 31, 2024 and 2023, net of accumulated amortization.

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
	(in millions)	
Costs to obtain contracts with customers, net	\$ 0.6	\$ 0.5
Customer contract fulfillment costs, net	10.4	8.9
Total costs of obtaining and fulfilling customer contracts, net	<u>\$ 11.0</u>	<u>\$ 9.4</u>

Amortization of capitalized contract costs was \$9.5 million, \$8.5 million, and \$7.0 million during the years ended December 31, 2024, 2023, and 2022, respectively. We did not recognize any impairment losses on such costs during the years ended December 31, 2024, 2023, or 2022.

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Transaction Price Allocated to Remaining Performance Obligations

At December 31, 2024, the transaction price allocated to unsatisfied performance obligations for contracts expected to be greater than one year, or performance obligations for which we do not have a right to consideration from the customer in the amount that corresponds to the value to the customer for our performance completed to date, variable consideration which is not accounted for in accordance with the sales-based or usage-based royalties guidance, or contracts which are not wholly unperformed, is approximately \$133.6 million. Of this amount, we expect to recognize as revenue approximately 34% within the next 12 months, approximately 44% between 13 and 36 months, approximately 22% between 37 and 60 months, and the remaining balance through December 31, 2030.

12. Other Liabilities

Other liabilities consist of the following:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
	(in millions)	
Customer prepayments and deposits	\$ 3.9	\$ 2.9
Foreign exchange contract liabilities	—	0.6
Current portion of finance lease liabilities	4.4	0.7
Total other liabilities, current	<u>8.3</u>	<u>4.2</u>
Asset retirement obligations	2.0	1.4
Other creditors	0.4	0.7
Pension liability	—	2.0
Total other liabilities, long-term	<u>2.4</u>	<u>4.1</u>
	<u>\$ 10.7</u>	<u>\$ 8.3</u>

13. Long Term and Other Debt

Senior Secured Notes

On May 20, 2021, Inspired Entertainment (Financing) PLC, a wholly owned subsidiary of the Company, issued £235.0 million (\$294.4 million, as translated at December 31, 2024) aggregate principal amount of its 7.875% senior secured notes due 2026 (the “Senior Secured Notes”). The Senior Secured Notes bear interest at a rate of 7.875% per annum and mature on June 1, 2026. Interest is payable on the Senior Secured Notes on June 1 and December 1 of each year, commencing on December 1, 2021.

The Senior Secured Notes and related guarantees were issued under an indenture (the “Indenture”), among Inspired Entertainment (Financing) PLC, as issuer, the Company and certain English and U.S. subsidiaries of the Company, as guarantors (collectively and together with the Company, the “Guarantors”), GLAS Trustees Limited, as trustee, GLAS Trust Corporation Limited, as security agent and GLAS Trust Company LLC as paying agent, transfer agent and registrar. The terms of the Senior Secured Notes and related guarantees are governed by the Indenture.

The Senior Secured Notes are fully and unconditionally guaranteed on a senior secured first-priority basis by the Guarantors on a joint and several basis. The Senior Secured Notes and related guarantees are secured, subject to certain permitted collateral liens, on a first-priority basis by substantially all assets of the Guarantors and all claims of the Inspired Entertainment (Financing) PLC under an intercompany loan to Gaming Acquisitions Limited, a private limited liability company incorporated under the laws of England and Wales and an indirect wholly-owned subsidiary of the Company (“GAL”), of the proceeds of the offering of the Senior Secured Notes.

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The Indenture contains incurrence covenants that limit the ability of the Company and the Company's restricted subsidiaries to, among other things, (i) incur or guarantee additional debt and issue certain preferred stock of restricted subsidiaries; (ii) create or incur certain liens; (iii) make restricted payments, including dividends or distributions to the Company's stockholders or repurchase the Company's stock; (iv) prepay or redeem subordinated debt; (v) make certain investments, including participating joint ventures; (vi) create encumbrances or restrictions on the payment of dividends or other distributions by restricted subsidiaries; (vii) sell assets, or consolidate or merge with or into other companies; (viii) sell or transfer all or substantially all of the Company's assets or those of the Company's subsidiaries on a consolidated basis; (ix) engage in certain transactions with affiliates; and (x) create unrestricted subsidiaries. Certain of these covenants will be suspended if and for so long as the Senior Secured Notes have investment grade ratings from any two of Moody's Investors Service, Inc., Standard & Poor's Investors Ratings Services and Fitch Ratings, Inc. These covenants are subject to exceptions and qualifications as set forth in the Indenture.

Inspired Entertainment (Financing) PLC may redeem the Senior Secured Notes, in whole or in part, at any time and from time to time on or after June 1, 2023, at the redemption prices set forth in the Indenture and form of the Senior Secured Notes, plus accrued and unpaid interest, if any, to, but excluding, the redemption date.

Revolving Credit Facility

In connection with the issuance of the Senior Secured Notes on May 20, 2021, the Company and certain of our direct and indirect wholly-owned subsidiaries, entered into a Super Senior Revolving Credit Facility Agreement (the "RCF Agreement") with Global Loan Agency Services Limited, as agent, Barclays Bank plc ("Barclays") and Macquarie Corporate Holdings Pty Limited (UK Branch) ("Macquarie UK" and together with Barclays, the "Arrangers") as arrangers and each lender party thereto (the "Lenders"), pursuant to which the Lenders agreed to provide, subject to certain conditions, a secured revolving facility loan in an original principal amount of £20 million (\$25.1 million) under which certain of our subsidiaries are able to draw funds (the "RCF Loan"). The RCF Loans will terminate on November 20, 2025.

The funding of the RCF Loan is subject to customary conditions set forth in the RCF Agreement. The undrawn commitment of each Lender under the RCF Loan will automatically terminate, unless previously terminated by the Company, on October 20, 2025.

The RCF Loans will bear interest at a rate per annum equal to (i) SONIA for borrowings in sterling, (ii) LIBOR (or, on and after December 31, 2021, SOFR) for borrowings in dollars, or (iii) EURIBOR for borrowings in Euro, as applicable, plus, in each case, a margin (based on the Company's consolidated senior secured net leverage ratio) ranging from 4.25% to 4.75% per annum. With respect to the RCF Loan, a commitment fee of 30% of the then applicable margin is payable at any time on any unutilized portion of the RCF Loan.

The RCF Agreement contains various covenants (which include restrictions regarding the incurrence of liens, the incurrence of indebtedness by the Company's subsidiaries and fundamental changes, subject in each case to certain exceptions), representations, warranties, limitations and events of default (which include non-payment, breach of obligations under the financing documents, cross-default, insolvency and litigation) customary for similar facilities for similarly rated borrowers and subject to customary carve-outs and grace periods. Following the occurrence of an event of default which has not been waived or remedied, the Lenders who represent more than 66.67% of total commitments under the RCF may, subject to the terms of an intercreditor agreement (which governs the relationship between the Lenders and the holders of the Senior Secured Notes), instruct the agent to (i) accelerate the RCF Loans, (ii) instruct the security agent to enforce the transaction security and/or (iii) exercise any other remedies available to the Lenders.

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The RCF Agreement requires that the Company maintain a maximum consolidated senior secured net leverage ratio of 6.25x on the test date for the relevant period ended June 30, 2021, stepping down to 6.0x on March 31, 2022, 5.75x on March 31, 2023 and 5.50x from March 31, 2024 and thereafter (the “RCF Financial Covenant”). The RCF Financial Covenant is calculated as the ratio of consolidated senior secured net debt to consolidated pro forma EBITDA (defined as net income (loss) excluding depreciation and amortization, interest expense, interest income and income tax expense) for the 12-month period preceding the relevant quarterly testing date and is tested quarterly on a rolling basis, subject to the Initial Facility (as defined in the RCF Agreement) being drawn on the relevant test date. The RCF Agreement does not include a minimum interest coverage ratio or other financial covenants. Covenant testing at December 31, 2024 showed covenant compliance with a net leverage of 3.1x.

The outstanding principal amount of each advance under the RCF Loans is payable on the last day of the interest period relating to such advance, unless such advance is rolled over on a cashless basis in accordance with customary rollover provisions contained in the RCF Agreement, with a final repayment on November 20, 2025.

During the year ended December 31, 2023, the Company drew down on the RCF Agreement. Amounts due under the RCF Agreement at December 31, 2024 and December 31, 2023 amounted to £15.0 million (\$18.8 million). Interest relating to amounts drawn under the RCF Agreement amounted to \$1.9 million and \$0.2 million for the years ended December 31, 2024 and December 31, 2023, respectively, and is recorded in Interest expense, net.

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Outstanding Debt and Finance Leases

The following reflects outstanding debt and finance leases as of the dates indicated below:

	<u>Principal</u>	<u>Unamortized deferred financing charge</u> (in millions)	<u>Book value, December 31, 2024</u>
Senior secured notes	\$ 313.2	\$ (2.2)	\$ 311.0
Finance lease liabilities	23.0	—	23.0
Total long-term debt outstanding	336.2	(2.2)	334.0
Less: current portion of long-term debt	(23.2)	—	(23.2)
Long-term debt, excluding current portion	\$ 313.0	\$ (2.2)	\$ 310.8

	<u>Principal</u>	<u>Unamortized deferred financing charge</u> (in millions)	<u>Book value, December 31, 2023</u>
Senior secured notes	\$ 318.7	\$ (4.0)	\$ 314.7
Finance lease liabilities	2.4	—	2.4
Total long-term debt outstanding	321.1	(4.0)	317.1
Less: current portion of long-term debt	(19.8)	—	(19.8)
Long-term debt, excluding current portion	\$ 301.3	\$ (4.0)	\$ 297.3

The Company is in compliance with all relevant financial covenants and the long-term debt portion is correctly classified as such in line with the underlying agreements.

Long term debt as of December 31, 2024 matures as follows:

<u>Fiscal period:</u>	<u>Senior bank debt</u>	<u>Finance leases</u> (in millions)	<u>Total</u>
2025	\$ 18.8	\$ 4.4	\$ 23.2
2026	294.4	4.7	299.1
2027	—	5.3	5.3
2028	—	5.8	5.8
2029	—	2.8	2.8
Total	\$ 313.2	\$ 23.0	\$ 336.2

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14. Fair Value Measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset and liability in an orderly transaction between market participants at the measurement date. We estimate the fair value of our assets and liabilities utilizing an established three-level hierarchy. The hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets with insufficient volume or infrequent transactions (less active markets), or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data for substantially the full term of the assets or liabilities. Level 2 inputs also include non-binding market consensus prices that can be corroborated with observable market data, as well as quoted prices that were adjusted for security-specific restrictions.
- Level 3: Unobservable inputs that are supported by little or no market activity that are significant to the fair value of the asset or liability. Level 3 inputs also include non-binding market consensus prices or non-binding broker quotes that are unable to be corroborated with observable market data.

The fair value of our financial assets and liabilities is determined by reference to market data and other valuation techniques as appropriate. We believe the fair value of our financial instruments approximates their recorded values.

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The fair value of our long-term senior debt as of December 31, 2024, was \$287.1 million, based upon quoted prices in the marketplace, which are considered Level 2 inputs.

Level 3 liabilities are valued using unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the derivative liabilities. For fair value measurements categorized within Level 3 of the fair value hierarchy, the Company's Principal Financial Officer, who reports to the Principal Executive Officer, determines its valuation policies and procedures. The development and determination of the unobservable inputs for Level 3 fair value measurements and fair value calculations are the responsibility of the Company's Principal Financial Officer and approved by the Principal Executive Officer.

At December 31, 2024 and December 31, 2023, there were no Level 3 inputs, and no transfers in or out of Level 3 from other levels in the fair value hierarchy.

15. Stockholders' Deficit

Preferred Stock

The Company is authorized to issue 1,000,000 shares of preferred stock with a par value of \$0.0001 per share in one or more series. The Company's Board of Directors is authorized to fix the voting rights, if any, designations, powers, preferences, the relative, participating, optional or other special rights and any qualifications, limitations and restrictions thereof, applicable to the shares of each series. At December 31, 2024 and December 31, 2023, there were no shares of preferred stock issued or outstanding.

Common Stock

The Company is authorized to issue 49,000,000 shares of common stock, par value \$0.0001 per share. Holders of the Company's common stock are entitled to one vote for each common share.

16. Stock-Based Compensation

The Company's stock-based compensation plans authorize awards of restricted stock units ("RSUs"), stock options and other equity-related awards. The Company's 2023 Omnibus Incentive Plan ("2023 Plan") was adopted by the Company's Board of Directors on April 10, 2023 and approved by our stockholders on May 9, 2023. The 2023 Plan succeeds the 2021 Omnibus Incentive Plan and the 2018 Omnibus Incentive Plan (collectively, the "Prior Plans") such that shares subject to the unused reserves of the Prior Plans (e.g., as a result of termination or forfeiture of awards) are instead rolled over to the 2023 Plan. The Company has two other predecessor plans, the 2016 Long-Term Incentive Plan and the Second Long-Term Incentive Plan (collectively, the "Terminated Plans"), whose available balances were terminated in connection with approval of the 2018 Omnibus Incentive Plan. Although outstanding awards under the Terminated Plans remain governed by the terms of such plans, no new awards may be granted or become available for grant thereunder.

As of December 31, 2024, there were (i) 866,324 shares subject to outstanding awards under the 2023 Plan, including 452,573 shares subject to performance-based target awards, 93,750 shares subject to market-price vesting conditions and 136,135 shares subject to awards as to which the applicable vesting conditions have been met which remain subject to deferred settlement (a portion of which settled in January 2025); (ii) 1,646,807 shares subject to outstanding awards under the Prior Plans, including 62,500 shares subject to performance-based target awards, 97,500 shares subject to market-price vesting conditions, 77,949 shares subject to awards that were previously subject to performance criteria that were determined to have been met which continue to remain subject to a time-based vesting schedule and 1,340,445 shares subject to awards as to which the applicable vesting conditions have been met which remain subject to deferred settlement (a portion of which settled in January 2025); and (iii) 1,168,686 shares subject to outstanding awards under the Terminated Plans as to which the applicable vesting conditions have been met which remain subject to deferred settlement. As of December 31, 2024, there were 2,562,170 shares available for new awards under the 2023 Plan (which includes shares rolled over from the Prior Plans) and no shares available for new awards under the Prior Plans. All awards outstanding as of December 31, 2024 consisted of RSUs (including time-based RSUs, performance-based RSUs and stock price based RSUs).

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The Company also has an employee stock purchase plan (“ESPP”) that authorizes the issuance of up to an aggregate of 500,000 shares of common stock pursuant to purchases thereunder by employees. The ESPP, which was approved by stockholders in July 2017, is administered by the Compensation Committee which has discretion to designate the length of offering periods and other terms subject to the requirements of the ESPP. Offerings may also be under the ESPP’s subplan for UK-based employees (the “Subplan”) which was adopted in June 2022 and is designed to meet the requirements of a sharesave scheme under UK law. The terms applicable to offerings approved under the ESPP and Subplan for 2023 and 2024 are described below.

ESPP — Eligible employees may contribute up to 10% of base compensation through payroll deductions over a period of twelve months, a maximum of 1,000 shares may be purchased per participant, the purchase price is equal to 85% of the lower of the closing price of the common stock at the beginning of the offering period and the end of the offering period and shares are purchased on the last day of the offering period.

Subplan (UK) — Eligible employees may contribute a maximum amount of £350 per month through payroll deductions over a period of three years, the purchase price is equal to 85% of the closing price of the common stock on the day prior to commencement of the enrollment window for the offering, and participants have a period of six months following the end of the offering to elect to purchase shares or receive a refund.

As of December 31, 2024, a total of 460,001 shares remained available for purchase under the ESPP (including in connection with outstanding purchase rights under the Company’s ongoing offering periods). No shares were purchased under the ESPP in 2022, a total of 4,080 shares were purchased in 2023 (at a purchase price of \$8.483 per share) and a total of 3,670 shares were purchased in 2024 (at a purchase price of \$8.109 per share). Such shares (from the 2023 and 2024 purchases) were issued in 2024. Based on enrollments in the ESPP (including the Subplan), an aggregate of approximately 125,000 shares were subject to outstanding purchase rights thereunder as of December 31, 2024.

A summary of the Company’s RSU activity is as follows:

	Number of Shares	Weighted Average Grant Date Fair Value Per Share
Unvested Outstanding at January 1, 2024 ⁽¹⁾	1,241,675	\$ 12.79
Granted ⁽²⁾	654,384	\$ 9.07
Forfeited	(272,094)	\$ (12.90)
Vested ⁽³⁾	(837,414)	\$ (11.77)
Unvested Outstanding at December 31, 2024	<u>786,551</u>	<u>\$ 10.75</u>

(1) The amount shown as “unvested outstanding at January 1, 2024” does not include certain tranches of Adjusted EBITDA RSUs that have performance criteria for annual periods later than 2023 (an aggregate of 312,500 RSUs, including 62,500 subject to 2024 criteria), which were part of sign-on tranches approved for our Executive Chairman and our Chief Executive Officer during the years 2021 and 2023, as the applicable performance targets were not set by January 1, 2024 (and, accordingly, the accounting grant dates had not yet occurred for the tranches). Such tranches had previously been included in the amounts shown in 2023 as unvested outstanding since the initial approval date for the tranches. The targets for the 2024 period were set in February 2024 and the remaining targets (for each of 2025, 2026 and 2027) are anticipated to be set in February of the performance year.

(2) The amount shown as “granted” includes 245,694 performance-based target RSUs as to which the number eligible to vest ranged from 0% to 200% of the target amount of RSUs (a maximum of 491,388 RSUs based on attainment of Adjusted EBITDA targets for 2024 and criteria previously set by the Compensation Committee).

(3) The RSUs that vested during the year ended December 31, 2024 included: (a) approximately 261,700 RSUs that are subject to deferred settlement terms; and (b) approximately 481,600 RSUs that vested on the last day of the year and were settled on a net share basis in January 2025.

The Company issued a total of 362,951 shares during the year ended December 31, 2024, in connection with the Company’s equity-based plans, which included an aggregate of 333,161 shares issued in connection with the net settlement of RSUs that vested during the prior year (primarily on December 29, 2023).

The weighted average grant date fair value of awards granted for years ended December 31, 2024, December 31, 2023 and December 31, 2022 amounted to \$9.07, \$14.14 and \$14.36, respectively. The vesting date value of RSUs vesting for years ended December 31, 2024, December 31, 2023 and December 31, 2022 amounted to \$7.6 million, \$10.2 million and \$10.8 million, respectively.

When tax deductions from stock options and awards are less than the cumulative book compensation expense, the tax effect of the resulting differences is a shortfall. For the year ended December 31, 2024 an income tax expense of \$0.5 million was recorded for shortfalls generated from stock options and awards exercised in 2024. There was no income tax benefit recognized related to awards that vested during the years ended December 31, 2023, and 2022, as there was a full valuation allowance in place against the RSU scheme’s deferred tax asset.

Stock-based compensation is recognized as an expense over the requisite service period, which is generally the vesting period. For performance awards that are contingent upon the Company achieving certain pre-determined financial performance targets, compensation expense is calculated based on the number of shares expected to vest after assessing the probability that the performance criteria will be met. Determining the probability of achieving a performance target requires estimates and judgment. For market-based awards that are contingent upon the Company's stock achieving certain pre-determined price targets, compensation expense is calculated based upon the determination of the fair value of the awards as derived through multiple running of the Monte Carlo valuation model, with the fair value recognized on a straight-line basis over the requisite service period. The requisite service period for awards to employees is generally satisfied over a vesting period of three years (and one year for non-employee directors). The Company accounts for forfeitures as they occur. For stock purchase rights under the Company's ESPP (including its subplan), the Company estimates fair value using the Black-Scholes option pricing model on the dates of grant, with the compensation expense recognized over the requisite service period.

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The Company recognized stock-based compensation expense as follows:

	<u>Year Ended</u> <u>December 31, 2024</u>	<u>Year Ended</u> <u>December 31, 2023</u>	<u>Year Ended</u> <u>December 31, 2022</u>
	(in millions)		
RSUs	\$ 6.7	\$ 10.4	\$ 10.1
ESPP	0.1	0.2	—
Payroll taxes on vesting of RSUs	0.8	0.6	0.7
	<u>\$ 7.6</u>	<u>\$ 11.2</u>	<u>\$ 10.8</u>

Total unrecognized compensation expense related to unvested stock awards and unvested RSUs at December 31, 2024 amounts to \$2.4 million and is expected to be recognized over a weighted average period of 1.5 years.

17. Accumulated Other Comprehensive Loss (Income)

The accumulated balances for each classification of comprehensive loss (income) are presented below:

	<u>Foreign</u> <u>Currency</u> <u>Translation</u> <u>Adjustments</u>	<u>Change in</u> <u>Fair Value</u> <u>of Hedging</u> <u>Instrument</u>	<u>Unrecognized</u> <u>Pension</u> <u>Benefit Costs</u>	<u>Accumulated</u> <u>Other</u> <u>Comprehensive</u> <u>(Income)</u>
	(in millions)			
Balance at January 1, 2022	\$ (71.3)	\$ 1.0	\$ 26.7	\$ (43.6)
Change during the period	(12.7)	(0.7)	6.4	(7.0)
Balance at December 31, 2022	(84.0)	0.3	33.1	(50.6)
Change during the period	5.9	(0.3)	0.7	6.3
Balance at December 31, 2023	(78.1)	—	33.8	(44.3)
Change during the period	(1.4)	—	(4.7)	(6.1)
Deferred tax on change during the period	1.0	—	1.1	2.1
Balance at December 31, 2024	<u>\$ (78.5)</u>	<u>\$ —</u>	<u>\$ 30.2</u>	<u>\$ (48.3)</u>

In connection with the issuance of the Senior Secured Notes, and the entry into the RCF Agreement, on May 19, 2021, the Company terminated all of its interest rate swaps. Accordingly, hedge accounting is no longer applicable. The amounts previously recorded in Accumulated Other Comprehensive Income were amortized into Interest expense over the terms of the hedged forecasted interest payments. Losses reclassified from Accumulated Other Comprehensive Income into Interest expense in the Consolidated Statements of Operations and Income for the year ended December 31, 2024, December 31, 2023 and December 31, 2022 amounted to \$0.0 million, \$0.3 million and \$0.7 million, respectively.

18. Net Income (Loss) per Share

Basic income/loss per share (“EPS”) is computed by dividing net income/loss attributable to common stockholders by the weighted-average number of common shares outstanding during the period, excluding the effects of any potentially dilutive securities. Diluted EPS gives effect to all dilutive potential shares of common stock outstanding during the period, including stock options and RSUs, unless the inclusion would be anti-dilutive.

The computation of diluted EPS excludes the common stock equivalents of the following potentially dilutive securities because they were either contingently issuable shares or because their inclusion would be anti-dilutive:

	<u>Year Ended</u> <u>December 31, 2024</u>	<u>Year Ended</u> <u>December 31, 2023</u>	<u>Year Ended</u> <u>December 31, 2022</u>
RSUs	253,750	799,756	382,500

The following table reconciles the numerators and denominators of the basic and diluted EPS computations for the years ended December 31, 2024, December 31, 2023 and December 31, 2022, respectively.

	<u>Income</u> <u>(Numerator)</u> <u>(in millions)</u>	<u>Shares</u> <u>(Denominator)</u>	<u>Per-Share Amount,</u> <u>Year Ended</u> <u>December 31, 2024</u>
Basic EPS			
Income available to common stockholders	\$ 64.8	28,521,027	\$ 2.27
Effect of Dilutive Securities			
RSUs	—	678,348	(0.05)
Diluted EPS			

Income available to common stockholders	\$ 64.8	\$ 29,199,375	\$ 2.22
	Income (Numerator) (in millions)	Shares (Denominator)	Per-Share Amount, Year Ended December 31, 2023
Basic EPS			
Income available to common stockholders	\$ 6.9	28,073,408	\$ 0.25
Effect of Dilutive Securities			
RSUs	—	1,141,175	(0.01)
Diluted EPS			
Income available to common stockholders	\$ 6.9	\$ 29,214,583	\$ 0.24
	Income (Numerator) (in millions)	Shares (Denominator)	Per-Share Amount, Year Ended December 31, 2022
Basic EPS			
Income available to common stockholders	\$ 21.2	28,049,918	\$ 0.76
Effect of Dilutive Securities			
RSUs	—	1,042,937	(0.03)
Diluted EPS			
Income available to common stockholders	\$ 21.2	\$ 29,092,855	\$ 0.73

The calculation of Basic EPS includes the effects of 2,091,536, 2,425,236 and 1,703,142 shares for the years ended December 31 2024, 2023 and 2022, respectively, with respect to RSU awards that have vested but have not yet been issued.

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19. Other Finance Income

Other finance income consisted of the following:

	<u>Year Ended</u> <u>December 31, 2024</u>	<u>Year Ended</u> <u>December 31, 2023</u>	<u>Year Ended</u> <u>December 31, 2022</u>
	(in millions)		
Pension interest cost	\$ (3.4)	\$ (3.4)	\$ (2.2)
Expected return on pension plan assets	3.9	3.8	3.3
	<u>\$ 0.5</u>	<u>\$ 0.4</u>	<u>\$ 1.1</u>

20. Income Taxes

The effective tax rates for the years ended December 31, 2024, 2023 and 2022 were (3,466.2)%, 42.1% and 8.9% respectively. For the year ended December 31, 2024, the Company's effective tax rate differs from the federal statutory rate primarily due to the reversal of a majority of the Company's valuation allowance on its deferred tax assets in various jurisdictions as well as an inclusion for global low-taxed income. For the year ended December 2023 and 2022, the Company's effective tax rate differs from the federal statutory rate primarily due to losses in certain jurisdictions where the Company presently has recorded a valuation allowance against the related tax benefit as well as an inclusion for global intangible low-taxed income.

The components of earnings before income taxes on the Company's consolidated statement of operations by the U.S. and foreign jurisdictions were as follows:

	<u>Year Ended</u> <u>December 31, 2024</u>	<u>Year Ended</u> <u>December 31, 2023</u>	<u>Year Ended</u> <u>December 31, 2022</u>
	(in millions)		
United States	\$ (21.6)	\$ (17.7)	\$ (8.1)
Foreign jurisdictions	23.4	29.6	31.4
Total earnings (loss) before income taxes	<u>\$ 1.8</u>	<u>\$ 11.9</u>	<u>\$ 23.3</u>

Income tax provision, as reflected in the Company's consolidated statement of operations, consists of the following:

	<u>Year Ended</u> <u>December 31, 2024</u>	<u>Year Ended</u> <u>December 31, 2023</u>	<u>Year Ended</u> <u>December 31, 2022</u>
	(in millions)		
Current provision (benefit)			
Federal	\$ 4.6	\$ 3.0	\$ 0.7
State	(0.1)	0.4	—
Foreign	1.9	1.6	1.4
Total current	<u>\$ 6.4</u>	<u>\$ 5.0</u>	<u>\$ 2.1</u>
	<u>Year Ended</u> <u>December 31, 2024</u>	<u>Year Ended</u> <u>December 31, 2023</u>	<u>Year Ended</u> <u>December 31, 2022</u>
	(in millions)		
Deferred provision (benefit)			
Federal	\$ (2.7)	\$ —	\$ —
State	—	—	—
Foreign	(66.7)	—	—
Total deferred	<u>\$ (69.4)</u>	<u>\$ —</u>	<u>\$ —</u>
Total provision	<u>\$ (63.0)</u>	<u>\$ 5.0</u>	<u>\$ 2.1</u>

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The differences between the federal statutory tax rate and our effective rate are reflected in the following table for the years ended December 31, 2024, 2023 and 2022:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
	(in millions)		
Statutory income tax	21.0%	21.0%	21.0%
State taxes (net of federal)	(7.4)%	2.3%	0.4%
Non-deductible officers' compensation	41.9%	8.8%	7.5%
Global intangible low-taxed income	295.2%	38.2%	33.1%
Other permanent differences	(14.4)%	(0.8)%	0.3%
Prior year true ups	(59.1)%	(5.6)%	0.0%
Effect of rates different than statutory	59.9%	3.8%	(2.2)%
Non-creditable withholding taxes	83.4%	9.0%	4.7%
Foreign tax true ups	0.0%	0.4%	(0.1)%
Research and development tax credits	0.0%	0.0%	(1.2)%
Subpart F	105.4%	7.0%	0.0%
Other	12.8%	2.4%	(0.3)%
Change in valuation allowance	(4,005.0)%	(44.4)%	(54.3)%
Effective income tax rate	<u>(3,466.2)%</u>	<u>42.1%</u>	<u>8.9%</u>

The net deferred tax assets and liabilities arising from temporary differences are as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
	(in millions)	
Depreciation	\$ 45.8	\$ 49.7
Net operating losses	19.7	22.7
Other temporary differences	2.9	3.2
Intangible Assets	7.4	5.6
Right of Use liability	9.0	3.6
Total gross deferred tax assets	84.8	84.8
Valuation allowance balance	(8.5)	(81.2)
Gross deferred tax assets	76.3	3.6
Intangible assets	—	—
Other temporary differences	—	—
Right of Use asset	(8.9)	(3.6)
Gross deferred tax liabilities	(8.9)	(3.6)
Net deferred tax assets	<u>\$ 67.4</u>	<u>\$ —</u>

Changes in the valuation allowance are as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
	(in millions)	
Beginning balance	\$ 81.2	\$ 83.1
(Decrease) increase	(5.3)	(1.9)
Reversal of allowance	(67.4)	—
Ending balance	<u>\$ 8.5</u>	<u>\$ 81.2</u>

As of December 31, 2024 the Company's cumulative state net operating losses are \$44.5 million, which begin to expire in 2026. The utilization of the Company's state net operating losses may be subject to a limitation in the future due to the "change of ownership provisions" under Section 382 of the Internal Revenue Code. As of December 31, 2024, the Company is not aware of an ownership change under Section 382.

As of December 31, 2024 and 2023, the Company also has gross net operating losses in foreign jurisdictions, primarily the UK, totaling \$66.8 million and \$80.7 million, respectively. The majority of these net operating losses have an unlimited carry forward period.

Management evaluates both positive and negative evidence to estimate whether sufficient future taxable income will be available to utilize existing deferred tax assets. A key piece of objective positive evidence considered is the cumulative income generated over a three-year period. In the fourth quarter of 2024, the Company determined that, due to positive income generation in the United Kingdom in recent years leading to a cumulative income position, and based on forecasted future taxable income, while considering expected permanent and temporary timing tax differences, a significant portion of the valuation allowance against its deferred tax assets was no longer necessary. As of December 31, 2024, the Company maintains a valuation allowance of \$6.4 million in the United States and \$2.1 million in the United Kingdom. The remaining valuation allowance relates to capital loss carryovers in the United Kingdom, state net operating losses unable to be utilized in the United States and United States interest expected to be limited under Section 163(j).

The Company has not recognized deferred tax liabilities in respect of unremitted earnings that are considered indefinitely reinvested in foreign subsidiaries. We do not provide for taxes on our undistributed earnings of foreign subsidiaries that have not been previously taxed because we intend to invest such undistributed earnings indefinitely outside of the United States.

Currently, there are no federal, state or foreign jurisdiction tax audits pending. The Company's corporate federal and state tax returns from 2021 to 2023 remain subject to examination by tax authorities and the Company's foreign tax returns from 2016 to 2023 remain subject to examination by tax authorities.

In accordance with ASC 740, the Company has evaluated its tax positions to determine if there are any uncertain tax positions. As of December 31, 2024 and 2023, the Company has no unrecognized tax benefits for uncertain tax positions and has no accrued interest or penalties related to uncertain tax positions. The Company does not anticipate any material change in the total amount of unrecognized tax benefits will occur within the next twelve months.

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21. Related Parties

Macquarie Corporate Holdings Pty Limited (UK Branch) (“Macquarie UK”) (an arranger and lending party under our RCF Agreement) is an affiliate of MIHI LLC, which beneficially owned approximately 11.4% of our common stock as of December 31, 2024, and 11.5% of our common stock as of December 31, 2023. Macquarie UK held \$2.1 million of the total \$18.8 million of RCF drawn at December 31, 2024, and \$2.1 million of the total \$19.1 million of RCF drawn at December 31, 2023. Interest expense payable to Macquarie UK for the RCF for the years ended December 31, 2024, 2023 and 2022 (including non-utilization fees) amounted to \$0.2 million, \$0.0 million and \$0.0 million, respectively. Macquarie UK did not hold any of the Company’s senior notes at December 31, 2024 or December 31, 2023. MIHI LLC is also a party to a stockholders agreement with the Company and other stockholders, dated December 23, 2016, pursuant to which, subject to certain conditions, MIHI LLC, jointly with Hydra Industries Sponsor LLC, are permitted to designate two directors to be nominated for election as directors of the Company at any annual or special meeting of stockholders at which directors are to be elected, until such time as MIHI LLC and Hydra Industries Sponsor LLC in the aggregate hold less than 5% of the outstanding shares of the Company.

Richard Weil, the brother of A. Lorne Weil, our Executive Chairman, provides consulting services to the Company relating to our lottery operations in the Dominican Republic under a consultancy agreement dated December 31, 2021, as amended. The aggregate amount incurred by the Company in consulting fees was \$0.2 million, \$0.1 million and \$0.1 million for the years ended December 31, 2024, December 31, 2023 and December 31, 2022, respectively.

22. Leases

The Company as Lessee

The Company is party to operating leases with third parties with respect to various real estate and vehicle assets. Both real estate and vehicle leases typically include a lease (of the property or vehicle) and a non-lease (provision of services) component which are accounted for separately. Payment terms are typically fixed, however, certain leases may contain various provisions for increases in rental rates based either on changes in a specific price index (such as the published Consumer Price Index CPI), a predetermined escalation schedule or rate, or as a percentage of sales. Such variable lease payments are recognized as lease expense as they are incurred. We initially measure the present value of the lease payments using the index at the lease commencement date. Additional payments based on the future subsequent change in an index or rate, or payments based on a change in our portion of the operating expenses, including real estate taxes and insurance, are recorded when incurred as variable payments.

The lease term begins on the commencement date, which is the date the Company takes possession of the property. The Company’s lease terms may include options to extend or terminate the lease. These options to extend or terminate are assessed on a lease-by-lease basis, and the ROU assets and lease liabilities are adjusted when it is reasonably certain that the option to extend or terminate will be exercised. The lease term is used to determine lease classification as an operating or finance lease and is used to calculate straight-line expense for operating leases. The operating leases have remaining terms of 1 to 11 years.

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The Company is also party to finance leases with third parties with respect to gaming machines. Payment terms and interest rates are fixed at lease inception. Minimum amounts of cash are required to be maintained in the Company's bank accounts with respect to the finance leases. The leases have remaining terms of between 6 months and 4.5 years.

The components of lease expense were as follows:

	<u>Year Ended</u> <u>December 31, 2024</u>	<u>Year Ended</u> <u>December 31, 2023</u>	<u>Year Ended</u> <u>December 31, 2022</u>
	(in millions)		
Finance lease costs:			
Depreciation	\$ 1.0	\$ 0.7	\$ 0.9
Interest	1.8	0.3	0.2
Operating lease costs	6.7	5.5	5.8
Short-term lease costs	1.6	2.1	1.2
Variable lease costs	2.3	2.3	2.5
Total	<u>\$ 13.4</u>	<u>\$ 10.9</u>	<u>\$ 10.6</u>

	<u>December 31, 2024</u>	<u>December 31,</u> <u>2023</u>
Weighted average remaining lease term – finance leases	50.0 months	30.9 months
Weighted average remaining lease term – operating leases	77.3 months	73.3 months
Weighted average discount rate – finance leases	16.7%	10.5%
Weighted average discount rate – operating leases	<u>9.5%</u>	<u>8.9%</u>

Assets leased under finance leases had a cost of \$21.4 million and \$3.6 million at December 31, 2024 and 2023, respectively, and accumulated depreciation associated with these assets was \$2.7 million and \$1.7 million at December 31, 2024 and 2023, respectively.

Future minimum finance lease payments as of December 31, 2024 were as follows:

<u>Year ending December 31, (in millions)</u>	
2025	\$ 8.1
2026	7.6
2027	7.4
2028	6.9
2029	3.3
Thereafter	—
Total future minimum lease payments	<u>33.3</u>
Less: imputed interest	(10.3)
Total	<u>\$ 23.0</u>

Future minimum operating lease payments as of December 31, 2024 were as follows:

<u>Year ending December 31, (in millions)</u>	
2025	\$ 5.6
2026	4.6
2027	2.5
2028	1.9
2029	1.6
Thereafter	6.7
Total future minimum lease payments	<u>22.9</u>
Less: imputed interest	(6.1)
Total	<u>\$ 16.8</u>

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The Company as Lessor

Certain of our arrangements include leases for equipment installed at customer locations. As the lessor, we combine lease and non-lease components for all classes of underlying assets in arrangements that involve operating leases. The single combined component is accounted for under ASC 606, *Revenue from Contracts with Customers* based on the consideration that the non-lease components are the predominant items in the arrangements. If a component cannot be combined, the consideration is allocated between the lease component and the non-lease component based on relative standalone selling price. The lease component is accounted for under ASC 842, *Leases* and the non-lease component is accounted for under ASC 606.

Profit recognized at commencement date of sales type leases amounted to \$2.7 million, \$4.9 million and \$3.2 million for the years ended December 31, 2024, 2023 and 2022, respectively. Lease income from operating leases and variable income and interest receivable from sales type leases is not material for any of the years presented.

Future minimum sales type lease receivables as of December 31, 2024 were as follows:

Year ending December 31, (in millions)		
2025	\$	6.5
2026		4.2
2027		1.1
2028		0.2
2029		—
Total future minimum lease receivables		<u>12.0</u>
Less: imputed interest		<u>(1.1)</u>
Total	\$	<u><u>10.9</u></u>

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23. Commitments and Contingencies

Employment Agreements

We are party to employment agreements with our executive officers and other employees of the Company and our subsidiaries which contain, among other terms, provisions relating to severance and notice requirements.

Arrangements with Daniel B. Silvers, former Executive Vice President and Chief Strategy Officer

Effective January 10, 2023, Mr. Silvers stepped down from his position as Executive Vice President and Chief Strategy Officer of the Company. Pursuant to Mr. Silvers' employment agreement dated December 14, 2016, as amended, Mr. Silvers was entitled to receive a base salary at a rate of \$385,000 per year, a target annual bonus of not less than 100% of his base salary and a maximum annual bonus of 200% of his base salary. He was also entitled to reimbursement for private medical insurance and to severance benefits over a period of two years which were accrued in 2023.

Legal Matters

From time to time, the Company may become involved in lawsuits and legal matters arising in the ordinary course of business. While the Company believes that, currently, it has no such matters that are material, there can be no assurance that existing or new matters arising in the ordinary course of business will not have a material adverse effect on the Company's business, financial condition or results of operations.

24. Pension Plan

We operate a defined contribution plan in the US and both defined benefit and defined contribution pension schemes in the UK. The defined contribution scheme assets are held separately from those of the Company in an independently administered fund. The defined contribution pension cost charge represents contributions payable by the Company and amounted to \$3.5 million, \$3.4 million and \$2.9 million for the years ended December 31, 2024, 2023 and 2022, respectively. Contributions totaling \$0.4 million and \$0.4 million were payable to the fund as at December 31, 2024 and 2023, respectively.

The defined benefit scheme has been closed to new entrants since April 1, 1999 and closed to future accruals for services rendered to the Company for the entire financial statement periods presented in these consolidated financial statements. Retirement benefits are generally based on a portion of an employee's pensionable earnings during years prior to 2010.

The latest triennial actuarial valuation of the scheme as at March 31, 2024 was finalized in March 2025. The actuarial valuation revealed that the statutory funding objective was not met, i.e. there were insufficient assets to cover the Scheme's Technical Provisions and there was a funding shortfall of £2.0 million (\$2.5 million) at the valuation date. Under the Recovery Plan and Schedule of Contributions agreed between the Trustee and the Company on March 5, 2025, it was agreed that the shortfall will be met by contributions of £0.6 million (\$0.8 million) for the period April 1, 2024 to December 31, 2024 and £0.7 million (\$0.9 million) for the year ended December 31, 2025. The Scheme Actuary will assess the funding position of the Scheme at March 31, 2026 and if the funding level at that point is less than 100% the Company will pay a single lump sum contingent contribution calculated as the lower of the deficit calculated by the Scheme Actuary at March 31, 2026 and £0.5 million (\$0.6 million). This contingent contribution will be payable by October 31, 2026. The Company will also make expense contributions of £0.3 million (\$0.4 million) per annum for the period covered by the Recovery Plan and Schedule of Contributions.

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The trustee has made an allowance for the pension scheme liability profile when deciding the investment strategy of the pension scheme. Since the pension scheme is closed to new entrants and ceased future accrual with effect from March 31, 2010, it has continued to mature gradually. Therefore, the trustee reviews the investment strategy regularly to check whether any changes are needed. When considering the investment strategy, the trustee has taken into account the effect of any possible increases in the deficit reduction contributions on the financial position of the Company, and the extent to which the Company will be able to bear these changes.

The scheme's investment policy is to maximize long-term financial return commensurate with security and minimizing risk, with an objective of achieving a return of around 2.8% per annum above the return on UK Government bonds. This is achieved by holding a portfolio of marketable investments that avoids over-concentration of investment and spreads assets both over industries and geographies. In setting investment strategy, the trustees considered the lowest risk strategy that they could adopt in relation to the scheme's liabilities and designed an asset allocation to achieve a higher return while maintaining a cautious approach to meeting the scheme's liabilities. The trustees undertake periodic reviews of the investment strategy and take advice from their investment advisors. They consider a full range of asset classes, the risks and rewards of a range of alternative asset allocation strategies, the suitability of each asset class and the need for appropriate diversification. The current strategy is to hold 14.9% in a diversified growth fund, 15.5% in diversified credit, 6.8% in synthetic equity, 2.5% in synthetic credit, 22.3% in core liability driven investment funds and 38% in a buy-in policy.

The Company recognizes gains or losses on pension settlements if the cost of the settlements exceeds the sum of service and interest cost for the year. Lump-sum settlements are monitored at the end of every quarter to determine whether settlement amounts have exceeded the defined thresholds. In instances where the Company determines that it is probable that the lump settlements could exceed the sum of interest and service cost for the year, the Company accounts for the settlements as they occur.

Our pension benefit costs are calculated using various actuarial assumptions and methodologies. These assumptions include discount rates, inflation, expected returns on plan assets, mortality rates and other factors. The assumptions used in recording the obligations under our plans represent our best estimates, and we believe that they are reasonable, based on information as to historical experience and performance as well as other factors that might cause future expectations to differ from past trends. Differences in actual experience or changes in assumptions may affect our pension obligations and future expense. The principal factors contributing to actuarial gains and losses each year are (1) changes in the discount rate used to value pension benefit obligations as of the measurement date and (2) differences between the expected and the actual return on plan assets.

Our valuation methodologies used for pension assets measured at fair value are as follows. There have been no changes in the methodologies used at December 31, 2024 and December 31, 2023.

The diversified fund is valued at fair value by using the net asset value ("NAV") of shares held by the plan at the year end. The NAV of the diversified fund is not publicly quoted. The majority of the underlying securities have observable Level 1 or 2 pricing inputs, including quoted prices for similar assets in active or non-active markets. ASC 820 states that where NAV is allowed to be used as an estimate of fair value, if the reporting entity has the ability to redeem its investment at NAV as of the measurement date, that investment shall be categorized as a Level II fair value measurement. If the investment cannot be redeemed at the measurement date, but may be redeemable in the future, but at an uncertain date, the investment shall be categorized as a Level 3 fair value measurement.

As of December 31, 2024 and December 31, 2023, the diversified fund was redeemable at NAV as of the measurement dates.

With respect to the buy-in contract, it was agreed during the year ended September 27, 2014, that 281 pensioners of the plan would be insured by means of a pensioner buy-in. The pensioner buy-in contract is similar to an annuity contract, which matches cash flows with future benefit payments for a specific group of pensioners, with the obligation remaining with the plan. The liabilities and assets in respect of insured pensioners are assumed to match for the purposes of ASC 715, Pensions - Retirement Benefits, disclosures (i.e. the full benefits, excluding the cost of equalization for Guaranteed Minimum Pensions, have been insured). The approach adopted has therefore been to include within the total value of assets, an amount equal to the fair value of the buy-in assets and to set the buy-in portion of the total liability (pension benefit obligation) equal to the fair value of the buy-in based on the actuarial assumptions adopted for ASC 715 purposes at each measurement date. The buy-in contract is valued on an insurer pricing basis, reflecting assumptions on the purchase price adjusted for changes in discount rates and other actuarial assumptions, which approximates fair value and is, therefore, classified as Level 3.

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The following table sets forth the combined funded status of the pension plans and their reconciliation to the related amounts recognized in our consolidated financial statements at the respective measurement dates:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
	(in millions)	
Change in benefit obligation:		
Benefit obligation at beginning of period	\$ 76.3	\$ 71.2
Interest cost	3.3	3.4
Actuarial (gain) loss	(10.1)	0.6
Benefits paid	(3.5)	(3.0)
Foreign currency translation adjustments	(1.0)	4.1
Benefit obligation at end of period	<u>\$ 65.0</u>	<u>\$ 76.3</u>
Change in plan assets:		
Fair value of plan assets at beginning of period	\$ 74.3	\$ 69.1
Actual (loss) gain on plan assets	(2.6)	2.8
Employer contributions	1.5	1.4
Benefits paid	(3.5)	(3.0)
Foreign currency translation adjustments	(1.2)	4.0
Fair value of assets at end of period	<u>\$ 68.5</u>	<u>\$ 74.3</u>
Amount recognized in the consolidated balance sheets:		
Overfunded (Unfunded) status (non-current)	\$ 3.5	\$ (2.0)
Net amount recognized	<u>\$ 3.5</u>	<u>\$ (2.0)</u>

The following table presents the components of our net periodic pension cost (benefit):

	<u>Year Ended</u> <u>December 31, 2024</u>	<u>Year Ended</u> <u>December 31, 2023</u>	<u>Year Ended</u> <u>December 31, 2022</u>
	(in millions)		
Components of net periodic pension (benefit) cost:			
Interest cost	\$ 3.4	\$ 3.4	\$ 2.2
Expected return on plan assets	(3.9)	(3.8)	(3.3)
Amortization of net loss	1.1	0.9	0.5
Net periodic cost (benefit)	<u>\$ 0.6</u>	<u>\$ 0.5</u>	<u>\$ (0.6)</u>

The accumulated benefit obligation for all defined benefit pension plans was \$65.0 million and \$76.3 million as of December 31, 2024 and December 31, 2023, respectively. The overfunded status of our defined benefit pension plan recorded as an asset in our consolidated balance sheets as of December 31, 2024 was \$3.5 million. The underfunded status of our defined benefit pension plans recorded as a liability in our consolidated balance sheets as of December 31, 2023 was \$2.0 million.

The estimated net loss, net transition asset (obligation) and prior service cost for the plan that will be amortized from accumulated other comprehensive income into net periodic pension cost over the next fiscal year are \$0.9 million, \$nil and \$nil, respectively.

The fair value of the plan assets at December 31, 2024 by asset category is presented below:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	(in millions)			
Diversified fund	\$ —	\$ 45.1	\$ —	\$ 45.1
Buy-in contract	—	—	23.2	23.2
Cash and other current assets	0.2	—	—	0.2
Total	<u>\$ 0.2</u>	<u>\$ 45.1</u>	<u>\$ 23.2</u>	<u>\$ 68.5</u>

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The fair value of the plan assets at December 31, 2023 by asset category is presented below:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	(in millions)			
Diversified fund	\$ —	\$ 45.1	\$ —	\$ 45.1
Buy-in contract	—	—	28.9	28.9
Cash	0.3	—	—	0.3
Total	\$ 0.3	\$ 45.1	\$ 28.9	\$ 74.3

Changes in the value of Level 3 assets are as follows:

	<u>December 31, 2024</u>
	(in millions)
Beginning balance	\$ 28.9
Actual return on plan assets still held	(3.4)
Transfer of payments to the Plan in respect of insured pensioner members	(1.9)
Foreign currency translation adjustments	(0.4)
Ending balance	\$ 23.2

The table below presents the weighted-average actuarial assumptions used to determine the benefit obligation and net periodic benefit cost for the Plan.

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Discount rate – non-insureds	5.64%	4.71%
Discount - insureds	4.98%	4.07%
Expected return on assets	6.40%	5.30%
RPI inflation	3.13%	3.02%
CPI inflation – pre 2030	2.13%	2.02%
CPI inflation – post 2030	2.93%	2.82%
Pension increases – pre-2006 service	2.97%	2.83%
Pension increases – post-2006 service	2.01%	1.86%
Pension increases – post 1988 GMP – pre 2030	1.83%	1.77%
Pension increases – post 1988 GMP – post 2030	2.21%	2.16%

The following benefit payments are expected to be paid:

	<u>(in millions)</u>
2025	\$ 3.6
2026	\$ 3.5
2027	\$ 3.7
2028	\$ 3.7
2029	\$ 4.1
2030 to 2034	\$ 23.1

25. Segment Reporting and Geographic Information

Operating segments are identified as components of an enterprise for which separate and discrete financial information is available and is used by the chief operating decision maker, or decision-making group, in making decisions on how to allocate resources and assess performance. The Company's chief decision-making group consists of the Executive Chairman, the Chief Executive Officer and the Chief Financial Officer.

The Company's chief decision-making group uses measures of segment profit and loss to evaluate the performance areas of 1) Achievement of revenue and gross margin; 2) Level of staff and non-staff expenses against budget; 3) Investment in capitalized software development; and 4) Additional cash expenditures impacting working capital. The decision-making group uses the information to allocate financial resources and drive operation decisions such as investing in new customers, products, geographies and refocusing commercial teams to drive new sales, accelerating or delaying staffing or other selling, general and administrative expenditures and ensuring technology staff utilization on new product development.

The Company operates its business along four operating segments, which are segregated on the basis of revenue stream: Gaming, Virtual Sports, Interactive and Leisure. The Company believes this method of segment reporting reflects both the way its business segments are managed and the way the performance of each segment is evaluated.

Other segment items consist of costs incurred in restructuring activities.

The accounting policies of the segments are the same as those described in the “Summary of Significant Accounting Policies.”

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The following tables present revenue, cost of sales, excluding depreciation and amortization, staff-related selling, general and administrative expenses, non-staff related selling, general and administrative expenses, labor costs capitalized, depreciation and amortization, stock-based compensation expense, acquisition related transaction expenses, other segment items, operating profit/(loss), total assets and total capital and other long-lived asset expenditures for the years ended December 31, 2024, December 31, 2023 and December 31, 2022, respectively, by business segment. Certain unallocated corporate function costs have not been allocated to the Company's reportable operating segments because these costs are not allocable and to do so would not be practical. Corporate function costs consist primarily of selling, general and administrative expenses, depreciation and amortization, capital expenditures, right of use assets, cash, prepaid expenses and property and equipment and software development costs relating to corporate/shared functions. All acquisition and integration related transaction expenses are allocated as corporate function costs.

Segment Information

Year Ended December 31, 2024

	<u>Gaming</u>	<u>Virtual Sports</u>	<u>Interactive</u>	<u>Leisure</u>	<u>Corporate Functions</u>	<u>Total</u>
	(in millions)					
Revenue:						
Service	\$ 74.7	\$ 45.4	\$ 39.3	\$ 99.2	\$ —	\$ 258.6
Product sales	35.9	—	—	2.6	—	38.5
Total revenue	<u>110.6</u>	<u>45.4</u>	<u>39.3</u>	<u>101.8</u>	<u>—</u>	<u>297.1</u>
Cost of sales, excluding depreciation and amortization:						
Cost of service	(20.0)	(1.7)	(1.7)	(46.9)	—	(70.3)
Cost of product sales	(21.2)	—	—	(0.8)	—	(22.0)
Staff-related selling, general and administrative expenses	(18.1)	(9.2)	(8.9)	(16.8)	(12.5)	(65.5)
Non-staff related selling, general and administrative expenses	(10.5)	(2.7)	(5.4)	(14.8)	(17.6)	(51.0)
Labor costs capitalized	4.5	4.3	2.3	0.8	—	11.9
Stock-based compensation expense	(0.9)	(0.5)	(0.4)	(0.6)	(5.2)	(7.6)
Depreciation and amortization	(16.8)	(5.6)	(5.5)	(12.9)	(2.5)	(43.3)
Other segment items	(3.7)	—	—	—	(14.9)	(18.6)
Segment operating income (loss)	<u>23.9</u>	<u>30.0</u>	<u>19.7</u>	<u>9.8</u>	<u>(52.7)</u>	<u>30.7</u>
Net operating income						<u>\$ 30.7</u>
Total assets at December 31, 2024	<u>\$ 185.2</u>	<u>\$ 74.7</u>	<u>\$ 25.2</u>	<u>\$ 98.0</u>	<u>\$ 55.3</u>	<u>\$ 438.4</u>
Total goodwill at beginning of period	\$ 12.2	44.8	1.8	20.5	—	79.3
Accumulated goodwill impairment losses	—	—	—	(20.5)	—	(20.5)
Total goodwill at beginning of period, net	12.2	44.8	1.8	—	—	58.8
Foreign currency translation adjustments	(0.2)	(0.8)	—	—	—	(1.0)
Total goodwill at December 31, 2024, net	<u>\$ 12.0</u>	<u>\$ 44.0</u>	<u>\$ 1.8</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 57.8</u>
Total capital and other long-lived asset expenditures for the year ended December 31, 2024	<u>\$ 9.4</u>	<u>\$ 9.6</u>	<u>\$ 1.7</u>	<u>\$ 11.5</u>	<u>\$ 4.3</u>	<u>\$ 36.5</u>

Year Ended December 31, 2023

	<u>Gaming</u>	<u>Virtual Sports</u>	<u>Interactive</u>	<u>Leisure</u>	<u>Corporate Functions</u>	<u>Total</u>
	(in millions)					
Revenue:						
Service	\$ 79.6	\$ 56.2	\$ 27.9	\$ 94.1	\$ —	\$ 257.8
Product sales	62.9	—	—	2.2	—	65.1
Total segment revenue	<u>142.5</u>	<u>56.2</u>	<u>27.9</u>	<u>96.3</u>	<u>—</u>	<u>322.9</u>
Cost of sales, excluding depreciation and amortization:						
Cost of service	(24.6)	(1.4)	(1.7)	(47.4)	—	(75.1)
Cost of product sales	(52.4)	—	—	(1.1)	—	(53.5)
Staff-related selling, general and administrative expenses	(17.9)	(8.3)	(8.4)	(16.7)	(11.2)	(62.5)
Non-staff related selling, general and administrative expenses	(9.3)	(2.4)	(4.9)	(13.0)	(14.7)	(44.3)
Labor costs capitalized	4.5	3.5	2.5	1.3	—	11.8
Stock-based compensation expense	(1.5)	(0.4)	(0.6)	(1.0)	(7.7)	(11.2)
Depreciation and amortization	(18.7)	(3.2)	(3.7)	(11.6)	(2.4)	(39.6)
Other segment items	—	—	—	—	(9.6)	(9.6)

Segment operating income (loss)	<u>22.6</u>	<u>44.0</u>	<u>11.1</u>	<u>6.8</u>	<u>(45.6)</u>	<u>38.9</u>
Net operating income						<u>\$ 38.9</u>
Total assets at December 31, 2023	<u>\$ 132.9</u>	<u>\$ 59.7</u>	<u>\$ 17.8</u>	<u>\$ 72.4</u>	<u>\$ 60.2</u>	<u>\$ 343.0</u>
Total goodwill at beginning of period	\$ 11.6	42.1	1.8	20.5	—	76.0
Accumulated goodwill impairment losses	—	—	—	(20.5)	—	(20.5)
Total goodwill at beginning of period, net	11.6	42.1	1.8	—	—	55.5
Foreign currency translation adjustments	0.6	2.7	—	—	—	3.3
Total goodwill at December 31, 2023, net	<u>\$ 12.2</u>	<u>\$ 44.8</u>	<u>\$ 1.8</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 58.8</u>
Total capital and other long-lived asset expenditures for the year ended December 31, 2023	<u>\$ 21.6</u>	<u>\$ 3.9</u>	<u>\$ 2.7</u>	<u>\$ 18.6</u>	<u>\$ 1.8</u>	<u>\$ 48.6</u>

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Year Ended December 31, 2022

	<u>Gaming</u>	<u>Virtual Sports</u>	<u>Interactive</u>	<u>Leisure</u>	<u>Corporate Functions</u>	<u>Total</u>
	(in millions)					
Revenue:						
Service	\$ 78.8	\$ 54.2	\$ 20.6	\$ 93.2	\$ —	\$ 246.8
Product sales	35.4	—	—	2.3	—	37.7
Total revenue	114.2	54.2	20.6	95.5	—	284.5
Cost of sales, excluding depreciation and amortization:						
Cost of service	(23.7)	(1.8)	(1.3)	(44.6)	—	(71.4)
Cost of product sales	(22.0)	—	—	(1.5)	—	(23.5)
Staff-related selling, general and administrative expenses	(18.4)	(8.3)	(7.1)	(14.3)	(13.0)	(61.1)
Non-staff related selling, general and administrative expenses	(8.3)	(1.9)	(4.4)	(12.4)	(12.2)	(39.2)
Labor costs capitalized	2.6	2.7	3.2	1.1	—	9.6
Stock-based compensation expense	(1.6)	(0.7)	(0.7)	(0.6)	(7.2)	(10.8)
Acquisition and integration related transaction expenses	—	—	—	—	(0.5)	(0.5)
Depreciation and amortization	(19.5)	(2.7)	(2.1)	(13.5)	(2.1)	(39.9)
Other segment items	—	(0.5)	—	—	(0.7)	(1.2)
Segment operating income (loss)	23.3	41.0	8.2	9.7	(35.7)	46.5
Net operating income						\$ 46.5
Total capital and other long-lived asset expenditures for the year ended December 31, 2022	\$ 11.5	\$ 1.7	\$ 3.2	\$ 10.9	\$ 3.6	\$ 30.9

Geographic Information

Geographic information for revenue is set forth below:

	<u>Year Ended December 31, 2024</u>	<u>Year Ended December 31, 2023</u>	<u>Year Ended December 31, 2022</u>
	(in millions)		
Total revenue			
UK	\$ 217.0	\$ 250.8	\$ 211.5
Greece	21.3	24.3	22.4
Rest of world	58.8	47.8	50.6
Total	\$ 297.1	\$ 322.9	\$ 284.5

UK revenue includes revenue from customers headquartered in the UK, but whose revenue is generated globally.

Geographic information of our non-current assets excluding goodwill is set forth below:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
	(in millions)	
UK	\$ 176.7	\$ 90.7
Greece	15.7	15.3
Rest of world	28.3	22.5
Total	\$ 220.7	\$ 128.5

Software development costs are included as attributable to the market in which they are utilized.

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26. Customer Concentration

During the year ended December 31, 2024 no customers represented at least 10% of revenue. During the year ended December 31, 2023 two customers represented at least 10% of revenue, accounting for 12% and 11% of the Company's revenue, respectively. The customers were served by the Gaming, Virtual Sports and Interactive segments, and by the Virtual Sports and Interactive segments, respectively. During the year ended December 31, 2022, one customer represented at least 10% of revenue, accounting for 13% of the Company's revenue. This customer was served by the Virtual Sports and Interactive segments.

At December 31, 2024 there was one customer that represented at least 10% of the Company's accounts receivable, accounting for 16% of the Company's accounts receivable. At December 31, 2023, there was one customer that represented at least 10% of the Company's accounts receivable, accounting for 12% of the Company's accounts receivable.

27. Revision of Previously Reported Information

During the current year, the Company identified immaterial errors in its previously reported financial statements for the year ended December 31, 2023, and December 31, 2022 relating to the classification of leases between operating and sales type and immaterial errors relating to capitalization of software project content costs.

In accordance with Staff Accounting Bulletin ("SAB") 99, Materiality, and SAB 108, Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in the Current Year Financial Statements, the Company evaluated the materiality of the errors from qualitative and quantitative perspectives, and concluded that the errors were immaterial to any prior annual or interim financial statements. Notwithstanding this conclusion, management has revised the accompanying consolidated financial statements for 2023 and 2022, and related notes included herein to correct the errors.

The following tables present the effect of correcting this error on the Company's previously issued financial statements.

As of December 31, 2022

	<u>As previously reported</u>	<u>Adjustment</u> (in millions)	<u>As revised</u>
Consolidated Balance Sheet			
Accounts receivable	\$ 40.4	\$ 2.3	\$ 42.7
Total current assets	126.9	2.3	129.2
Property and equipment	45.1	(1.6)	43.5
Software development	18.3	(0.8)	17.5
Other assets	3.8	2.9	6.7
Total assets	287.2	2.8	290.0

For the year ended December 31, 2022

	<u>As previously reported</u>	<u>Adjustment</u> (in millions, except per share data)	<u>As revised</u>
Consolidated Statement of Operations			
Revenue	\$ 281.6	\$ 2.9	\$ 284.5
Cost of sales	(93.3)	(1.6)	(94.9)
Selling, general and administrative expenses	(101.9)	(0.8)	(102.7)
Depreciation and amortization	(39.9)	—	(39.9)
Net operating income	46.0	0.5	46.5
Interest expense, net	(25.3)	0.1	(25.2)
Total other expense, net	(23.3)	0.1	(23.2)
Net income before income taxes	22.7	0.6	23.3
Net income	20.6	0.6	21.2
Comprehensive income	27.6	0.6	28.2
Net income per common share - basic	0.73	0.03	0.76
Net income per common share - diluted	0.71	0.02	0.73

For the year ended December 31, 2022

	<u>As previously reported</u>	<u>Adjustment</u> (in millions)	<u>As revised</u>
Consolidated Statement of Cashflows			
Net income	\$ 20.6	\$ 0.6	\$ 21.2

Accounts receivable	(12.1)	(1.4)	(13.5)
Prepaid expenses and other assets	(4.3)	(1.4)	(5.7)
Net cash provided by operating activities	31.9	(2.3)	29.6
Purchases of property and equipment	(22.2)	1.6	(20.6)
Purchases of capital software and internally developed costs	(11.1)	0.7	(10.4)
Net cash used in investing activities	(39.8)	2.3	(37.5)

INSPIRED ENTERTAINMENT, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2024 AND 2023, AND FOR THE YEARS ENDED
DECEMBER 31, 2024, 2023 AND 2022

For the year ended December 31, 2022

	<u>As previously reported</u>	<u>Adjustment</u> (in millions)	<u>As revised</u>
Consolidated Statement of Shareholders' Deficit			
Accumulated deficit – January 1, 2022	\$ (524.8)	\$ 2.4	\$ (522.4)
Net income	20.6	0.6	21.2
Accumulated deficit – December 31, 2022	(514.6)	3.0	(511.6)

As of December 31, 2023

	<u>As previously reported</u>	<u>Adjustment</u> (in millions)	<u>As revised</u>
Consolidated Balance Sheet			
Accounts receivable	\$ 40.6	\$ 3.2	\$ 43.8
Total current assets	152.5	3.2	155.7
Property and equipment	62.8	(2.1)	60.7
Software development	21.8	(1.5)	20.3
Other assets	8.0	2.5	10.5
Total assets	340.9	2.1	343.0

For the year ended December 31, 2023

	<u>As previously reported</u>	<u>Adjustment</u> (in millions, except per share data)	<u>As revised</u>
Consolidated Statement of Operations			
Revenue	\$ 323.0	\$ (0.1)	\$ 322.9
Cost of sales	(127.7)	(0.9)	(128.6)
Selling, general and administrative expenses	(115.5)	(0.3)	(115.8)
Depreciation and amortization	(39.9)	0.3	(39.6)
Net operating income	39.9	(1.0)	38.9
Interest expense, net	(27.7)	0.3	(27.4)
Total other expense, net	(27.3)	0.3	(27.0)
Net income before income taxes	12.6	(0.7)	11.9
Net income	7.6	(0.7)	6.9
Comprehensive income	1.3	(0.7)	0.6
Net income per common share - basic	0.27	(0.02)	0.25
Net income per common share - diluted	0.26	(0.02)	0.24

For the year ended December 31, 2023

	<u>As previously reported</u>	<u>Adjustment</u> (in millions)	<u>As revised</u>
Consolidated Statement of Cashflows			
Net income	\$ 7.6	\$ (0.7)	\$ 6.9
Depreciation and amortization	39.9	(0.3)	39.6
Accounts receivable	1.7	(0.6)	1.1
Prepaid expenses and other assets	(8.5)	0.5	(8.0)
Net cash provided by operating activities	55.8	(1.1)	54.7
Purchases of property and equipment	(32.8)	0.8	(32.0)
Purchases of capital software and internally developed costs	(15.0)	0.3	(14.7)
Net cash used in investing activities	(58.7)	1.1	(57.6)

For the year ended December 31, 2023

	<u>As previously reported</u>	<u>Adjustment</u> (in millions)	<u>As revised</u>
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Consolidated Statement of Shareholders' Deficit

Accumulated deficit – January 1, 2023	\$	(514.6)	\$	3.0	\$	(511.6)
Net income		7.6		(0.7)		6.9
Accumulated deficit – December 31, 2023		(508.6)		2.3		(506.3)

28. Subsequent Events

The Company evaluates subsequent events and transactions that occur after the balance sheet date up to the date that the financial statements were issued. The Company did not identify subsequent events that would have required adjustment or disclosure in the consolidated financial statements.

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

None

ITEM 9A. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures.

Disclosure controls and procedures are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is accumulated and communicated to management, including our Executive Chairman and our Chief Financial Officer (together, the "Certifying Officers"), or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure. Under the supervision and with the participation of our management, including our Certifying Officers, we carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Based on this evaluation, the Certifying Officers concluded that the Company's disclosure controls and procedures at December 31, 2024 were not effective, due to the material weaknesses described below.

In light of these material weaknesses, we performed additional analyses as deemed necessary to ensure that our financial statements were prepared in accordance with U.S. generally accepted accounting principles.

Management's Report on Internal Control Over Financial Reporting as Part of Section 404 of the Sarbanes-Oxley Act 2002 ("SOX")

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Insofar as the Company is subject to Section 404(b) of SOX, this Annual Report on Form 10-K includes an opinion by our external auditors on the effectiveness of our internal control over financial reporting at December 31, 2024 in addition to management's assessment of the effectiveness of internal control over financial reporting under the requirements of Section 404(a) of SOX. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of our consolidated financial statements for external reporting purposes in accordance with U.S. GAAP. Our 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 our Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit the preparation of consolidated financial statements in accordance with U.S. GAAP, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and
- (3) provide reasonable assurance regarding prevention or timely detection of any unauthorized acquisition, use or disposition of our assets that could have a material effect on the consolidated financial statements.

Management has assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2024 based on the criteria set forth in 2013 by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control-Integrated Framework. Based on that assessment, our internal control over financial reporting at December 31, 2024 was not effective, based upon the material weaknesses discussed below.

A material weakness is defined as a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of annual or interim financial statements will not be prevented or detected and corrected on a timely basis.

Identified Material Weaknesses and Remediation

Risk Assessment and Controls Design and Accounting Competency

The Company has identified areas of material weakness in internal controls over financial reporting relating to an ineffective design of business process controls across all financial reporting and closing processes as well as controls related to the application of accounting policies and procedures (the “Risk Assessment and Controls Design Material Weakness”) as well as the inadequate execution of newly designed monitoring controls (the “Monitoring Controls Material Weakness”). Namely, the Company has only partially completed the establishment of an effective control environment with an incomplete design, implementation and execution of certain process controls including but not limiting the following areas: (i) Preparation, review and approval of account analyses, summaries and reconciliations; (ii) documenting accounting policies and design procedures and controls to ensure compliance with Company accounting policies and US GAAP; (iii) satisfying enhanced documentation requirements in relation to the design and execution of Management Review Controls; (iv) accuracy of information input into and output from the financial reporting and accounting systems. The above deficiencies represented material weaknesses in the Company’s internal control over financial reporting as there was a reasonable possibility that a material misstatement with respect to certain of the Company’s significant accounts and disclosures would not be prevented or detected.

Management made significant progress towards remediation in 2024, and anticipates continued progress in 2025 with effort to continue throughout 2025. This included (1) Development and enhancement of processes and controls in all business cycles under SOX 404. (2) Documentation of all processes and controls under the guidance of external SOX advisors, along with continued documentation of key U.S. GAAP accounting policy updates, (3) Automation and streamlining of processes in critical accounting areas, including revenue billing, software capitalization, inventory, leasing, financial reporting and others, (4) Recruitment of a Vice President of Accounting and Finance and Director of Audit and SOX with extensive U.S. GAAP experience (5) Training with accounting, commercial and legal teams in critical accounting areas such as revenue recognition, balance sheet reconciliations, software project capitalization, etc., and (6) monitoring and remediation of control deficiencies as identified through internal management testing

Management’s continuing remediation efforts in 2025 for the continuing material weaknesses includes (1) implementation of new processes and controls in designated areas to evaluate, record and report transactions according to U.S. GAAP (2) Continued documentation and regular updating of U.S. GAAP accounting policies to support financial processes, SOX controls and financial disclosures (3) continued implementation of revenue billing, further automation of accounting processes in Accounts Payable, Accounts Receivable, Treasury, Inventory and Fixed Assets, and improved reporting (4) Continued advisory support from outsourced technical accounting provider on significant and complex transactions (5) Continued training in relevant U.S. GAAP and SEC Reporting areas, and (6) establishment of 404 SOX testing program and technology to support the annual internal and external audit cycle.

With respect to all deficiencies identified above, management has made significant progress on the remediation process, however the material weaknesses cannot be considered remediated until it is demonstrated that the new or enhanced controls and other impacted or dependent controls have operated effectively for a sufficient period of time.

IT General Controls

Management had identified internal control deficiencies due to IT program and data changes affecting the Company’s financially relevant applications and underlying accounting records, not being identified, tested, authorized, and implemented appropriately to validate that data produced by its financially relevant applications were complete and accurate. Automated process-level controls and manual controls that are dependent upon the information derived from such financially relevant systems were also determined to be ineffective. Additionally, there was not appropriate segregation of duties that would adequately restrict user and privileged access to the financially relevant systems and data to the appropriate Company personnel. Management had concluded that these deficient controls could fail to prevent or detect a material misstatement and as such rise to a material weakness in the aggregate.

Management revised and fully implemented change management procedures across all in-scope applications in 2024. Management will work to finish remediation and operate these controls effectively over a sufficient period of time in 2025.

Management performed an extensive remediation exercise around the design of access controls and associated segregation of duties during 2024. This included 1) establishing and completing an SOD (Segregation of Duty) framework by role and associated risk assessment for all in-scope applications (2) redesigning roles and changing access levels to reflect the SOD framework, (3) updating policies, and (4) strengthening ongoing user access reviews of all in-scope applications. While this exercise was complete for most impacted IT Systems, Management will continue to work towards completing this exercise for the remaining IT systems with a goal of remediating the access control deficiency in 2025. Management will work to finish remediation and operate these controls effectively over a sufficient period of time in 2025.

With respect to all deficiencies identified above, management continues to work on the remediation process. We understand while significant progress has been made in 2024, the material weaknesses cannot be considered remediated until it is demonstrated that the new or enhanced controls and other impacted or dependent controls have been designed and operating effectively for a sufficient period of time.

Changes in Internal Control Over Financial Reporting

Except for the changes noted above in connection with the initiatives to remediate material weaknesses, there have been no other changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) during the most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON INTERNAL CONTROL OVER FINANCIAL REPORTING

To the Stockholders and Board of Directors of
Inspired Entertainment, Inc. and Subsidiaries

Adverse Opinion on Internal Control over Financial Reporting

We have audited Inspired Entertainment, Inc. and Subsidiaries' (the "Company") internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, because of the effect of the material weaknesses described in the subsequent paragraphs on the achievement of the objectives of the control criteria, the Company has not maintained effective internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

A material weakness is a control deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis. The following material weaknesses have been identified and included in "Management's Annual Report on Internal Control Over Financial Reporting":

- The Company's change management and access controls were not designed and operating effectively to ensure:
 - 1) IT program and data changes affecting the Company's financially relevant applications and underlying accounting records are identified, tested, authorized and implemented appropriately to validate that data produced by these financially relevant applications were complete and accurate, and
 - 2) appropriate segregation of duties that would adequately restrict user and privileged access to the financially relevant applications and underlying accounting records to the appropriate Company personnel.

Due to the pervasive nature of these deficiencies, automated process-level, and manual controls that are dependent upon the information derived from such financially relevant applications were also determined to be ineffective.

- Business process controls across all financial reporting and closing processes as well as controls relating to the application of accounting policies and procedures were not designed and operating effectively to address the risk of material misstatements, including controls without proper segregation of duties between preparer and reviewer and key management review controls.

These material weaknesses were considered in determining the nature, timing and extent of audit tests applied in our audit of the fiscal December 31, 2024 consolidated financial statements and this report does not affect our report on such financial statements.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated balance sheet as of December 31, 2024 and the related consolidated statements of operations and comprehensive income (loss), stockholders' deficit, and cash flows for each of the three years in the period ended December 31, 2024 of the and our report dated March 26, 2025 expressed an unqualified opinion on those consolidated financial statements.

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 Annual Report on 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 of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included 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 the 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 degree of compliance with the policies or procedures may deteriorate.

Marcum LLP

New York, NY
March 26, 2025

ITEM 9B. OTHER INFORMATION.

During the three months ended December 31, 2024, none of our officers or directors, as defined in Rule 16a-1(f) of the Securities Exchange Act of 1934, adopted, modified, or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," as defined in Item 408 of Regulation S-K.

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

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

The information called for by this item is incorporated herein by reference to our definitive proxy statement relating to our 2025 Annual Meeting of Stockholders, which will be filed with the SEC. If such proxy statement is not filed on or before April 30, 2025, the information called for by this item will be filed as part of an amendment to this Annual Report on Form 10-K on or before such date.

The Company has adopted an insider trading policy that governs the purchase, sale, and/or other transactions of our securities by our directors, officers and employees. A copy of our insider trading policy is filed as Exhibit 19.1 to this Annual Report on Form 10-K for the fiscal year ended December 31, 2024. In addition, with regard to the Company's trading in its own securities, it is the Company's policy to comply with the federal securities laws and the applicable exchange listing requirements.

ITEM 11. EXECUTIVE COMPENSATION.

The information called for by this item is incorporated herein by reference to our definitive proxy statement relating to our 2025 Annual Meeting of Stockholders, which will be filed with the SEC. If such proxy statement is not filed on or before April 30, 2025, the information called for by this item will be filed as part of an amendment to this Annual Report on Form 10-K on or before such date.

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

The information called for by this item is incorporated herein by reference to our definitive proxy statement relating to our 2025 Annual Meeting of Stockholders, which will be filed with the SEC. If such proxy statement is not filed on or before April 30, 2025, the information called for by this item will be filed as part of an amendment to this Annual Report on Form 10-K on or before such date.

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

The information called for by this item is incorporated herein by reference to our definitive proxy statement relating to our 2025 Annual Meeting of Stockholders, which will be filed with the SEC. If such proxy statement is not filed on or before April 30, 2025, the information called for by this item will be filed as part of an amendment to this Annual Report on Form 10-K on or before such date.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

The information called for by this item is incorporated herein by reference to our definitive proxy statement relating to our 2025 Annual Meeting of Stockholders, which will be filed with the SEC. If such proxy statement is not filed on or before April 30, 2025, the information called for by this item will be filed as part of an amendment to this Annual Report on Form 10-K on or before such date.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

(a) The following documents are filed as part of this report:

- (1) Financial Statements. The required consolidated financial statements and notes thereto are presented starting on page F-1 of this report.
- (2) Financial Statement Schedules. All financial statement schedules are omitted because they are not applicable or the amounts are immaterial and not required, or the required information is presented in the consolidated financial statements and notes thereto presented starting on page F-1 of this report.
- (3) Exhibits

Exhibit Number	Description
3.1	<u>Second Amended and Restated Certificate of Incorporation of Inspired Entertainment, Inc. (incorporated herein by reference to Exhibit 3.1 to the Current Report on Form 8-K of the Company, filed with the SEC on December 30, 2016).</u>
3.2	<u>Second Amended and Restated Bylaws of Inspired Entertainment, Inc. (incorporated herein by reference to Exhibit 3.1 to the Quarterly Report on Form 10-Q of the Company for the three months ended June 30, 2023, filed with the SEC on August 11, 2023).</u>
4.1	<u>Registration Rights Agreement, dated October 24, 2014, between Hydra Industries Acquisition Corp. and certain security holders (incorporated herein by reference to Exhibit 10.5 to the Current Report on Form 8-K of the Company, filed with the SEC on October 29, 2014).</u>
4.2	<u>Registration Rights Agreement, dated December 23, 2016, by and among Hydra Industries Acquisition Corp. and the Vendors (incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K of the Company, filed with the SEC on December 30, 2016).</u>
4.3	<u>Description of Securities (incorporated herein by reference to Exhibit 4.4 to the Annual Report on Form 10-K of the Company for the year ended December 31, 2021, filed with the SEC on March 31, 2022).</u>
4.4	<u>Indenture, dated as of May 20, 2021, among Inspired Entertainment (Financing) PLC, as issuer, the Company, as a guarantor, the subsidiaries of the Company named therein, as additional guarantors, GLAS Trustees Limited, as trustee, GLAS Trust Corporation Limited as security agent and GLAS Trust Company LLC as paying agent, transfer agent and registrar (incorporated herein by reference to Exhibit 4.1 to the Current Report on Form 8-K of the Company, filed with the SEC on May 20, 2021).</u>
4.5	<u>Form of 7.875% Senior Secured Notes due 2026 (included in Exhibit 4.4).</u>
10.1	<u>Super Senior Revolving Credit Facilities Agreement, dated as of May 20, 2021, among the Company, Gaming Acquisition Limited, Inspired Entertainment (Financing) PLC and Inspired Gaming (UK) Limited as original borrowers, the subsidiaries of the Company named therein as original guarantors, Global Loan Agency Services Limited as agent, GLAS Trust Corporation Limited as security agent and Barclays Bank plc and Macquarie Corporate Holdings Pty Limited (UK Branch) as arrangers and original lenders (incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K of the Company, filed with the SEC on May 20, 2021).</u>

Exhibit Number	Description
10.2	<u>Form of Director and Officer Indemnity Agreement (incorporated herein by reference to Exhibit 10.4 to the Current Report on Form 8-K of the Company, filed with the SEC on December 30, 2016).</u>
10.3	<u>Stockholders Agreement, dated December 23, 2016, by and among the Company, Hydra Industries Sponsor LLC, Macquarie Sponsor and the Vendors (incorporated herein by reference to Exhibit 10.2 to the Current Report on Form 8-K of the Company, filed with the SEC on December 30, 2016).</u>
10.4#	<u>Inspired Entertainment, Inc. 2016 Long-Term Incentive Plan (incorporated herein by reference to Exhibit 10.3 to the Annual Report on Form 10-K of the Company for the year ended September 30, 2017, filed with the SEC on December 4, 2017).</u>
10.5#	<u>Inspired Entertainment, Inc. Second Long-Term Incentive Plan, as amended (incorporated herein by reference to Exhibit 10.5 to the Post-Effective Amendment to the Registration Statement on Form S-1 of the Company, filed with the SEC on December 29, 2017).</u>
10.6#	<u>Inspired Entertainment, Inc. 2018 Omnibus Incentive Plan (incorporated herein by reference to Exhibit 10.6 to the Annual Report on Form 10-K of the Company for the year ended September 30, 2018, filed with the SEC on December 10, 2018).</u>
10.7#	<u>Inspired Entertainment, Inc. 2021 Omnibus Incentive Plan (incorporated herein by reference to Exhibit 10.7 to the Annual Report on Form 10-K of the Company for the year ended December 31, 2021, filed with the SEC on March 31, 2022).</u>
10.8#	<u>Inspired Entertainment, Inc. 2023 Omnibus Incentive Plan (incorporated herein by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q of the Company for the three months ended June 30, 2023, filed with the SEC on August 11, 2023).</u>
10.9#	<u>Forms of Grant Agreements for fiscal year 2023 under the Inspired Entertainment, Inc. 2021 Omnibus Incentive Plan (Time-Based Form of Agreement and Performance-Based Form of Agreement) (incorporated herein by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q of the Company for the three months ended March 31, 2023, filed with the SEC on May 10, 2023).</u>
10.10#*	<u>Inspired Entertainment, Inc. 2024 Short-Term Incentive Bonus Plan.</u>
10.11#	<u>Employment Agreement, dated as of October 9, 2020, by and between Inspired Entertainment, Inc. and A. Lorne Weil (incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on October 13, 2020).</u>
10.12#	<u>Letter, dated April 12, 2021, from Inspired Entertainment, Inc. to A. Lorne Weil (incorporated herein by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q of the Company for the three months ended March 31, 2021, filed with the SEC on May 14, 2021).</u>
10.13#	<u>Addendum, effective June 21, 2021, to the Employment Agreement dated October 9, 2020 by and between Inspired Entertainment, Inc. and A. Lorne Weil (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K of the Company, filed with the Company on June 24, 2021).</u>

Exhibit Number	Description
10.14#	<u>Second Addendum, effective January 1, 2023, to the Employment Agreement dated October 9, 2020, as amended, by and between Inspired Entertainment, Inc. and A. Lorne Weil (incorporated herein by reference to Exhibit 10.2 to the Current Report on Form 8-K of the Company, filed with the SEC on January 17, 2023).</u>
10.15#	<u>Addendum, effective January 1, 2025, to the Employment Agreement dated October 9, 2020, as amended, by and between Inspired Entertainment, Inc. and A. Lorne Weil (incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K of the Company, filed with the SEC on February 4, 2025).</u>
10.16#	<u>Employment Agreement, dated February 17, 2020, between Inspired Entertainment, Inc. and Brooks H. Pierce (incorporated by reference to Exhibit 10.15 to the Annual Report on Form 10-K of the Company for the year ended December 31, 2019, filed with the SEC on March 30, 2020).</u>
10.17#	<u>Letter Agreement, dated July 21, 2021, by and between Inspired Entertainment, Inc. and Brooks H. Pierce (incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K of the Company, filed with the SEC on July 23, 2021).</u>
10.18#	<u>Second Addendum, effective January 1, 2023, to the Employment Agreement dated February 17, 2020, as amended, by and between Inspired Entertainment, Inc. and Brooks H. Pierce (incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K of the Company, filed with the SEC on January 17, 2023).</u>
10.19#	<u>Addendum, effective January 1, 2025, to the Employment Agreement dated February 17, 2020, as amended, by and between Inspired Entertainment, Inc. and Brooks H. Pierce (incorporated herein by reference to Exhibit 10.2 to the Current Report on Form 8-K of the Company, filed with the SEC on February 4, 2025).</u>
10.20#	<u>Performance-Based Grant Agreement, dated May 9, 2023, between Inspired Entertainment, Inc. and Brooks H. Pierce (incorporated herein by reference to Exhibit 10.3 to the Quarterly Report on Form 10-Q of the Company for the three months ended June 30, 2023, filed with the SEC on August 11, 2023).</u>
10.21#*	<u>Employment Agreement, dated November 5, 2024 and effective January 1, 2025, by and between Inspired Gaming (UK) Limited and James Richardson.</u>
10.22#	<u>Employment Agreement, dated August 3, 2021, by and between Inspired Gaming (UK) Limited and Carys Damon (incorporated herein by reference to Exhibit 10.2 to the Current Report on Form 8-K of the Company, filed with the SEC on August 5, 2021).</u>
10.23#	<u>Amendment to Employment Agreement, dated March 13, 2024, by and between Inspired Gaming (UK) Limited and Carys Damon (incorporated herein by reference to Exhibit 10.28 to the Annual Report on Form 10-K of the Company for the year ended December 31, 2023, filed with the SEC on April 15, 2024).</u>
10.24	<u>Inspired Entertainment, Inc. Employee Stock Purchase Plan (incorporated herein by reference to Exhibit 4.1 to the Registration Statement on Form S-8 of the Company, filed with the SEC on July 14, 2017).</u>

Exhibit Number	Description
10.25#	<u>Inspired Entertainment Sharesave Plan (U.K. Appendix) (adopted as a subplan to the Inspired Entertainment Employee Stock Purchase Plan) (incorporated herein by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q of the Company, filed with the SEC on November 9, 2022).</u>
10.26#	<u>Non-Employee Director Compensation Policy (updated as of May 9, 2023) (incorporated herein by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q of the Company for the three months ended June 30, 2023, filed with the SEC on August 11, 2023).</u>
10.27#	<u>Employment Agreement, dated February 8, 2024, by and between Inspired Gaming (UK) Limited and Simona Camilleri (commenced serving as General Counsel effective July 1, 2024) (incorporated herein by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q of the Company for the three months ended June 30, 2024, filed with the SEC on August 8, 2024).</u>
10.28#	<u>Letter Agreement, dated April 12, 2024, between Inspired Entertainment, Inc. and Marilyn Jentzen (incorporated herein by reference to Exhibit 10.19 to the Annual Report on Form 10-K of the Company for the year ended December 31, 2023, filed with the SEC on April 15, 2024).</u>
10.29#*	<u>Amendment, dated November 5, 2024, to the Letter Agreement, dated April 12, 2024, between Inspired Entertainment, Inc. and Marilyn Jentzen.</u>
10.30#*	<u>Restricted Stock Unit and Performance Stock Unit Transfer Agreement, dated as of May 17, 2024, by and among A. Lorne Weil, Hydralex Holdings LLC and Inspired Entertainment, Inc.</u>
19.1*	<u>Inspired Entertainment, Inc. Insider Trading Policy.</u>
21.1*	<u>Subsidiaries of the Company.</u>
23.1*	<u>Consent of Marcum LLP.</u>
31.1*	<u>Section 302 Certification of Principal Executive Officer.</u>
31.2*	<u>Section 302 Certification of Principal Financial Officer.</u>
32.1**	<u>Section 906 Certification of Principal Executive Officer.</u>
32.2**	<u>Section 906 Certification of Principal Financial Officer.</u>
97.1	<u>Inspired Entertainment, Inc. Clawback Policy (incorporated herein by reference to Exhibit 97.1 to the Annual Report on Form 10-K of the Company for the year ended December 31, 2023, filed with the SEC on April 15, 2024).</u>
101.INS*	Inline XBRL Instance Document
101.SCH*	Inline XBRL Taxonomy Schema
101.CAL*	Inline XBRL Taxonomy Calculation Linkbase
101.DEF*	Inline XBRL Taxonomy Definition Linkbase
101.LAB*	Inline XBRL Taxonomy Label Linkbase
101.PRE*	Inline XBRL Taxonomy Presentation Linkbase

Indicates management contract or compensatory plan.

* Filed herewith.

** Furnished herewith.

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.

INSPIRED ENTERTAINMENT, INC.

Date: March 26, 2025

By: /s/ A. Lorne Weil

A. Lorne Weil
Executive Chairman
(Principal Executive Officer)

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

Date: March 26, 2025

/s/ A. Lorne Weil

A. Lorne Weil, Executive Chairman
(Principal Executive Officer)

Date: March 26, 2025

/s/ James Richardson

James Richardson, Chief Financial Officer
(Principal Financial and Accounting Officer)

Date: March 26, 2025

/s/ Michael R. Chambrello

Michael R. Chambrello, Director

Date: March 26, 2025

/s/ Ira H. Raphaelson

Ira H. Raphaelson, Director

Date: March 26, 2025

/s/ Desirée G. Rogers

Desirée G. Rogers, Director

Date: March 26, 2025

/s/ Steven M. Saferin

Steven M. Saferin, Director

Date: March 26, 2025

/s/ Katja Tautscher

Katja Tautscher, Director

Date: March 26, 2025

/s/ John M. Vandemore

John M. Vandemore, Director

Inspired Entertainment**Short-Term Incentive Bonus Plan**

(adopted as of February 27, 2024)

I. PURPOSE

The Inspired Entertainment fiscal year 2024 Short-Term Incentive Bonus Plan (the “Plan”) is intended to provide incentives to certain employees of Inspired Entertainment, Inc., its subsidiaries and its participating affiliates (collectively, the “Company”) to contribute to the success of the Company in its fiscal year commencing January 1, 2024 and ending December 31, 2024 (“2024”). The Plan offers eligible participants an opportunity to earn compensation in addition to their salaries and other incentives, based upon the performance of the Company and the satisfaction of individual performance targets determined for each eligible participant.

II. PLAN ADMINISTRATION

The Plan has been approved by the Compensation Committee of the Company’s Board of Directors (the “Committee”), and the Committee is responsible for administering the Plan. The Committee may delegate, on such terms and conditions as it may determine, certain authority and powers with respect to administration of the Plan to one or more directors serving on the Committee and/or to one or more officers or other personnel of the Company (including with respect to the participation of, and awards to, participants who are not executive officers of the Company). Subject to the terms of the Plan, the Committee will receive recommendations for 2024 from members of the Company’s Office of the Executive Chairman, or as may be otherwise determined by the Committee, with respect to the operation and management of the Plan for the year including recommendations for the selection of eligible participants, bonus opportunity levels, performance criteria, and the amount and timing of any bonus payments.

III. ELIGIBILITY

The executives and other employees eligible for participation in the Plan will be determined by the Committee subject to Section II. Duly determined participants under the Plan are also referred to herein as “Covered Employees”. A determination that an employee is an eligible employee under the Plan with respect to 2024 shall not be determinative as to such employee’s eligibility with respect to any subsequent fiscal year.

Any bonus payment made under the Plan shall be purely discretionary and shall not form part of the employee’s contractual remuneration unless as may be otherwise set forth in an employment agreement or other contractual arrangement between the Company and an employee which has been approved by the Committee, in which instance the terms of such employment agreement or contractual arrangement shall prevail.

An individual whose employment is terminated for any reason, or who is under notice of termination (whether given by the individual or the Company), in each case prior to the date on which bonus would otherwise be paid, will not be eligible to receive any payment under the Plan, unless as may be otherwise set forth in an employment agreement or other contractual arrangement between the Company and an employee which has been approved by the Committee, in which instance the terms of such employment agreement or contractual arrangement shall prevail.

If a person is hired for a position with the Company during 2024 and the position is within the category recommended to be eligible to receive a bonus under the Plan, that person may be eligible to receive a prorated portion of the annual bonus, as determined by the Committee, depending on the person's particular position, subject to such other considerations as the Committee may determine.

IV. BONUS POTENTIAL

The bonus potential for Covered Employees shall be determined for 2024, including applicable threshold, target and maximum bonus potential for the year. Bonus potential for 2024 will be based on a percentage of the Covered Employee's base salary as of the beginning or end of the year, the prorated amount for the year or a fixed dollar amount, each as determined by the Committee. To the extent applicable, award opportunity levels corresponding to threshold, target and maximum levels of performance may vary by participant. The name and bonus potential of each Covered Employee will be set forth in a schedule to be approved by the Committee for 2024 (the "Bonus Potential Schedule"). The bonus potential set forth in the Bonus Potential Schedule may, at any time prior to payment of the bonus, be adjusted to reflect changes in the list of Covered Employees or to the bonus potential for Covered Employees (upward or downward), in the absolute discretion of the Committee as it deems appropriate, to reflect, without limitation, changes to a Covered Employee's position, title, or responsibilities, or, as appropriate, to reflect a transformative transaction (as determined by the Board or the Committee in its sole discretion).

V. PLAN COMPONENTS

The performance targets applicable for 2024 have been approved and include Company performance targets. The weighting of the Plan components will also be established for 2024.

A. Company Performance Targets

Bonuses are contingent upon the Company achieving specific Company performance targets as determined by the Committee with respect to each financial year (the “Company Performance Targets”). The following are examples of criteria that could be used to set Company Performance Targets and are not an exclusive list: (i) revenue; (ii) sales; (iii) profit (net profit, gross profit, operating profit, economic profit, profit margins or other corporate profit measures); (iv) earnings (which may include any calculation of earnings, including but not limited to earnings before interest and taxes, earnings before taxes, earnings before interest, taxes, depreciation and amortization and net earnings); (v) net income (before or after taxes, operating income or other income measures); (vi) cash (cash flow, cash generation or other cash measures); and (vii) stock price or performance; and (viii) total stockholder return. As determined by the Committee, the Company Performance Targets may be based on GAAP or non-GAAP results and any actual results may be adjusted by the Committee for one-time or exceptional items or unbudgeted or unexpected items when determining whether the performance goals have been met. In certain cases, the Office of the Executive Chairman may recommend to the Committee that an element of Bonus is a divisional, as opposed to a Company-wide, target.

The Office of the Executive Chairman shall recommend to the Committee the applicable Company Performance Targets for 2024. Such recommendations shall be subject to the review and approval by the Committee.

B. Individual Performance Targets

Even if the Company has fully achieved the Company Performance Targets, an individual participant’s bonus potential will be subject to an assessment of the individual’s achievement of individual performance targets, as determined by the Committee in its sole discretion. The following are examples of criteria that could be used to set individual performance targets and are not an exclusive list: (i) budget management; (ii) cost of service; (iii) quality and service levels; (iv) product line achievements; (v) leadership/team participation and support and (vi) adherence to and compliance with Company values and behaviors.

The Committee may, in its sole discretion and at any time, reduce or eliminate a Covered Employee’s award if it determines that such reduction or elimination is appropriate.

VI. TRANSFER/PROMOTION/DEMOTION

If a Covered Employee is transferred to a new role during 2024, the Committee may, in its discretion, calculate the bonus payment for 2024 based on the base salary the Covered Employee received during the relevant portions of 2024 in each role at the applicable target percentage(s) for each role.

If a Covered Employee becomes ineligible for the Plan due to a transfer or demotion, the Covered Employee may be eligible to receive a prorated bonus based on the period of participation in the Plan, as determined by the Committee. Any such prorated bonus would be paid at the same time as other bonus payments under the Plan.

VII. PAYOUT AND TAXATION

Bonus payments that are approved by the Committee for 2024 shall be made as soon as administratively practicable after the delivery of the audit report issued by the Company’s independent public accountants with respect to the Company’s 2024 consolidated financial statements, subject to Section IX below, it being understood that payment shall be made in the ordinary course of business by March 15th of the year immediately following the performance year for a bonus. Further, if the Committee determines that payment of bonuses would jeopardize the ability of the Company to continue as a going concern (in accordance with final regulations issued under Section 409A of the U.S. Internal Revenue Code of 1986, as amended (the “Code”)) or meet its banking covenants, bonuses may be reduced, eliminated or delayed (but only in the case of the Company being in jeopardy as a going concern. Payroll taxes shall be withheld from bonus payments as required by law. Bonus payments that Covered Employees receive are includable as income in the year in which they are paid.

VIII. **INTEGRATION WITH BENEFIT PROGRAMS**

Any bonus payment that a Covered Employee receives is not intended to be considered compensation for purposes of life assurance, 401(k) or any other pension scheme, disability, holiday pay or any other benefit plan unless specified as such by the applicable plan document.

IX. **CONDITIONS FOR RECEIVING PAYMENT**

Notwithstanding anything to the contrary herein, a Covered Employee whose employment is terminated for any reason, or who is under notice of termination (whether given by the individual or the Company) in both cases prior to the date on which bonus would otherwise be paid, shall not be eligible to receive a bonus payment under the Plan (e.g., a Covered Employee on garden leave on the date of payment will not be eligible for a bonus). However, the Committee retains the authority in its absolute discretion to make exceptions to the foregoing policy in unusual or meritorious cases including, but not limited to, approving a prorated bonus in the event of a Covered Employee's death, disability, call to active military service, or retirement with the written consent of the Company.

X. **CLAWBACK**

Each Covered Employee agrees as a condition of participation that the Company may recover some or all of the amounts paid under the Plan, or recoup some or all of such amounts via offset from other amounts owed to, or subsequently earned by, the Covered Employee from the Company or an affiliate, at any time during the three fiscal years following payment hereunder, if and to the extent that the Committee concludes that either (i) U.S. federal or state law, the laws of any other jurisdiction in which the Covered Employee has been employed by the Company during the fiscal year, or the listing requirements of the exchange on which the Company's stock is listed for trading so require, (ii) the performance criteria required for the bonus payment were not met, or not met to the extent necessary to support the amount of the bonus payment that was paid, or (iii) as required by Section 304 of the U.S. Sarbanes-Oxley Act of 2002, Section 954 of the Dodd- Frank Wall Street Reform and Consumer Protection Act or otherwise after a restatement of the Company's financial results as reported to the U.S. Securities and Exchange Commission. Covered. A Covered Employee shall not be permitted to participate in the Plan without first having consented in writing to be bound by the terms of the Clawback Policy, and agreed and acknowledged to being obligated to cooperate with and provide any and all assistance requested by the Company in its efforts to recover or recoup a payment made under the Plan or otherwise paid to the Covered Employee, any gains or earnings related to any such payment, or any other applicable compensation subject to clawback or recoupment pursuant to the Clawback Policy or any applicable laws, rules, regulations or stock exchange listing standards that impose mandatory clawback or recoupment requirements. By accepting a bonus payment under this Plan, the Participant agrees and acknowledges that the Participant has received a copy of the Inspired Entertainment, Inc. Clawback Policy (the "Clawback Policy"), effective October 2, 2023, has reviewed and understands the Clawback Policy and that a bonus payment awarded hereunder is subject to the Clawback Policy to the extent that it meets the definition of "Incentive-Based Compensation" as defined under the Clawback Policy. Cooperation and assistance for purposes of this Section X shall include, but shall not be limited to, executing, completing and submitting any documentation necessary to facilitate the recovery or recoupment by the Company from the Covered Employee of any such amounts or other compensation, including from any other compensation received by the Covered Employee. Additionally, by accepting a bonus payment under this Plan, the Covered Employee acknowledges and agrees that no recovery under the Clawback Policy or otherwise will constitute an event that triggers or contributes to any right of the Covered Employee to resign for "good reason" or "constructive termination" (or similar term) under any agreement with the Company or any subsidiary of the Company.

XI. **LIMITATIONS AND/OR ADJUSTMENTS**

The Company reserves the right to review, amend, suspend, withdraw and/or terminate the Plan, the incentive calculation formulas, performance targets and all other aspects of the Plan at any time and in its sole and absolute discretion and without prior notice.

A Covered Employee's participation in the Plan shall not be construed as a contractual right or form part of his or her contractual remuneration under a services or employment agreement nor shall it be construed as a promise of continuing employment between the Company and the Covered Employee. Any bonus payment made in respect of any prior year is not indicative of any payments that may be made in subsequent fiscal years. Employment with the Company is terminable at will subject to the terms of any written services or employment agreement between the Company and the Covered Employee and applicable laws. Neither a Covered Employee's employment with the Company, nor a Covered Employee's employment within any particular category of employees, shall entitle the Covered Employee to either participate in the Plan or to be eligible to receive any bonus pursuant thereto. All determinations of eligibility and awards under the Plan shall be made by the Committee in its absolute discretion and may be revised or adjusted in accordance with the Plan.

XII. **TAXES; SECTION 409A**

The Plan is intended to be exempt from Section 409A of the Code as a short-term deferral within the meaning of Treas. Reg. Sec 1.409A-1(b)(4). and shall be operated and interpreted consistent therewith. To the extent that any payment does not qualify as a short-term deferral or would cause the administration of the Plan to fail to satisfy the requirements of a short-term deferral, the Plan shall be administered consistent with the requirements of Section 409A. Notwithstanding the foregoing, the Company makes no representation that the Plan complies with Section 409A of the Code and shall have no liability to any Participant for any failure to comply with Section 409A of the Code.

This agreement is made on

5th November 2024

Parties

- (1) **Inspired Gaming (UK) Limited**, registered number 03565640 whose registered office is at First Floor, 107 Station Street, Burton-On-Trent, Staffordshire, DE14 1SZ (**Company**), and a wholly owned subsidiary of **Inspired Entertainment, Inc. (INSE)**, a Delaware U.S., NASDAQ listed public company that conducts business through a number of operating companies, including the Company; and
- (2) **James Richardson** of the address on record with the Company (**You or Executive**).

Agreed terms

1 Definitions and interpretation

- 1.1 In this agreement where it is appropriate in context singular words include the plural and vice versa. Words defined below have the following respective meanings:

Appointment means your employment under the terms of this agreement.

Board unless otherwise described, means the Board of Directors of INSE, its Chartered Committees, or its duly authorised representative.

Business means the business of gambling and lottery services, server-based gaming, virtual sports betting, electronic table gaming, licensing of gaming software, sale, rental and lease of gaming machines and equipment, provision of betting and lottery content, video lottery terminals, ticket dispensing apparatus and distribution of betting and lottery content online or via mobile, remote and field support and development related to the provision of the aforementioned and any other business carried on by the Company and any Group Company from time to time.

Company Intellectual Property means Intellectual Property Rights created by You (whether jointly or alone) from time to time in the course of your employment with the Company, whether or not during working hours or using Company premises or resources and whether or not recorded in material form.

Confidential Information means:

- (a) information relating to the financial affairs of the Company and/or any Group Company;
- (b) the business methods and information of the Company and any Group Company (including prices charged, discounts given to customers or obtained from suppliers, product development, marketing and advertising programmes, costings, budgets, turnover, sales targets or other financial information);
- (c) lists and particulars of the Company's and any Group Company's agents, suppliers, customers and prospective customers and the individual contacts at such agents, suppliers, customers or prospective customers;

- (d) details and terms of the Company's and any Group Company's agreements with its and/or their agents, suppliers and customers;
- (e) personal data relating to employees, officers and shareholders of the Company and any Group Company;
- (f) manufacturing or production or other processes and technical data and know-how employed by the Company and any Group Company and its and/or their suppliers;
- (g) details as to the design of the Company's and any Group Company's and its and/or their suppliers' products and services and inventions or developments relating to future products and services;
- (h) details of any promotions or future promotions or marketing or publicity exercises planned by the Company and any Group Company;
- (i) details of any budgets, business or management plans of the Company and any Group Company; and
- (j) any information which may affect the value of the Business or the shares of the Company or any Group Company,

in whatever form, which is confidential, whether or not it is information which has been verbally confirmed to You as confidential or in the case of documents or other written materials or any materials in electronic format whether they are or were marked as confidential.

Garden Leave means any period in respect of which the Company has exercised its rights under clause 25.1.

Group means the Company and all companies which are for the time being either a Holding Company of the Company or a Subsidiary of either the Company or any such Holding Company.

Group Company means any company within the Group.

Incapacitated means prevented by illness or injury, from properly fulfilling your duties under this agreement (and **Incapacity** will be construed accordingly).

Insider Trading Policy means the Insider Trading Policy of any Group Company restricting transactions in the securities of any Group Company by directors, executives and certain employees of any Group Company during certain times (such as closed periods) and setting out the procedure for obtaining clearance to deal in the securities of any Group Company. A copy of the Insider Trading Policy is available from the Chief Legal Officer of the Company;

Intellectual Property Rights means patents, Inventions, copyright and related rights, trade marks, trade names, service marks and domain names, rights in getup, goodwill, rights to sue for passing off, design rights, semiconductor topography rights, database rights, confidential information, moral rights, proprietary rights and any other intellectual property rights in each case whether registered or unregistered and including all applications or rights to apply for, and renewals or extensions of such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world.

Invention means any invention, idea, discovery, development, improvement or innovation, processes, formulae, models or prototypes, whether or not patentable or capable of registration, and whether or not recorded in any medium.

Market Abuse Regulation means the Market Abuse Regulation (EU) 596/2014 as applicable in the European Union, and as onshored into UK law on 31 December 2020 by the UK European Union (Withdrawal) Act 2018, and any similar regulations in the United States or any other applicable jurisdiction;

Recognised Investment Exchange means a recognised investment exchange as defined by section 285 of the Financial Services and Markets Act 2000.

Parent means INSE.

Salary means the basic salary payable to You under this agreement from time to time and does not include any benefits (or the value of benefits, including pension benefits), bonus, commission or other remuneration payable to You.

Social Media means online communication tool or application which facilitates the creation, publication, storage and/or exchange of user-generated content. Social media includes (but is not limited to) Twitter/X, Facebook, YouTube, LinkedIn, Instagram, TikTok, Myspace, Snapchat or WhatsApp.

Staff Handbook means the non-contractual policies and procedures set out in the Company's staff handbook and in any applicable handbook of Parent, as either may be amended from time to time.

Start Date means the date on which your Appointment commences or commenced under this agreement.

Subsidiary and **Holding Company** have the meanings ascribed to them by section 1159 of the Companies Act 2006 or any statutory modification or re-enactment thereof but for the purposes of section 1159(1) Companies Act 2006 a company will be treated as a member of another company if any shares in that other company are registered in the name of:

- (a) a person by way of security (where the company has provided the security); or
- (b) a person as nominee for the company.

1.2 The headings in this agreement are included for convenience only and do not affect its interpretation or construction.

1.3 References to any legislation will be construed as references to legislation as from time to time amended, re-enacted or consolidated.

1.4 References to any rules, policy or procedure of the Company or the Group will be deemed to be and construed as a reference to such rules, policy and/or procedure as in force at the relevant time and as it/they may be updated from time to time by the Company or Group Company at its discretion.

1.5 Where, in this agreement, there is a reference to a requirement that notice or another matter be in writing, email communications are sufficient to meet that requirement.

1.6 References to clauses and the parties are respectively to clauses of and the parties to this agreement.

1.7 Save as otherwise defined words and expressions will be construed in accordance with the Interpretation Act 1978.

1.8 The Company accepts the benefits in this agreement on its own behalf and on behalf of all Group Companies. The Company is entitled to assign its rights and those of other Group Companies in connection with this agreement to any other Group Company at any time with immediate effect on giving written notice to You.

2 Right to work in the UK

You warrant that You satisfy the necessary immigration requirements of, and are entitled to work in, the United Kingdom and will notify the Company immediately if You cease to be so entitled during the Appointment.

3 Start date

Your Appointment with the Company commences on 1 January 2025. Your period of continuous employment commences on the same date. No employment with a previous employer counts as part of your employment.

4 Probationary period

4.1 The first six (6) months of your Appointment will be a probationary period and your Appointment may be terminated by either You or the Company at any time during this period on one month's written notice.

4.2 During your probationary period your performance and suitability for your Appointment will be monitored. At the end of the probationary period, and should you have performed satisfactorily, You will be informed in writing if You have successfully completed the probationary period.

5 Duties

5.1 You warrant that by entering into this agreement and carrying out your duties under it You will not be in breach of any express or implied terms of any contract or of any other obligation binding upon You.

5.2 During the Appointment, You:

- (a) must serve INSE as Executive Vice President, Chief Financial Officer (CFO), Chief Accounting Officer (CAO), and Principal Accounting Officer (PAO) as those terms are further defined by the U.S. Securities Exchange Commission; and in such other officer and director positions with the Company and its subsidiaries and affiliates as the Board may direct;
- (b) are responsible for overseeing INSE, the Company, and Group financial functions and policies, including accounting, budget, credit, insurance, tax, and treasury, in compliance with applicable law and regulation, including but not limited to U.S. GAAP;
- (c) are responsible for overseeing the INSE, the Company, and Group's reporting and filing obligations with, among others, the United States Securities and Exchange Commission (SEC);
- (d) are required to obtain and maintain licences with relevant gaming bodies in relevant jurisdictions as You may be notified from time to time;

- (e) must provide and hold on the Group's internal business management systems any lists and/or particulars of the clients, customers or other contacts with whom You are, or have been, engaged in business on behalf of the Company or any Group Company and keep these lists and/or particulars up-to-date on an ongoing basis. Any such lists and/or particulars will be, and will remain, the property of the Company;
- (f) must, without prejudice to clause 20.2, use your best endeavours to prevent the use or communication of Confidential Information by any person, organisation or company, unless such use or communication is for a legitimate purpose of, or has been expressly authorised by, the Company or any Group Company. You will inform the Board immediately if You know, or suspect, that any such person, organisation or company knows or has used, or is intending to use, any Confidential Information without a legitimate purpose, or without the prior express authorisation, of the Company or any Group Company;
- (g) must, unless prevented by Incapacity, devote the whole of your time and attention, endeavours and abilities to promoting the interests of the Company and of any Group Company and You must not engage in any activity which may be or may become harmful to or contrary to the interests of the Company or of any Group Company;
- (h) must observe and comply with all lawful and reasonable requests, instructions, directions, resolutions and regulations of the Executive Chairman and Chief Executive Officer of INSE and to provide such explanations, information and assistance as the Board, INSE, or Company may reasonably require;
- (i) must carry out your duties in a proper, loyal and efficient manner to the best of your ability and use your best endeavours to protect, promote, maintain, develop and extend the business and reputation of INSE, the Company and of the Group;
- (j) must comply with all legal duties imposed on You including those contained in the Companies Act 2006, the Delaware General Corporation Law, the rules and regulations of the SEC, and any professional conduct rules applicable to You;
- (k) must observe and comply with the Market Abuse Regulation and all lawful and reasonable requests, instructions, resolutions and regulations of the Board and give to them such explanations information and assistance as they may reasonably require, including in relation to the dealing in the securities of any Group Company including the Insider Trading Policy;
- (l) must be open, cooperative and comply with all applicable laws and regulations, including but not limited to, any compliance manual or code of ethics as may from time to time be adopted by the Company or any Group Company in respect of any dealings or proposed dealings on behalf of the Company or any Group Company;
- (m) shall report to the Board in writing any matter relating to the Company or any Group Company or any of its or their officers or employees which you become aware of and which could be the subject of a qualifying disclosure as defined by section 43B of the Employment Rights Act 1996;
- (n) shall work such hours and travel within and outside the United Kingdom as may reasonably be required for the proper performance of your duties;
- (g) must comply with the Company's and the Group's anti-corruption and bribery policy and related procedures; and

- (h) must observe and comply with all Group policies applicable to Executive as they may exist from time-to-time, including policies with regard to stock ownership by senior executives and the Insider Trading Policy, provided that the Company shall ensure that all Company and Group policies, codes and procedures will be made readily available to the Executive. These policies are non-contractual and do not form part of this Agreement, unless explicitly stated otherwise.
- (i) must comply with the provisions of the Company's and the Parent Company's Certificate of Incorporation (as amended from time to time), the terms of any license granted to the Company or any Group Company and the requirements of any relevant regulatory body or securities exchange governing the activities of the Company or any Group Company;
- (j) must comply with the gaming laws in all territories and jurisdictions in which the Company or any Group Company operates or is regulated by from time to time and to inform your line manager immediately on becoming aware of any employee of the Company or of any Group Company having breached any such laws;
- (k) must report your own wrongdoing and any wrongdoing or proposed wrongdoing of any other officer, employee or director of the Company or of any Group Company to the Board immediately on becoming aware of it;
- (l) shall submit to the Board all business, commercial and investment opportunities or offers presented to You, or of which You become aware, which relate to the Business (**Corporate Opportunities**). During your employment, unless approved by the Board, You shall not accept or pursue, directly or indirectly, any Corporate Opportunities on your own behalf or on behalf of another person or entity in or with respect to which You have any economic interest, or present such Corporate Opportunities to any business entity other than the Company or a Group Company, including, without limitation, any business entity which You serve as an officer or director;
- (m) shall not directly or indirectly procure, accept or obtain for your own benefit (or for the benefit of any other person) any payment, rebate, discount, commission, voucher, gift, entertainment or other benefit (**Gratuities**) from any third party in respect of any business transacted or proposed to be transacted (whether or not by You) by or on behalf of the Company or any Group Company in violation of the Company's policies applicable to Gratuities;
- (n) shall observe the terms of any policy issued by the Company in relation to such Gratuities and any other bribery or corruption related laws which are relevant to the jurisdictions in which the Company or any Group Company carries out Business;
- (o) shall immediately disclose and account to the Company for any such Gratuities received by You (or by any other person on your behalf or at your instruction); and
- (p) shall promptly disclose to the Board full details of any investment (of whatever sort) You make in any business or company within the Company's or any Group Companies' areas of industry or sectors
- (q) shall (subject to applicable data protection laws) consent to the Company monitoring and recording any electronic communications or other systems the Company has for the purpose of ensuring that any rules the Company has are being complied with or for any other legitimate business purpose.

5.3 During the Appointment:

- (a) the Company has no duty to provide any work to, or vest any powers in, You and You have no right to perform any services for the Company or for any Group Company; and
- (b) the Company is entitled at any time to appoint another person to act jointly with You in any capacity in which You may be employed.

- 5.4 If you are appointed as a director of the Company or any Group Company, you shall, in addition to the obligations under clause 5.1:
- 5.4.1 in the discharge of your duties and the exercise of your powers observe and comply with all lawful resolutions, regulations and directions from time to time made by, or under the authority of, the Board and/or the Board;
- 5.4.2 observe and comply with the articles of association or bylaws, as applicable (as amended from time to time) of any Group Company of which you are a director;
- 5.4.3 act in accordance with all statutory, fiduciary and common law duties that you owe to the Company and any Group Company (including those contained in the Companies Act 2006) in a proper, loyal and efficient manner to the best of your ability and use your best endeavours to maintain, develop and extend the business of the Company and of the Group;
- 5.4.4. refrain from doing anything which would cause him to be disqualified from acting as a director; and
- 5.4.5. not without the prior written consent of the Board and/or the Board pledge the credit of the Company or any Group Company other than in accordance with the applicable Group policy.
- 5.5. Subject to all applicable laws and, in the case of serving on the Board, election by Parent's stockholders, you shall accept (if offered) appointment as a director of the Company or any Group Company with or without such further remuneration and/or executive powers as the Board and/or the Board shall decide in their absolute discretion.

6 Notice period

- 6.1 Unless terminated in accordance with any other provision of this agreement providing for earlier termination, your Appointment will continue until terminated by at least six months' written notice given by either party to the other party.

7 Job title

- 7.1 The Company is the main UK operating subsidiary of INSE.
- 7.2 The Company will employ You in the capacity of Executive Vice President, CFO, CAO, and PAO of INSE and the Company and/or in such other position or capacity with such job title and duties as the Company may from time to time reasonably decide and subject to the terms and conditions set out in this agreement. Your initial normal duties are set out in the job description attached at Schedule 1. The Company may amend your job description from time to time. Your role reports to President and Chief Executive Officer of Parent or such other role as the Company notifies to You from time to time.

8 Training

- 8.1 There is no mandatory training which You are required to complete at your own expense.
- 8.2 There is no entitlement to any specific training paid for the by the Company. However, You must complete all training:
- (a) as required to maintain any professional licences or qualifications associated with your role;

- (b) which the Company requires You to complete from time to time, including mandatory training which is required for the proper performance of your role, training in furtherance of compliance with the Company's Code of Ethics, insider trading policy, anti-corruption policy, whistleblower policy, and human resources policies, where there are relevant changes to legal requirements or operational or technological changes or as otherwise required to meet business needs.

All mandatory training will be at the Company's expense.

- 8.3 Subject to meeting any eligibility requirements, You may also have the opportunity to undertake additional optional training either at your own or the Company's expense. Full details can be obtained from the Company's HR Manager.

9 Outside interests

- 9.1 During the Appointment, You must not without the written consent of the Board (such consent not to be unreasonably withheld):
 - (a) be engaged or interested either directly or indirectly (through any member of your family or household or otherwise) in any capacity in any trade, business or occupation (**Outside Interest**) whatsoever other than the Business of the Company or the Group provided that You shall not be prohibited from holding (whether directly or indirectly), for investment purposes only, up to five per cent of the shares or stock of:
 - (i) any class of any public company quoted or dealt in on a Recognised Investment Exchange; and/or
 - (ii) any private company, where such company does not carry on a business similar to or competitive with any business for the time being carried on by any Group Company; or
 - (b) become a member of the Territorial Army or another reservist force, a member of Parliament, a councillor of a local authority or a magistrate, or occupy or be engaged in public office.

- 9.2 In the event that the Board consents to You undertaking an Outside Interest in accordance with this clause, before commencing such Outside Interest, You shall first of all provide written confirmation to the Board that You have no obligation to disclose any Corporate Opportunities in connection or in relation to such Outside Interest that conflict with your obligations under clause .2 (b). Further You agree to provide in writing to the Board all information, explanations and assistance regarding the Outside Interest as the Board may lawfully require for any reasonable business purpose in connection with the business and affairs of the Company or any Group Company

- 9.3 You agree to disclose to the Company any matters relating to your spouse or civil partner (or anyone living as such), children or parents which may, in the reasonable opinion of the Company, be considered to interfere, conflict or compete with the proper performance of your obligations under this agreement.

10 Company rules and procedures

- 10.1 There are no collective agreements in force which affect the terms and conditions of your Appointment.
- 10.2 You are required at all times to comply with all rules, policies and procedures of the Company or Group as amended from time to time (including policies and procedures set out in the Staff Handbook). However, in the event of any conflict between the terms of this agreement and the Staff Handbook or other policies or procedures, the terms of this agreement will prevail. The Company and each relevant Group Company is entitled to amend any of its rules, policies and/or procedures at any time, including those expressly referred to in this agreement.

- 10.3 The non-contractual disciplinary procedure which applies to your employment with the Company is contained in the Staff Handbook.
- 10.4 You must notify any appeal in connection with any disciplinary decision relating to Yourself, to the Board in writing in the first instance.
- 10.5 The non-contractual grievance procedure which applies to your Appointment is contained in the Staff Handbook.
- 10.6 The Company has the right to suspend You from your duties on such terms and conditions as the Company determines for the purpose of carrying out an investigation into any allegation of misconduct or negligence or an allegation of bullying, harassment or discrimination against You, and pending any disciplinary hearing. During any period of suspension, the Company will continue to pay You such Salary and provide all such other contractual benefits as You would have been entitled to if not suspended.

11 Working hours

- 11.1 Your normal working hours are eight hours each day Monday to Friday but your hours of work may vary as necessary to meet the needs to the business. You must also work such additional hours as may reasonably be required for the proper performance of your duties.
- 11.2 You agree to opt-out of the average maximum weekly working time of 48 hours in regulation 4(1) of Working Time Regulations 1998. You may at any time terminate this opt out by giving the Company three months' notice in writing.

12 Place of work

- 12.1 Your normal place of work is your home address from time to time. However, You will be required from time to time to visit and work at such other place or places in the United Kingdom or elsewhere as is necessary for the performance of your duties or as the Company decides from time to time. The Company may change your normal place of work within the United Kingdom. Unless otherwise agreed You will not be required to work outside the United Kingdom for a continuous period exceeding one month.
- 12.2 You must travel within and outside the United Kingdom as reasonably required for the proper performance of your duties.
- 12.3 At such times as You are required or permitted to work from your home address or otherwise outside the premises of the Company:
- (a) You agree to comply with all health and safety guidelines and instructions which the Company gives to You from time to time, including any relevant Company policies, and to complete without delay all health and safety questionnaires that the Company sends to You to time to comply with its statutory health and safety obligations;
 - (b) You are responsible for ensuring the security of Confidential Information. In particular You must:
 - (i) comply with Company instructions relating to password security;

- (ii) not use any personal device or computer other than with the Company's prior written consent and encrypt and/or password protect any Confidential Information held on any personal device or computer;
 - (iii) lock your computer terminal and any other device used for Company purposes whenever it is left unattended;
 - (iv) ensure any wireless network used by You is secure;
 - (v) keep all papers containing Confidential Information in a secure location;
 - (vi) report immediately to your line manager any data breach or incident involving the security of information relating to the Company, or Company clients, customers or suppliers or anyone working for the Company that You discover or suspect; and
 - (vii) comply with any applicable Company and Group policies as they may be amended from time to time;
- (c) You consent to Company representatives, at reasonable times and on reasonable notice, entering your home address at any time during your Appointment to:
- (i) install, inspect, replace, repair, maintain or service any Company property; and
 - (ii) carry out health and safety risk assessments of your workstation and any Company property; and
- (d) You must comply with any Company home and/or hybrid working policies and procedures; and
- 12.4 If your home address changes, You are required to notify the Company of such change a minimum of 30 days in advance. You must not move your home address to any location outside of the United Kingdom.
- 12.5 You confirm that You would not be in breach of any covenant or agreement in working from your home address.

13 Remuneration

- 13.1 The Company shall pay to the Executive during their employment an annual salary ("Salary") of three hundred thousand British Pounds (£300,000) per annum or such other rate as may from time to time be agreed between the Company and You (**Salary**). You acknowledge that You are not entitled to receive further remuneration in respect of any additional hours worked above your normal working hours, subject to deductions for tax and National Insurance contributions
- 13.2 The Executive will, during their employment, have the opportunity to earn an annual bonus of up to not less than fifty percent (50%) of Executive's annual Salary (such amount, the "Target Bonus") and a maximum annual bonus of up to two (2) times the Target Bonus (the "Maximum Annual Bonus"), the amount of such Target Bonus and the terms thereof to be established annually by the Compensation Committee. The annual bonus shall be consistent with the Company's short term incentive plan (such plan or any other short term cash bonus plan the Company may adopt with respect to its senior executives, the "STIP") and the award criteria applicable to other senior executives of the Company. Annual performance goals will be established by the Compensation Committee (following consultation with the Executive), and such goals, once final, will be communicated to the Executive as promptly as practicable after the start of the applicable year.
- (a) Any bonus payment will not be pensionable.

13.3 The Executive will, during their employment, be eligible to receive incentive and equity (or equity-based) compensation and any other benefits to be determined annually by the Compensation Committee. The Executive shall also be eligible to participate in any long-term incentive plan (“LTIP”) available to senior executives of the Company.

13.4 SPECIAL SIGN-ON EQUITY GRANT

(a) As of January 1, 2025, in addition to the compensation of the Executive referred to elsewhere in this Agreement, the Company shall procure that INSE award the Executive thirty thousand (30,000) Restricted Stock Units (RSUs) (the “Special Sign-on Equity Grant”), on the following terms:

(i) 30,000 RSUs will be time-based and will vest in three equal parts, subject to the Service Requirement (defined below) on December 31, 2025, 2026, and 2027.

(A) As used herein, the “Service Requirement” shall mean that the Executive remains employed by the Company pursuant to this Agreement on the vesting date.

(B) Vesting in the case of death or a Change in Control shall be treated in accordance with subsection C (i) and (ii) of this Section 13.4.

(C) Conditions Relating to Death and Change in Control with Respect to the Special Sign-on Grant. Except as set forth in subsections (i) and (ii) hereof, should the employment of the Executive terminate for any reason on or before December 31, 2027, any Special Sign-on Equity Grant RSUs that have not vested prior to such date shall be forfeited.

(i) In the event of the death of the Executive prior to December 31, 2027, the estate of the Executive shall receive a percentage of the Special Sign-on Equity Grant, pro-rated based on the number of days they served under this agreement until their death divided by 1277.

(ii) In the event of a Change in Control Event, the Executive shall receive any unvested portion of the Special Sign-on Equity Grant.

13.5 The compensation payable hereunder or otherwise to You during the Appointment shall be subject to (i) any Group clawback or recoupment policy required in order to comply with applicable law, including the Dodd-Frank Wall Street Reform and Consumer Protection Act and any rules or regulations promulgated thereunder and (ii) any Group clawback or recoupment policy approved by the Board or the Board which applies to You. The Company, the Parent Company, and You acknowledge that this clause 13.5 is not intended to limit any clawback and/or disgorgement of such compensation pursuant to Section 304 of the Sarbanes-Oxley Act of 2002.

14 **Pension**

14.1 You will be auto enrolled into the Inspired Gaming UK Ltd Group Pension (or such other registered pension scheme as you may be invited participate in as may be established by the Company from time to time) (**Scheme(s)**) subject to:

(a) Your right to opt out of auto-enrolment in accordance with the applicable statutory rules;

- (b) the rules of the Scheme(s) as may be in force from time to time; and
- (c) the tax reliefs and exemptions available from HM Revenue & Customs, as amended from time to time.

Full details of your entitlements in relation to the Scheme(s), if any, are in the accompanying Offer Letter and full details of the Scheme(s) are available from HR. Contributions made into the Scheme will by default be made via salary exchange, unless you inform the Company otherwise, or certain conditions apply. Further details on salary exchange are available from the HR Department.

- 14.2 You shall pay such contributions to the Scheme as may be required by the rules of the Scheme as amended from time to time and to the extent permitted by law.
- 14.3 Subject to the statutory minimum and HM Revenue & Customs requirements the Company may vary the Scheme at any time.
- 14.4 A contracting-out certificate is not in force in respect of your Employment.

15 Expenses

The Company will reimburse You for all reasonable and authorised out of pocket expenses (including hotel and travelling expenses) wholly, necessarily and exclusively incurred by You in the discharge of your duties subject to the production of appropriate receipts or such other evidence as the Company may reasonably require as proof of such expenses and in accordance with the Company's rules and policies relating to expenses as may be in force from time to time. If You are provided with a credit or charge card by the Company this must only be used for expenses which You incur in performing the duties of your Appointment.

16 Holiday

- 16.1 The Company's holiday year runs between 1st January and 31st December. In addition to the normal bank and public holidays applicable in England and Wales You will be entitled to 28 working days' paid holiday during each holiday year (which is inclusive of bank holidays) to be taken at such time as the Company may from time to time approve in advance and paid at the rate of Salary or, only if and to the extent required by applicable law, at the rate of your normal remuneration where this is greater than Salary (**Holiday Entitlement**).
- 16.2 In any holiday year, your statutory holiday entitlement will be deemed to be taken first.
- 16.3 During any period in which You are Incapacitated for a continuous period of one month or more You will only accrue your statutory holiday entitlement.
- 16.4 Save as required by law or as may be agreed with your line manager in advance and in writing, You may not carry forward untaken Holiday Entitlement from one holiday year to the next and any such Holiday Entitlement will be forfeited without any right to payment in lieu.
- 16.5 In the holiday year in which your Appointment commences or terminates Your holiday entitlement will be calculated on a pro-rata basis.
- 16.6 Upon termination of the Appointment You will, subject to clause 23.2 if appropriate, either be entitled to Salary in lieu of any outstanding Holiday Entitlement or be required to repay to the Company any Salary received in respect of Holiday Entitlement taken in excess of your proportionate Holiday Entitlement and any sums repayable by You may be deducted from any outstanding Salary or other payments due to You.

16.7 The Company may require You to take any accrued but unused Holiday Entitlement during any period of notice given to terminate the Appointment or at any other time, or, if applicable, any such holiday shall be deemed to be taken during any period of Garden Leave.

17 Other paid leave

17.1 Subject to any eligibility criteria, You may be entitled to other periods of paid leave including maternity leave, adoption leave, paternity leave, shared parental leave, compassionate leave, dependents leave and jury leave, statutory parental, bereavement leave subject to and in accordance with the applicable statutory rules and the Company's policies and procedures in place from time to time. A copy of the Company's current relevant policies and procedures is available in the Staff Handbook.

17.2 The paid leave referred to in this clause is not a contractual entitlement and may be amended or withdrawn by the Company at any time.

18 Other benefits

18.1 Insurance

(a) Without prejudice to the Company's right to vary or discontinue any such benefits at its discretion, the Company will, subject to clauses 18.1(b) and 18.1(c), provide You with the following benefits, particulars of which may be obtained from the Company's HR Manager:

(i) private medical expenses insurance for You and your spouse or civil partner and your children under the age of 18 in accordance with arrangements made between the Company and such reputable insurer as the Company may decide from time to time and subject to the terms and conditions applicable to any such insurance;

(ii) life insurance at a rate of four times the Salary in accordance with arrangements made between the Company and such reputable insurer as the Company may decide from time to time and subject to the terms and conditions applicable to any such insurance;

(b) The benefits referred to at each of clauses 18.1(a)(i) and 18.1(a)(ii) are conditional on the relevant insurer accepting cover for You at a premium the rate of which the Company considers reasonable and accepting liability for any particular claim. In the event that the relevant insurer does not accept cover or liability in respect of You at a premium the rate of which the Company considers reasonable or any claim by You in respect of any of the benefits referred to at clauses 18.1(a)(i) and 18.1(a)(ii), the Company will have no obligation to provide any alternative benefit or cover in this regard. The provision of the benefits at clauses 18.1(a)(i) and 18.1(a)(ii) inclusive will not restrict the Company's ability to terminate the Appointment in accordance with clauses 5, 19.5 and 23.1 or 1.1 of this agreement for any reason including, without limitation, because You are Incapacitated.

(c) All and any benefits provided under clauses 18.1(a)(i) and 18.1(a)(ii) will cease with effect from the date You reach state pension age or from the date of termination of the Appointment whichever is earlier.

(d) You must pay and fully indemnify the Company against all income tax payable by the Company on your behalf by reason of any of the benefits received by You in connection with the Appointment. The Company is entitled and authorised to make deductions from the Salary or other payments due to You to satisfy any such income tax liability.

19 Sickness and sick pay

- 19.1 Subject to your compliance with the sickness absence procedures of the Company (as amended from time to time), you may be entitled to receive enhanced sick pay from the Company ("**Enhanced Sick Pay**"). The decision as to whether you are entitled to any Enhanced Sick Pay, and if so the amount of any such Enhanced Sick Pay, is entirely at the discretion of the Company. Enhanced Sick Pay is inclusive of SSP (as defined in clause 19.7 below).
- 19.2 If your pay during any period of Incapacity is reduced or you are paid SSP only, the level of contributions in respect of your membership of the Inspired Gaming Group Pension Scheme may continue, subject to the relevant pension scheme rules in force at the time of absence.
- 19.3 You agree to consent to medical examinations (at the expense of the Company) by a doctor nominated by the Company should the Company so require.
- 19.4 If the Incapacity is or appears to be occasioned by actionable negligence, nuisance or breach of any statutory duty on the part of a third party in respect of which damages are or may be recoverable, you shall immediately notify HR of that fact and of any claim, compromise, settlement or judgment made or awarded in connection with it and all relevant particulars that the Company may reasonably require. You shall, if required, refund to the Company that part of any damages or compensation recovered relating to the loss of earnings for the period of the Incapacity as the Company may reasonably determine less any costs borne in connection with the recovery of such damages or compensation, provided that the amount to be refunded shall not exceed the total amount paid to you by the Company in respect of the period of Incapacity.
- 19.5 If You are Incapacitated You must immediately notify your line manager and inform them of the reason for your absence.
- 19.6 Each time You are absent from work You must provide evidence to the Company of the reason for your absence. This evidence must be provided by way of a self-certification form obtainable from the Company's HR team which must be completed by You on the first day on which You return to work. In addition, in the case of illness or injury lasting for more than seven consecutive days, You must provide a doctor's certificate on the eighth day of illness or injury and weekly thereafter.
- 19.7 Subject to You satisfying the relevant requirements, You shall receive statutory sick pay (**SSP**) under the provisions of the Social Security Contributions and Benefits Act 1992 for periods of absence due to Incapacity. For statutory sick pay purposes your qualifying days will be your normal working days.
- 19.8 You agree that, at any time during the Appointment, You will attend, if required by the Company for the purpose of assessing and obtaining guidance regarding your fitness for work, a medical examination by a medical practitioner appointed by the Company at its expense and will authorise such medical practitioner to disclose to, and discuss with, the Company's HR Manager the results of any such medical examination.
- 19.9 If at any time You are Incapacitated during the Appointment for a total of 26 or more weeks in any 12 consecutive calendar months the Company may terminate the Appointment by such notice as is required by section 86 of the Employment Rights Act 1996 in writing given to You at any time during the period for which You are Incapacitated. The rights of the Company to terminate your Employment under the terms of this agreement apply even when such termination would or might cause you to forfeit any entitlement to sick pay, insurance or other benefits.

- 19.10 If You are Incapacitated for a consecutive period of 20 working days the Board may (without prejudice to the provisions of clause 8.3(b)) appoint another person or persons to perform your duties until such time as You are able to resume fully the performance of your duties.

20 Inside Information

- 20.1 During the Employment the Executive shall comply with the Group's code of practice on dealings in securities in place from time to time, and the provisions of the Securities Exchange Act of 1934, the Market Abuse Regulation, and any other applicable laws and regulations in any jurisdiction governing insider trading relating to any Group Company and any other applicable law or regulations applying to dealings in securities of the Company or of any Group Company, and will comply with the Insider Trading Policy.
- 20.2 The Executive shall not and shall procure that none of his closely associated persons (as defined in the Market Abuse Regulation) (including his spouse or civil partner and any children or step-children under the age of 18) shall deal in any way in any securities of the Company or of any Group Company except in accordance with the Group's code of practice from time to time in relation to such dealings.

21 Confidential Information

- 21.1 You acknowledge that in the course of the Appointment You will have access to trade secrets of the Company and/or Group Company and/or Confidential Information. You agree that You will not at any time during the Appointment nor at any time after its termination except for a purpose of the Company or the Group directly or indirectly:
- (a) use or disclose trade secrets of the Company and/or Group Company and/or any Confidential Information;
 - (b) make, use, or remove from the premises of the Company or of any Group Company copies of any Confidential Information or other document, record, memoranda, correspondence or other data (including emails) (created or stored in whatever media, including for the avoidance of doubt in any electronic format) relating to the Company or Group Company other than in the proper performance of your duties under this agreement except with the written authority of the Board which authority will apply in that instance only;
 - (c) post Confidential Information on any Social Media. On termination of employment, You must comply with the terms of the Company's Social Media Policy governing termination.
- 21.2 All trade secrets of the Company and/or Group Company and its/their Confidential Information are and remain the property of the Company and/or Group Company at all times.
- 21.3 Your obligations under clauses 21.1 and 21.5 will not, however, prevent You from:
- (a) using or disclosing any Confidential Information which and to the extent that You are authorised to use or disclose by the Company; or
 - (b) using or disclosing any Confidential Information which has entered the public domain unless it enters the public domain as a result of an unauthorised disclosure by You or anyone else employed or engaged by the Company or any Group Company; or

- (c) using or disclosing any Confidential Information which is required by HM Revenue & Customs; or
- (d) using or disclosing any Confidential Information which You are required to disclose by law or is appropriate to disclose to a regulatory body; or
- (e) disclosing Confidential Information which is appropriate to disclose to the police in circumstances in which a criminal offence has been, or is alleged to have been, committed; or
- (f) disclosing Confidential Information which is necessary and appropriate to disclose in confidence to a trade union representative or a regulated health, care or legal professional; or
- (g) filing a charge or complaint with the Securities and Exchange Commission or other applicable U.S. governmental agency or commission, and You understand that the Appointment does not limit your ability to communicate with any U.S. governmental agency or commission or otherwise participate in any investigation or proceeding that may be conducted by any U.S. governmental agency or commission, including providing documents or other information, without notice to the Group; or
- (h) receiving an award from a U.S. government-administered whistleblower award program (including an award from the SEC pursuant to Section 21F of the Securities Exchange Act of 1934 and the regulations thereunder); or
- (i) disclosing Confidential Information which You are entitled to disclose under section 43A to 43L of the Employment Rights Act 1996 (whistleblowing provisions) provided that the disclosure is made in an appropriate way to an appropriate person having regard to the provisions of that Act and this Agreement,

provided that, in the case of any disclosure under clauses 21.3(c) to 21.3(i), You must (to the extent permitted by the applicable laws) notify the Company in advance of the disclosure.

21.4 You must not make any public statement (whether written or oral) to the media or otherwise relating to the affairs of the Company or any Group Company and must not write any article for publication on any matter concerned with the Business or other affairs of the Company or the Group without the prior written consent of the Board.

21.5 Without prejudice to clause 21.3, You must not directly or indirectly make, whether in writing or otherwise, any adverse statements or comments about the Company or any Group Company or its/their officers, directors, shareholders or employees.

22 Post-Termination Restrictions

22.1 In this clause 22 the following words and phrases have the following meanings:

Customer means any person, firm or company who at the Termination Date, or at any time during the 12 months immediately prior to the Termination Date, was a customer of the Company or any Group Company, and from whom You had obtained business on behalf of the Company or any Group Company, or to whom You had provided or arranged the provision of goods or services on behalf of the Company or any Group Company, or for whom You had management responsibility, in each case at any time during the 12 months immediately prior to the Termination Date.

Potential Customer means any person, firm or company with whom either You or any other employee of the Company or any Group Company for whom You had, at the date of the negotiations, management responsibility, carried out negotiations on behalf of the Company or any Group Company, at any time during the period of three months immediately prior to the Termination Date, with a view to such person, firm or company becoming a customer of the Company or of any Group Company.

Restricted Business means the Business or any part of the Business which in either case:

- (a) is carried on by the Company or any Group Company at the Termination Date; or
- (b) was carried on by the Company or by any Group Company at any time during the period of six months immediately prior to the Termination Date; or
- (c) is to your knowledge to be carried out by the Company or by any Group Company at any time during the period of six months immediately following the Termination Date,

and which You were materially concerned with or had management responsibility for or had substantial Confidential Information regarding in each case at any time during the period of 12 months immediately prior to the Termination Date.

Restricted Employee means any person employed or engaged by the Company or any Group Company at the Termination Date in the capacity of director, consultant or in any senior research, technical, IT, financial, marketing, sales or any managerial role whom You have managed, or with whom You worked, at any time during the period of 12 months immediately prior to the Termination Date, and does not include any non-managerial employee employed in an administrative, clerical, manual or secretarial capacity.

Restricted Supplier means any supplier to the Company or to any Group Company with whom You have had substantial personal contact or for whom You have had managerial responsibility during the period of 12 months immediately prior to the Termination Date.

Restricted Territory means England, Scotland, Wales and Northern Ireland together with any other country in which the Company or any other Group Company:

- (a) carried on any Restricted Business or provided any goods or services in connection with any Restricted Business at the Termination Date; or
- (b) carried on any Restricted Business or provided any goods or services in connection with any Restricted Business at any time during the period of six months immediately prior to the Termination Date; or
- (c) is to your knowledge to carry out any Restricted Business at any time during the period of six months immediately following the Termination Date,

and regarding which country at any time during the period of 12 months immediately prior to the Termination Date You:

- (d) were materially concerned with or worked in; and/or
- (e) had management responsibility for; and/or
- (f) obtained substantial Confidential Information.

Termination Date means the effective date of termination of the Appointment.

- 22.2 You acknowledge that following termination of the Appointment, You will be in a position to compete unfairly with the Company as a result of the Confidential Information, trade secrets and knowledge about the business, operations, customers, employees and trade connections of the Company and the Group You have acquired or will acquire and through the connections that You have developed and will develop during the Appointment. You therefore agree to enter into the restrictions in this clause 21 for the purpose of protecting the Company's legitimate business interests and in particular the Confidential Information, goodwill and the stable trained workforce of the Company and the Group.
- 22.3 You covenant with the Company and each Group Company that You will not directly or indirectly, on your own behalf, or on behalf of any person, firm or company in connection with any business which is or is intended or about to be competitive with the Restricted Business (as defined above) or in relation to the provision of any goods or services similar to or competitive with those sold or provided by the Company or any Group Company in connection with the Restricted Business:
- (a) for a period of 6 months following the Termination Date solicit or canvass the custom of any Customer (as defined above);
 - (b) for a period of 6 months following the Termination Date solicit or canvass the custom of any Potential Customer (as defined above);
 - (c) for a period of 6 months following the Termination Date deal with any Customer;
 - (d) for a period of 6 months following the Termination Date deal with any Potential Customer;
 - (e) for a period of 6 months following the Termination Date solicit or entice away, or attempt to entice away from the Company or any Group Company any Restricted Employee (as defined above);
 - (f) for a period of 6 months following the Termination Date employ, offer to employ or enter into partnership with any Restricted Employee with a view to using the knowledge or skills of such person in connection with any business or activity which is or is intended to be competitive with the Restricted Business.
- 22.4 You covenant with the Company and each Group Company that You will not for a period of 6 months following the Termination Date, directly or indirectly, on your own behalf, or on behalf of any person, firm or company within the Restricted Territory (as defined above) set up, carry on, be employed in, provide services to, be associated with, or be engaged or interested in, whether as director, employee, principal, shareholder, partner or other owner, agent or otherwise, any business which is, or is intended or about to be, competitive with the Restricted Business save as a shareholder for investment purposes only of not more than three per cent of any public company whose shares or stocks are quoted or dealt in on any Recognised Investment Exchange.
- 22.5 You covenant with the Company and each Group Company that You will not for a period of 6 months following the Termination Date, directly or indirectly, on your own behalf, or on behalf of any person, firm or company endeavour to cause any person, firm or company who at the Termination Date, or at any time during the 12 months immediately prior to the Termination Date, is or was a Restricted Supplier (as defined above) to the Company and/or any Group Company, to either cease to supply the Company or any Group Company or materially alter the terms of such supply in a manner detrimental to the Company or any Group Company.

- 22.6 In the event that You receive an offer of employment or request to provide services either during the Appointment or during the currency of the restrictive periods set out in clauses 22.3 and 22.4 and 22.5, You must (and the Company may) provide immediately to such person, company or other entity making such an offer or request a full and accurate copy of this agreement signed by both parties.
- 22.7 The restrictions contained in this clause are considered by the parties to be reasonable in all the circumstances. Each sub clause constitutes an entirely separate and independent restriction and the duration, extent and application of each of the restrictions are no greater than is necessary for the protection of the interests of the Company and any Group Company.

23 Intellectual Property Rights

- 23.1 You (and the Company) acknowledge that You may create Inventions (alone or jointly) in the course of your employment with the Company and that You have a special obligation to further the interests of the Company in relation to such Inventions. You must, promptly following creation, disclose to the Company all such Inventions and works embodying Company Intellectual Property.
- 23.2 You acknowledge that (except to the extent prohibited by or ineffective in law) all Company Intellectual Property and materials embodying them will automatically belong to the Company as from creation for the full term of those rights.
- 23.3 To the extent that any Company Intellectual Property does not vest in the Company automatically pursuant to clause 23.2 (and except to the extent prohibited by or ineffective in law) You:
- (a) hereby assign, by way of present and future assignment, any and all right, title and interest in the Company Intellectual Property to the Company; and
 - (b) must hold the Company Intellectual Property on trust for the benefit of the Company until such Company Intellectual Property fully vests in the Company; and
 - (c) hereby grant to the Company an exclusive, worldwide, transferable, sub-licensable, royalty-free and fully paid-up licence to use the Company Intellectual Property in its discretion until such Company Intellectual Property fully vests in the Company.
- 23.4 To the extent that any Inventions You create (whether alone or jointly) at any time during the course of your Appointment are prohibited by or prevented in law from automatically vesting with the Company pursuant to clause 23.2 or from being assigned to the Company pursuant to clause 23.3(a), You must, immediately upon creation of such rights, grant the Company a right of first refusal, in writing, to acquire them on arm's length terms to be agreed between You and the Company. If You and the Company cannot agree on such terms within 30 days of the Company receiving your offer, the Company will refer the dispute to an independent expert who will be appointed by the President of the Institute of Chartered Accountants in England and Wales. The expert will be instructed to act as an independent expert, and not as an arbitrator. The expert's decision will be final and binding on the parties and the costs of the expert's determination will be borne equally by You and the Company.
- 23.5 You agree:
- (a) to do everything You can to execute all such documents, both during and after the Appointment, as the Company may require to vest in the Company all right, title and interest pursuant to this agreement at the reasonable expense of the Company;
 - (b) to do everything You can to provide all such information and assistance and do all such further things as the Company may require to enable it to protect, maintain and exploit the Company Intellectual Property to the best advantage, at the reasonable expense of the Company, including (without limitation), at the Company's request, applying for the protection of Inventions throughout the world;

- (c) to do everything You can to assist the Company in applying for the registration of any registrable Company Intellectual Property, to enable it to enforce the Company Intellectual Property against third parties and to defend claims for infringement of third party Intellectual Property Rights at the reasonable expense of the Company;
 - (d) not to apply for the registration of any Company Intellectual Property in the United Kingdom or any other part of the world without the prior written consent of the Company; and
 - (e) to keep confidential all Company Intellectual Property unless the Company has consented in writing to its disclosure by You.
- 23.6 You hereby waive, as against the Company, its successors and assigns and any licensee of any of the foregoing, all of your present and future moral rights which arise under the Copyright Designs and Patents Act 1988 and all similar rights in other jurisdictions relating to the Company Intellectual Property.
- 23.7 You acknowledge that, except as provided by law, no further remuneration or compensation, other than that provided for in this agreement, is or may become due to You in respect of your compliance with this clause 23. This clause is without prejudice to your rights under the Patents Act 1977.
- 23.8 You irrevocably appoint the Company as your attorney in your name to sign, execute, do or deliver on your behalf any deed, document or other instrument and to use your name for the purpose of giving full effect to this clause.
- 23.9 Rights and obligations under this agreement will continue in force after termination of this agreement in respect of any Company Intellectual Property.

24 Termination of employment

- 24.1 The Appointment may be terminated without notice or payment in lieu of notice with immediate effect by the Company if at any time:
- (a) it is found that You did not materially comply with any reasonable lawful order or direction given to You by the Company; or
 - (b) the Company reasonably believes that You have committed any serious breach or repeated after written warning any breach or are guilty of a continuing breach of any of the terms of this agreement or the Parent Company's Code of Ethics; or
 - (c) the Company reasonably believes that You are guilty of any gross or serious misconduct or (after written warning) wilful neglect in the discharge of your duties under this agreement; or
 - (d) the Company reasonably believes that You are guilty of any bribery, corruption, fraud, dishonesty or conduct tending to bring You or the Company or any Group Company into disrepute including for the avoidance of doubt any criminal offence (except a road traffic offence not involving a custodial sentence); or
 - (e) You breach any gaming legislation whether in the UK or in other territories in which the Group operates and/or any associated licence conditions or codes of practice;
 - (f) the Company reasonably believes that You have committed a breach of any legislation in force which may affect or relate to the business of the Company or any Group Company; or

- (g) You are guilty of a serious breach of any professional conduct rules applicable to You, any regulatory authorities relevant to the Company or any Group Company or any code of practice or policy issued by the Company (as amended from time to time);
 - (h) You are not able to hold or maintain the necessary licenses required for necessary regulatory bodies, or in connection with professional qualifications and certifications needed to properly and effectively perform the role set out herein;
 - (i) You become prohibited by law from being or acting as a statutory director; or
 - (j) You are in material breach of the articles of association of the Company.
- 24.2 In the event of termination under clause 24.1 the Company will not be obliged to make any further payment to You except such Salary as will have accrued at the date of termination and payment in respect of accrued but untaken Holiday Entitlement.
- 24.3 Upon notice of termination of the Appointment being given, or upon termination of the Appointment, or, at the start of a period of Garden Leave, or at any time upon request by the Company in writing, You must:
- (a) at the request of the Company resign from all (if any) offices held by You in the Company or any Group Company and all (if any) trusteeships held by You of any pension scheme or any trust established or subscribed to/by the Company and any Group Company and in the event of your failure to do so the Company is hereby irrevocably authorised to appoint some person in your name and on your behalf to sign and execute all documents and do all things necessary to constitute and give effect to such resignation;
 - (b) immediately return to the Company all Company or Group Company related correspondence (including emails), documents, papers, materials, memoranda, notes, records (on whatever media and whether or not prepared or produced by You) and any copies thereof, all Confidential Information, all business passwords, any charge or credit cards and all other property belonging to the Company or any Group Company which may be in your possession or under your control provided that You will not be obliged to return prior to the date of termination of the Appointment any property provided to You as a contractual benefit;
 - (c) if requested send to the Company a signed statement confirming that You have complied with clause 23.3 (b); and
 - (d) provide the Company with any information, advice or reasonable assistance it requires in respect of your Appointment or its termination, including such reasonable assistance as the Company may require in ensuring the smooth and orderly handover of your role to any individual(s) nominated by the Company.
- 24.4 You agree that the Company may withhold any sums owing to You on termination of your Appointment pending your compliance with clause 24.3(b).
- 24.5 Following notice to terminate the Appointment being given by the Company or You, the Company may at any time:
- (a) announce to employees, officers, shareholders, investors, clients, customers and suppliers of the Company or any Group Company and/or (where appropriate) on a more general basis that the Appointment is ending and, where reasonably appropriate, the reason for such termination. You will not make any such announcement unless You have first obtained the Company's express written consent; and/or

- (b) appoint a replacement (whether temporary or permanent) and to have that replacement work jointly with You and/or to take over some or all of the responsibilities of your role.
- 24.6 You must not at any time after the termination of the Appointment represent yourself as being in any way connected with or interested in the Business of the Company or the Group.
- 25 Payment in lieu of notice**
- 25.1 At its absolute discretion the Company may at any time (including without limitation after notice of termination has been given by either party) lawfully terminate this agreement with immediate effect by notifying You in writing that the Company is exercising its right under this clause 25.1 and that it will make within 45 days a payment in lieu of notice (**Payment in Lieu**).
- 25.2 The Payment in Lieu will be equal to your Salary for the then unexpired period of notice (subject to deductions required by law including the deduction at source of income tax and national insurance contributions). For the avoidance of doubt, the Payment in Lieu will not include any element in relation to:
- (a) any bonus or commission payments, or payments, rights or benefits under any share option or long term incentive plan or salary sacrifice scheme that might otherwise have been due had You worked for the Company during the notice period for which the Payment in Lieu is made;
 - (b) any payment in respect of benefits which You would have been entitled to receive had You worked for the Company during the notice period for which the Payment in Lieu is made; and
 - (c) any payment in respect of any Holiday Entitlement that would have accrued had You worked for the Company during the notice period for which the Payment in Lieu is made.
- 25.3 You have no right to receive a Payment in Lieu unless the Company has exercised its discretion in clause 25.1. Nothing in this clause 25 prevents the Company from terminating the Appointment in breach.
- 25.4 Notwithstanding clause 25.1 You will not be entitled to any Payment in Lieu if the Company would otherwise have been entitled to terminate the Appointment without notice in accordance with clause 25.1 and in that case the Company will also be entitled to recover from You any Payment in Lieu already made.
- 25.5 On termination of the Appointment howsoever arising You will not have any claim for breach of contract in respect of the loss of any rights or benefits under any share option, bonus, long-term incentive plan or other profit sharing scheme operated by the Company or by any Group Company in which You may participate which would otherwise have accrued during the period of notice to which You are entitled.
- 26 Garden leave**
- 26.1 Following notice to terminate the Appointment being given by the Company or You or if You purport to terminate the Appointment in breach of contract the Company may by written notice require You not to perform any services (or to perform only specified services) for the Company or for any Group Company for all or part of the applicable notice period required under this Agreement.

26.2 During any period of Garden Leave You will:

- (a) not be entitled to receive any work from the Company;
- (b) continue to receive the Salary and other contractual benefits under this agreement in the usual way and subject to the terms from time to time in force of any benefit arrangements;
- (c) remain an employee of the Company and remain bound by your duties and obligations, whether under this agreement or otherwise, which will continue in full force and effect;
- (d) not contact or deal with (or attempt to contact or deal with) any customer, client, supplier, agent, distributor, shareholder, employee, officer or other business contact of the Company or any Group Company without the prior written consent of the Board;
- (e) not (unless otherwise requested) enter onto the premises of the Company or any Group Company without the prior written consent of the Board;
- (f) not commence any other employment or engagement (including taking up any directorships or consultancy services);
- (g) provide such assistance as the Company or any Group Company may require to effect an orderly handover of your responsibilities to any individual or individuals appointed by the Company or any Group Company to take over your role or responsibilities; and
- (h) make yourself available to deal with requests for information, to provide assistance, to attend meetings and to advise on matters relating to the Business. In connection with this clause 26.2 (h) You must ensure that your line manager knows how You can be contacted during each working day (with the exception of such periods of Garden Leave which are taken as holiday).

26.3 In the event that the Company exercises its rights under clause 26.1 of this agreement then any Garden Leave will be set off against and therefore reduce the periods for which the restrictions in clauses 22.3 and 22.4 of this agreement apply.

27 **Directorship**

27.1 Subject to clause 27.2, the Company will procure your appointment and You will act as a director of the Company. You must also accept (if offered) appointment as a director or officer of any Group Company. Your appointment as a director of the Company or any Group Company will be with or without such executive powers as the Board will decide in its absolute discretion.

27.2 Your appointment as a statutory director of the Company or any Group Company does not amount to a term of employment. In the event of you ceasing to be a statutory director as a result of the shareholders of the Company failing to elect or re-elect you as a statutory director of the Company or the Company removing You from any such directorship at any time for any reason, this will not amount to a breach of this agreement and will not give rise to a claim for damages or compensation.

27.3 During your Appointment, You must:

- (a) be responsible directly to the Board, or Executive Chairman or CEO of the same;

- (b) observe and comply with all lawful and reasonable requests, instructions, resolutions and regulations of the Board and give to the Board such explanations, information and assistance as the Board may reasonably require;
 - (c) comply with all legal duties imposed on You including those contained in the Companies Act 2006 and any professional conduct rules applicable to You; and
 - (d) resign any appointment as a director if requested by the Board without any claim for damages or compensation. If You fail to resign any such appointment the Company is hereby irrevocably authorised to appoint a person in your name and on your behalf to sign and execute all documents and do all things necessary to constitute and give effect to such resignation. Termination, at the Board's request, of a directorship or other office held by You will not terminate your employment or amount to a breach of the terms of this agreement by the Company.
- 27.4 You consent to the Company or any Group Company making your service contract (as defined in the Companies Act 2006) available for inspection in compliance with that Act notwithstanding that it contains your residential address.
- 27.5 Your Salary is set out at clause 13 and will be inclusive of any fees and/or remuneration to which You may be entitled as a director of the Company or any Group Company.
- 27.6 In circumstances where the continued normal operation of the Company's Business is reasonably perceived to be at risk due to exceptional and/or unexpected serious national or international events which directly or indirectly impact on the Company (including, but not limited to, a catastrophe, a pandemic, war, terrorism or financial crisis) the Company may in its absolute discretion and with immediate effect to reduce your Salary, without any corresponding reduction in your normal working hours, by such amount as it considers reasonable to facilitate the future viability of the Business, save that any such reduction will not exceed 50% of your Salary.
- 27.7 If the Company is wound up for the purposes of reconstruction or amalgamation You will not as a result or by reason of any termination of your Appointment or the redefinition of your duties within the Company or the Group arising or resulting from any reorganisation or amalgamation of the Group have any claim against the Company or any other Group Company for damages for termination of your Appointment or otherwise so long as You will be offered employment with any concern or undertaking resulting from such reconstruction reorganisation or amalgamation on terms and conditions no less favourable to You than the terms contained in this agreement.
- 27.8 If You at any time have been offered but have unreasonably refused or failed to agree to the transfer of this agreement by way of novation to a Group Company or any company which has agreed to acquire, directly or indirectly, 50 per cent of the share capital of the Company, the Company may terminate your Appointment by such notice as is required by section 86 of the Employment Rights Act 1996 given within one month of such offer.
- 27.9 Your Appointment may be terminated without notice or payment in lieu of notice with immediate effect by the Company if at any time:
- (a) You are declared bankrupt or have a receiving order made against You or You make any general composition with your creditors or take advantage of any statute affording relief for insolvent debtors; or
 - (b) You become prohibited by law from being or acting as a statutory director of the Company; or
 - (c) You refuse or fail to agree to accept employment on the terms and in the circumstances specified in clause 26.8 of this agreement; or

(d) You resign as a director of the Company other than at the request of the Board.

27.10 If You are not re-elected as a director at any Annual General Meeting of the Company at which You retire by rotation, the Company will be entitled to terminate your Appointment but without prejudice to any claim You may have for damages for breach of this agreement.

28 Data Protection

28.1 You confirm that You have read and understood each of:

- (a) the Company's Data Protection Policy, a copy of which is contained in the Staff Handbook; and
- (b) the employee privacy notice, a copy of which is available for review on the intranet (**Employee Privacy Notice**).

28.2 You must keep the Company informed of any relevant changes to your personal data.

28.3 In the course of the Appointment You will have access to personal data and special categories of data relating to other employees, other individuals who work for the Company or Group, shareholders, client/customers or contacts at clients/customers, suppliers and contacts at suppliers. You must comply with the Company's data protection policies and procedures in respect of such data at all times. You must keep such data confidential and not use or disclose it other than in the proper performance of your duties.

28.4 The Company may update the Employee Privacy Notice at any time and will notify employees in writing of any changes. The Employee Privacy Notice does not form part of your contract of employment.

29 Bribery and corruption

29.1 The Company expects the highest standards of integrity in relation to your dealings with the Company's customers, suppliers, agents and subcontractors and with any government official.

29.2 You must comply with the Company's Anti-bribery and Corruption Policy. Any breach of this policy will be regarded as a serious matter and will be dealt with under the Company's disciplinary procedure. Serious cases may be treated as gross misconduct leading to summary dismissal.

30 Prevention of the Facilitation of Tax Evasion

30.1 You must take a zero-tolerance approach to tax evasion. You must not engage in any form of facilitating tax evasion, whether under UK law or under the law of any foreign country. You must immediately report to the General Counsel any request or demand from a third party to facilitate the evasion of tax, or any concerns that such a request or demand may have been made.

30.2 You must at all times comply with the Company's Anti-Facilitation of Tax Evasion Policy, a copy of which is available on the Company's intranet and as may be updated from time to time. Any breach of this policy will be regarded as a serious matter and will be dealt with under the Company's disciplinary procedure. Serious cases may be treated as gross misconduct leading to summary dismissal.

31 Notices

Notices may be given by either party by personal delivery or by letter or email addressed to the other party at (in the case of the Company) its registered office for the time being and (in the case of You) your last known address. Any such notice given by letter will be deemed to have been given 48 hours after posting. Any notice given to the Company by email may be sent to the normal business email address of the Chief Executive Officer of the Company and any notice given to You by email may be sent to such email address as You notify to the Company from time to time and any notice given by email will be deemed to have been given one hour after it was sent and a hard copy will be sent by post or fax by way of confirmation.

32 Validity of agreement

If any provision of this agreement (including without limitation the provisions contained in clause 21 and clause 22) is found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability will not affect the other provisions of this agreement which will remain in full force and effect. If any provision of this agreement (including without limitation the provisions contained in clause 21 and clause 22) is so found to be invalid or unenforceable but would be valid or enforceable if some part of the provision were deleted, the provision in question will apply with such modifications as may be necessary to make it valid.

33 Entire agreement

33.1 This agreement constitute the entire agreement and understanding between the parties in respect of the matters dealt with in it and supersedes cancels and nullifies any previous agreement between the parties or any of them relating to such matters notwithstanding the terms of any previous agreement or arrangement expressed to survive termination.

33.2 Each of the parties acknowledges and agrees that in entering into this agreement, it does not rely on, and will have no remedy in respect of, any statement, representation, warranty or understanding (whether negligently or innocently made) other than as expressly set out in this agreement. The only remedy available to either party in respect of any such statement, representation, warranty or understanding will be for breach of contract under the terms of this agreement.

33.3 Nothing in this clause 33 will operate to exclude any liability for fraud.

34 Third party rights

Other than a Group Company, a person who is not party to this agreement will have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this agreement. This clause does not affect any right or remedy of any person which exists or is available otherwise than pursuant to that Act.

35 Counterparts

This agreement may be executed in any number of counterparts each of which when executed by one or more of the parties hereto will constitute an original but all of which will constitute one and the same instrument.

36 Governing law and jurisdiction

- 36.1 This agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation including non-contractual disputes or claims will be construed and governed in accordance with the laws of England and Wales.
- 36.2 To the maximum extent allowed by law, any dispute, controversy or claim arising out of or relating to this Agreement, including any question regarding its breach, existence, validity or termination or the legal relationships established by this contract or any non-contractual claims (whether in tort or otherwise), may be referred to and finally determined by arbitration.
- 36.3 It is agreed that:
- (a) the tribunal shall consist of one arbitrator to be appointed by the parties or, failing agreement by the parties within 20 days of service of written notice by either party to the other party requesting agreement to the appointment of an arbitrator, the appointing authority shall be the London Court of International Arbitration (LCIA)] OR the tribunal shall comprise three arbitrators. Each party shall appoint an arbitrator, and the two arbitrators so appointed shall appoint a third arbitrator who shall act as chair of the tribunal. If either party fails to appoint an arbitrator within 20 days of receiving notice of the appointment of an arbitrator by the other party, such arbitrator shall, at the request of the other party be appointed by the London Court of International Arbitration (LCIA). If the two arbitrators appointed in accordance with the above provisions fail to agree upon a third arbitrator within 10 days of the appointment of the second arbitrator, the third arbitrator shall, at the request of either party, be appointed by the LCIA.
 - (b) the seat of the arbitration shall be London and the law governing this arbitration agreement shall be English law.

SIGNATURE PAGE TO FOLLOW

IN WITNESS whereof the parties have executed this agreement as a deed on the date of this agreement.

by one director in the presence of an attesting witness

Executed as a deed, but not delivered until the)
first date specified on page 1, by Inspired)
Gaming (UK) Limited by a director in the)
presence of a witness:)

Signature /s/ Simona Camilleri

Name (block capitals)

Simona Camilleri
Director

Witness signature _____

Witness name
(block capitals) _____

Witness address

Signed as a deed, but not delivered until the)
first date specified on page 1, by James)
Richardson in the presence of:)
)

Signature /s/ James Richardson

Witness signature /s/ Victoria Richardson
Occupation: Chartered Accountant

Schedule 1 – Job Description

- Serve as:
 - EVP, CFO, CAO, and PAO of INSE, and the Company;
 - Director or Officer of such subsidiaries or affiliates as directed by INSE, its Executive Chair, CEO, Board, or authorized representative;
 - Member of Company Executive Committee;
- Assist INSE senior management team and Board in developing and implementing Group strategy;
- Ensure compliance with all applicable regulatory requirements, especially compliance with U.S. GAAP accounting requirements within Company's accounting, finance, controls, and reporting functions;
- Ensure external reporting meets or exceeds all regulatory and professional standards – analyst presentations, statutory accounts and other presentations as needed to support the INSE senior management on a proactive Investor Relations strategy.
- Lead and ensure the effectiveness of the key finance functions of Financial Control, Financial Reporting, Corporate Finance (M&A), Tax, Treasury;
- Coordinate with INSE, Company, and Group Auditors and other accounting professionals assisting same;
- Help foster a strong performance culture with a key emphasis on value creation, ROI and cash management;
- Ensure the business has the appropriate capital structure and available liquidity to enable it to meet its ongoing operational needs whilst pursuing its strategic objectives
- Manage the financial aspects of Investor Relations and how they relate to Group strategy and support the Executive Chair and CEO in representing the Group's strategy and market positioning to investors, delivering a message that is well defined and understood and a robust and compelling vision of the business;
- Help manage the external relationships with advisors such as the auditors and corporate brokers and attend all Audit Committee and other Board meetings involving auditors and non-executive directors;
- Develop a robust approach to forecasting business performance through strong functional leadership and excellent relationships with Group Executives and Divisional teams, positively influence ways of working and decision making.
- Demonstrate creativity, innovation, change management, continuous improvement and strong leadership skills.
- Establish finance as a true 'business partner'; integrate finance into the business and provide real value through the provision of quality, timely and accurate information, highlighting issues and trends.



5 November 2024

Confidential

Marilyn Jentzen

Dear Marilyn:

Revised & Extended Offer of Employment

We are pleased to confirm by means of this letter an offer to extend your employment with Inspired Entertainment, Inc (the **Company**). Except as set forth herein, the terms of your 12 April 2024 Agreement remain in full force and effect and will be extended and amended pursuant to the terms of this offer letter (**Offer**).

Reporting

With immediate effect, you will report on a day-to-day basis to Lorne A. Weil, Executive Chairman of the Board of Directors of the Company, and report to the Audit Committee on all matters undertaken by you and consistent with your position.

Term

The 12 April 2024 Agreement is hereby extended and will terminate on 31 May 2025 (“**Extended Employment**”).

Duties and Responsibilities

Beginning 1 January 2025, you will no longer serve as Interim CFO/CAO/PFO but rather serve in the capacity of Transformation Officer and you will perform the required and necessary duties assigned to you by the Company from time to time, with respect to:

- (i) all accounting remediation efforts undertaken by the Company including overseeing the Company’s reporting, audit for 2024 accounts, and timely public filing obligations;
- (ii) oversight and responsibility for the Company’s management information systems as Transformation Officer; and
- (iii) the transition of duties and responsibilities to the incoming Chief Financial Officer, James Richardson.

It is further understood and agreed, that:

- (i) on or before 5 January 2025, in your capacity as Interim CFO/CAO/PAO, you will provide to the Company through the Company General Counsel, a Form 404 certification to the best of your knowledge both personal and as advised by relevant third party advisors, that as of the conclusion of your service as Interim CFO on 31 December 2024, that the books and records of the Company are accurate, and that you are unaware of any fraudulent conduct at the Company which you have not personally reported in accordance with the Company’s Code of Conduct; and
- (ii) on or before the date of the filing of the SEC Form 10k for calendar year 2024 or your last date of employment as Interim CFO, that in your capacity as Transformation Officer, you will provide to the Company through the Company General Counsel, a Form 404 certification to the best of your knowledge both personal and as advised by relevant third party advisors, that the books and records of the Company are accurate and that you are unaware of fraudulent conduct at the Company which you have not personally reported in accordance with the Company’s Code of Conduct.

Inspired Gaming (UK) Limited, Registered in England Number: 03565640
Registered Office: First Floor, 107 Station Street, Burton-On-Trent, Staffordshire DE14 1SZ

The foregoing shall be without prejudice to your obligation at all times and in all material respects to comply with the requirements of any relevant regulatory body or securities exchange governing the activities of the Company and conform to and comply with the conditions to and terms of any license granted to the Company or any subsidiary of the Company.

Location

You will be considered a U.S. employee, although we expect you will travel on a short-term assignment(s) to the UK where you will work out of Burton on Trent, UK. At the Company's expense, you may be required to travel regularly, both domestically and occasionally internationally. Flights to the UK shall be in business class.

Compensation

Your position is exempt from overtime pay and your weekly salary during the period of Extended Employment, will remain \$17,500 per week, subject to appropriate tax withholdings and deductions, payable in accordance with the Company's normal payroll cycle, and subject to any applicable tax equalization arising from imposition of U.K. taxes. The Company shall be filing the relevant UK tax returns on your behalf as previously done.

The Company processes payroll on a biweekly basis.

You will also retain your right to the use of an automobile whilst performing work in the United Kingdom, as agreed per the terms of the 12th April Agreement, and usual US employee benefits.

No further compensation or benefits shall be due.

Governing Law

This offer letter shall be governed by the laws of New York, without regard to conflict of law principles.

If the terms set forth in this Offer are acceptable to you, please sign and date this Offer and return it to the Company via email to the notified address.

Signed /s/ A. Lorne Weil

A. Lorne Weil

Executive Chairman

On behalf of Inspired Entertainment Inc.

Acceptance of Offer

I have read and understood, and I accept all the terms of the Offer. I have not relied on any agreements or representations, express or implied, that are not set forth expressly in the foregoing Offer, and this Offer supersedes all prior and contemporaneous understandings, agreements, representations, and warranties, both written and oral, with respect to the subject matter of this Offer, including the 12 April 2024 Agreement.

Signed /s/ Marilyn Jentzen

For and on behalf of Marilyn Jentzen

Date 6 November, 2024

INSPIRED ENTERTAINMENT, INC.

RESTRICTED STOCK UNIT AND PERFORMANCE STOCK UNIT
TRANSFER AGREEMENT

This Restricted Stock Unit and Performance Stock Unit Transfer Agreement (this “**Agreement**”), effective May 17, 2024, (the “**Effective Date**”), is made and entered into by and among A. Lorne Weil (“**Transferor**”), Hydrex Holdings LLC (“**Transferee**”), and Inspired Entertainment, Inc., a Delaware corporation (the “**Company**”) (collectively, the “**Parties**”).

RECITALS

A. The Company has granted to Transferor 1,156,364 restricted stock units (“**RSUs**”) and 911,810 performance stock units (“**PSUs**”) under the Inspired Entertainment, Inc. 2023 Omnibus Incentive Plan, the Inspired Entertainment 2021 Omnibus Incentive Plan and the 2016 Second Long Term Incentive Plan (collectively, the “**Plans**”), as further described in Exhibit A hereto.

B. The RSUs and PSUs are subject to the terms and conditions of the Plans and, as applicable, the terms contained in award agreements and/or the Transferor’s employment agreement, as approved by the Compensation Committee of the Company’s Board of Directors (the “**Committee**”), which are referred to in this Agreement collectively as the “**Award Agreements**”, and are subject to such policies and procedures approved by the Committee in connection with the administration of the Plans and awards thereunder.

C. The RSU Agreements provide that the RSUs are subject to vesting based on Transferor’s continuous service with the Company (the “**RSU Vesting Requirement**”).

D. The PSU Award Agreements provide that the PSUs are subject to vesting based on both attaining performance goals and Transferor’s continuous service with the Company (the “**PSU Vesting Requirement**”).

E. As of the date hereof, 1,006,272 RSUs have satisfied the RSU Vesting Requirement (the “**Vested RSUs**”) and 456,250 PSUs have satisfied the PSU Vesting Requirement (the “**Vested PSUs**”).

F. Section 14 of each of the Plans provides that the Committee may, in its sole discretion, permit RSUs and PSUs to be transferred by Transferor to a family member or other third person or entity, for no consideration, subject to such rules as the Committee may adopt consistent with Award Agreement to preserve the purposes of the Plans.

G. Transferor has given the Committee advance written notice describing the terms and conditions of the proposed transfer and the Committee has determined that the proposed transfer can be made under the Plans subject to the terms and conditions set forth in this Agreement.

H. In accordance with the terms and conditions of the Award Agreements, Transferor desires to transfer 1,156,364 of the RSUs and 911,810 of the PSUs, as identified in Exhibit A (collectively, the “**Transferred Units**”) to Transferee in exchange for membership interests in Transferee, as indicated below subject to the terms and conditions of this Agreement.

I. As of the date of this Agreement, Transferor owns, outright, 493,015 Common Shares issued by the Company.

Now, therefore, the Parties hereby agree as follows:

1. TRANSFER OF UNITS.

1.1 On the Effective Date and subject to the terms and conditions of this Agreement, Transferor hereby transfers to Transferee for no consideration, and Transferee hereby acquires from Transferor, the Transferred Units. The Committee hereby consents to the foregoing transfers by Transferor of the Transferred Units to the Transferee on the terms and conditions set forth in this Agreement pursuant to Section 14 of each of the Plans.

1.2 As used in this Agreement, “*Transferred Units*” shall include all the Units transferred under this Agreement and all securities received (a) in replacement or settlement of the Units, (b) as a result of stock dividends or stock splits in respect of the Units and (c) as substitution for the Units in a recapitalization, merger, reorganization or the like.

2. REPRESENTATIONS AND WARRANTIES OF TRANSFEEE. Transferee represents and warrants to Transferor and the Company that:

2.1 No Consideration. No consideration is being furnished to Transferor in exchange for, or in connection with, transferring the Units pursuant to this Agreement.

2.2 Compliance with Underlying Agreements. Transferee hereby acknowledges and agrees that the Transferred Units were granted pursuant to the respective Plans and that they are subject to the terms and conditions of the respective Plans and the applicable Award Agreements (which include the provisions of Transferor’s employment agreement with the Company dated October 9, 2020, as clarified on April 12, 2021, and amended on June 21, 2021 and January 12, 2023 (the “*Employment Agreement*”). Transferee further agrees and acknowledges that the Transferred Units shall remain subject to the terms of the respective Plans and the applicable Award Agreements in the same manner with respect to Transferee as if such Transferred Units had continued to be held by Transferor (copies of which are attached hereto as Exhibit B and Exhibit C, respectively).

2.3 Authority. Transferee has full legal right, power and authority to enter into and perform its obligations under this Agreement and to accept title to the Units pursuant to the terms and conditions of this Agreement. Transferee’s activities shall be limited to holding cash, Transferred Units, Common Shares and other publicly traded securities for investment purposes only or otherwise as specifically provided under this Agreement. Transferee shall not engage in any other activities, including but not limited to incurring any indebtedness or using the Common Shares as collateral for any indebtedness.

2.4 Rule 144. The Transferee acknowledges that the Common Shares to be issued upon settlement of the Transferred Units will, and Common Shares issued by the Company transferred by Transferor to Transferee may, contain a restrictive legend, as determined by the Company, until such time as legal counsel to the Company opines in a letter to the Company's transfer agent that the Transferee has sold any such Common Shares in compliance with the conditions applicable to Rule 144 promulgated under the Securities Act of 1933, including, as applicable, the Rule 144 holding period requirement, the volume limitations condition and the "current reporting" condition applicable to former blank check companies under Rule 144(i). Transferee has been advised that Rule 144 may not be available with respect to certain of the Common Shares for a period of six (6) months after issuance, and in certain cases one (1) year.

2.5 Investment Intent. Any securities issued to Transferee pursuant to the settlement of the Units will be acquired solely for Transferee's own account, for investment purposes only and not with a view to, or for resale in connection with, any distribution or public offering of such securities within the meaning of the Securities Act of 1933, as amended.

2.6 LLC Member. The sole members of the Transferee shall at all times be one or more trusts created under the Agreement, dated May 17, 2024, between A. Lorne Weil, as Settlor, and Brown Advisory Trust Company of Delaware, LLC, as Trustee (the "**Trust Agreement**") (collectively, the "**Trust**"). Transferee represents and warrants that the trustee of the Trust has certified under penalties of perjury that the Trust qualifies as a "family member" under the instructions to SEC Form S-8 (a "**Family Member**") for purposes of registering the transfer of the Transferred Units to the Transferee.

2.7 Transferee Operations. The Transferee covenants and agrees that, except as expressly provided in this Agreement or with the Committee's advance written consent, it shall not (a) permit any person other than the Trust to be a sole member of the Transferee, (b) admit any new member of the Transferee other than a trust created under the Trust Agreement; (c) engage in any business activity or operations other than holding and selling securities of the Company subject to this Agreement ("**Company Securities**"), any other publicly traded securities, cash or cash equivalents, (d) incur any indebtedness or guaranty any obligation to third parties; (e) execute any proxy or other voting instruction with respect to the Company Securities, or any written consent with respect to the Company Securities in lieu of a meeting of stockholders of the Company (other than in accordance with Section 5), (f) directly or indirectly, purchase, acquire, sell, transfer, assign, tender in any tender or exchange offer, pledge, grant, encumber, hypothecate or otherwise dispose of Company Securities in any manner (collectively, "**Transfer**"), it being understood that the Company will not unreasonably withhold, condition, or delay consent to Rule 10b5-1 plans consistent with its Insider Trading Policy, (g) enter into any contract, option or other arrangement or understanding with respect to the Transfer of any Company Securities or any interest therein, including, without limitation, any swap transaction, option, warrant, forward purchase or sale transaction, futures transaction, cap transaction, floor transaction, collar transaction or any other similar transaction (including any option with respect to any such transaction) or combination of any such transactions, in each case involving any Company Securities (each of the foregoing, a "**Derivative Transaction**"), (h) deposit any Company Securities into a voting trust or enter into a voting agreement or arrangement or grant any proxy or power of attorney with respect thereto that is inconsistent with this Agreement (i) permit its operating agreement to be amended in any material respect other than to change the identity of beneficiaries that enables the Transferee and its members to remain a Family Member (as defined in Section 2.6 above; (j) knowingly take any action that would, or would reasonably be expected to, make any representation or warranty of the Transferee set forth in this Agreement untrue or incorrect or have the effect of preventing or delaying Transferee from performing any of its obligations under this Agreement, and (i) agree (whether or not in writing) to take any of the actions referred to in the foregoing clauses (a) through (h). Any purported action taken in violation of this Section shall be null and void.

2.8 Insider Trading Policy. Transferee acknowledges and agrees that Transferor is an “insider” for purposes of the Company’s policy on trading in the Common Shares (as defined in each of the Plans) and that Transferee is bound by the terms of such policy as if it were the Transferor, including the requirement to obtain pre-authorization before selling or transferring any Common Shares.

2.9 Securities Disclosure. Transferee acknowledges the Company has a class of securities registered with the Securities and Exchange Commission (“SEC”) pursuant to Section 12 of the Securities Exchange Act of 1934, as amended (“Exchange Act”) and is a former shell company. Transferee agrees that it shall comply (at its own expense) with all obligations imposed upon it and its affiliates pursuant to the Exchange Act and the rules and regulations of the SEC promulgated pursuant thereto, including, without limitation, its obligation to make all required beneficial ownership filings in accordance with Regulation 13D-G and Section 16 of the Exchange Act.

2.10 Clawback Policy. Transferee acknowledges and agrees that Transferor is subject to any compensation recovery or “clawback” policies as may be in effect from time to time with respect to incentive compensation that may be earned by the Transferor from the Company and that Transferee is bound by the terms of any such policy.

2.11 Cooperation. Transferee shall reasonably cooperate with the Company, including but not limited to (i) providing information and documentation from time to time regarding the holdings, activities and structure of Transferee and the Trust as the Company determines in good faith to be necessary or appropriate to comply with applicable law, (ii) to enter into any agreement necessary for the Company or any of its affiliates to obtain or retain any regulatory approval, consent, license or other regulatory authorization or (iii) to ensure compliance with the terms of this Agreement and any Company policy referenced herein.

3. REPRESENTATIONS AND WARRANTIES OF TRANSFEROR. Transferor represents and warrants to the Company and Transferee that:

3.1 No Consideration. No consideration is being furnished to Transferor in exchange for transferring the Units pursuant to this Agreement.

3.2 Participant. Transferor is a “Participant,” as defined in each of the Plans.

3.3 Title. Transferor has valid title to the Transferred Units, free and clear of any pledge, lien, security interest, encumbrance, claim or equitable interest other than pursuant to the Plan and the Award Agreements.

3.4 Consents. All consents, approvals, authorizations and orders required for the execution and delivery of this Agreement and the transfer of the Units under this Agreement have been obtained and are in full force and effect.

3.5 Authority. Transferor has full legal right, power and authority to enter into and perform its obligations under this Agreement and to transfer the Units pursuant to the terms and conditions of this Agreement.

3.6 Taxes. Transferor shall continue to be solely liable for any tax liability with respect to the Transferred Units at all times, including but not limited to federal and state income and employment taxes, interest and penalties (collectively, the “*Tax Liability*”); provided, however, that the Company acknowledges and agrees that, in the instrument effectuating the transfer of the Transferred Units, Transferor and Transferee may agree that Transferee shall assume the responsibility of discharging the Tax Liability; and provided further, that, if Transferee assumes the responsibility of discharging the Tax Liability, the Parties agree that such assumption of liability shall not be treated as consideration for any purpose of this Agreement. Except as otherwise may be agreed to among the Parties in writing, the Company shall collect from Transferor applicable withholding taxes (as determined by the Company in accordance with applicable law and applicable Company procedures) on any compensation taxable to Transferor in connection with the Transferred Units. Any sell-to-cover transactions, if permitted under the terms of an applicable Award Agreement, are subject to the approval of the Company, including under the terms of the Insider Trading Policy, and any such instructions must be duly submitted to the Company by the Transferee in accordance with the Company’s applicable requirements.

3.7 Stock Ownership Guidelines. Common Shares transferred under this Agreement shall be treated as beneficially owned by Transferor for purposes of the Company’s stock ownership guidelines.

3.8 Additional Stock Transfers. Transferor agrees that any additional transfers of Company’s equity securities transferred from by the Transferor to the Transferee shall be subject to the voting provisions as set forth in Section 5 below.

4. TRANSFEEE’S RIGHTS AND RESTRICTIONS

4.1 No Additional Rights. The transfer of the Transferred Units does not create in Transferee, and shall not be construed to create, any greater rights than were held by Transferor under the terms of the respective Plans and the Employment Agreement. Except as hereafter amended, the Transferred Units remain subject to the terms of the respective Plans and Employment Agreement at the time of this transfer, including without limitation the terms controlling tax withholding, transfer, and termination.

4.2 Transferability. A Transferee may not transfer any portion of the Transferee’s rights, title or interest in the Transferred Units or the Common Shares received upon settlement of Transferred Units other than by will or the laws of descent and distribution, either with consideration to a third party or without consideration to a beneficiary of Transferee, without the express prior written consent of the Committee, which may be withheld for any or no reason in the Committee’s sole discretion.

4.3 Amendments. The power to consent to an amendment to this Agreement by the Company that impairs the rights of Transferee with respect to the Transferred Units shall lie exclusively with Transferee.

4.4 Condition Precedent to Issuing Shares. No Common Shares shall be issued by the Company pursuant to the Transferred Units to the Transferee unless and until adequate provision has been made (whether by payment from Transferor or Transferee in accordance with Section 3.6), in the sole opinion of the Company, for any federal, state, local and foreign withholding obligations of the Company or an affiliate of the Company that may arise in connection with the Transferred Units.

4.5 Valuation. The Company is under no obligation at any time to aid Transferor or Transferee in establishing the value of the Transferred Unit for any purpose.

5. VOTING AGREEMENT

As a condition for entering into this Agreement, the Transferee shall enter into a Voting Agreement in substantially the same form as attached hereto as Exhibit D. Transferor shall provide such evidence of compliance with the Voting Agreement as may reasonably be requested by the Company.

6. GENERAL PROVISIONS.

6.1 Acknowledgment of Risks. Transferee acknowledges that the acquisition of the Transferred Units involves a risk in that Transferee may not be able to liquidate Transferee's investment in the Common Shares at convenient times or at desired market prices, and that the transferability of the Transferred Units is extremely limited. Transferee represents that Transferee can bear the Tax Liability and economic risk of the investment in the acquisition of Common Shares to be received upon the settlement of the Transferred Units.

6.2 Tax Acknowledgments. Transferor and Transferee further acknowledge each has consulted with their own attorney and tax and estate planning professionals regarding the transfer of the Transferred Units pursuant to the terms and conditions of this Agreement. Transferor and Transferee have each reviewed with its own tax advisors the federal, state, local and foreign tax consequences of the transfer of the Transferred Units and the vesting and settlement thereof, including but not limited to federal and applicable state gift taxes and compliance with Section 409A of the Code. Transferor and Transferee are each relying solely on such advisors and not on any statements or representations of the Company or any counsel, advisor or agent of the Company. Transferee and Transferor assume sole responsibility for the Tax Liability or other liability that arise as a result of the transfer of the Transferred Units under this Agreement, the settlement of the Transferred Units, or any other liability that arises as a result of the Transferred Units.

6.3 Indemnity. Transferor individually and jointly with Transferee agrees to indemnify and hold the Company harmless against any and all liabilities resulting from any inaccuracy in or breach of any of the representations and warranties contained in this Agreement or resulting from the Company participating in effecting this Agreement.

6.4 Entire Agreement. The Plans and the Award Agreements are incorporated herein by reference. The Plans, the Employment Agreement, the Voting Agreement and this Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of Transferee and Transferor with respect to the subject matter hereof, and may not be modified by either party hereto except by means of a writing signed by both Transferee and Transferor, in accordance with the terms of the Plan, the Award Agreements and the Voting Agreement. No provisions in the trust agreement applicable to Transferee shall be binding on the Company.

6.5 Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered will be deemed an original, and all of which together shall constitute one and the same agreement.

6.6 Severability. If any provision of this Agreement is determined by any court or arbitrator of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such provision will be enforced to the maximum extent possible given the intent of the parties hereto. If such clause or provision cannot be so enforced, such provision shall be stricken from this Agreement and the remainder of this Agreement shall be enforced as if such invalid, illegal or unenforceable clause or provision had (to the extent not enforceable) never been contained in this Agreement. Notwithstanding the forgoing, if the value of this Agreement based upon the substantial benefit of the bargain for any party is materially impaired, which determination as made by the presiding court or arbitrator of competent jurisdiction shall be binding, then all parties agree to substitute such provision(s) through good faith negotiations.

6.7 Confidentiality. Each of Transferor and Transferee agrees that it will keep confidential and will not disclose or use for any purpose any information about the terms of this Agreement and the transactions contemplated hereby and any confidential information obtained from the Company in connection herewith, unless any such information (a) is known or becomes known to the public in general (other than as a result of a breach of this Agreement by the disclosing party), such as is required to comply with federal securities laws or (b) is or has been made known or disclosed to the disclosing party by a third party without a breach of any confidentiality obligations by such third party; provided, however, that either Transferor or Transferee may disclose such information (i) to its attorneys, accountants, consultants and other professionals to the extent necessary to obtain their services in connection with the transfer and ownership of the Units, provided that such persons agree to maintain the confidentiality of such information in accordance herewith; (ii) to any affiliate in the ordinary course of business, provided that such affiliate agrees to maintain the confidentiality of such information in accordance herewith; or (iii) as may be required by law, provided that the disclosing party promptly notifies the other parties hereto in advance of such disclosure and agrees to cooperate to take reasonable steps to minimize the extent of any such required disclosure.

6.8 Actions by the Transferee. Unless otherwise agreed to by the Parties, the managing member of the Transferee shall possess the sole power to take actions on behalf of the Transferee with respect to the Transferred Units, the shares of the Company's common stock received on settlement of Transferred Units and this Agreement. Any written instruction from the managing member of the Transferee shall include representations that such action is duly authorized under the Transferee's operating agreement and instructions received from Brown Advisory Trust Company of Delaware, LLC.

6.9 Termination Agreement. This Agreement shall terminate and have no further force or effect upon the earlier to occur of (i) the dissolution and liquidation of Transferee in accordance with its terms, (ii) the sale or disposition of all RSUs, PSUs, and Common Shares to third parties in bona fide sale transactions with a third party or distributions to members of Transferee, and (iii) the death of Transferor.

6.10 Effective Date. This Agreement shall become effective upon its execution by all parties here.

6.11 Governing Law. This Agreement shall be governed by the laws of the State of Delaware, except for that body of law pertaining to conflicts of laws.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized representative and Transferor and Transferee have each executed this Agreement, as of the Effective Date.

TRANSFEROR:

By: /s/ A. Lorne Weil
Address: _____

TRANSFEEE:

By: /s/ Carly M. Weil
Name: Carly M. Weil
Title: Manager
Address: _____

COMPANY: INSPIRED ENTERTAINMENT, INC.

By: /s/ Carys Damon
Name: Carys Damon
Its: General Counsel
Address: 250 West 57th Street, Suite 415
New York, NY 10107

Attachments

- Exhibit A - Transferor's Outstanding RSUs and PSUs and Transferred Units
- Exhibit B - RSU Provisions for Transferred Units
- Exhibit C - PSU Provisions for Transferred Units
- Exhibit D - Voting Agreement

EXHIBIT A

Transferor's Outstanding RSUs and PSUs and Transferred Units

Restricted Stock Units

Grant Date	Total RSUs	Transferred RSUs	Transferred RSUs that are Vested RSUs
December 21, 2017	926,272	926,272	926,272
May 11, 2021	165,000	165,000	80,000
February 14, 2022	8,373	8,373	0
February 14, 2023	16,719	16,719	0
March 8, 2024	40,000	40,000	0

Performance Stock Units

Target Type	Grant Date	Total PSUs	Transferred PSUs	Transferred PSUs that are Vested PSUs
(1)	May 11, 2021	187,500	187,500	125,000
(2)	May 11, 2021	397,500	397,500	300,000
(1)	February 14, 2022	25,117	25,117	0
(1)	February 14, 2023	11,693	11,693	0
(1)	May 9, 2023	125,000	125,000	0
(2)	May 9, 2023	125,000	125,000	31,250
(1)	March 8, 2024	40,000	40,000	0

(1) Adjusted EBITDA

(2) Stock Price

EXHIBIT B

**RSU Provisions
for Transferred Units**

Restricted Stock Unit Award Agreement dated December 21, 2017
Restricted Stock Unit Award Agreement dated February 14, 2022
Restricted Stock Unit Award Agreement dated February 14, 2023
Restricted Stock Unit Award Agreement dated March 8, 2024
Section 6 of the Employment Agreement

EXHIBIT C

PSU Provisions
for Transferred Units

Performance Unit Award Agreement dated February 14, 2022
Performance Unit Award Agreement dated February 14, 2023
Performance Unit Award Agreement dated March 8, 2024
Section 6 of the Employment Agreement

EXHIBIT D

Voting Agreement

Inspired Entertainment, Inc. Insider Trading Policy

INSPIRED ENTERTAINMENT, INC.
INSIDER TRADING POLICY
Updated: February 11, 2025.

Introduction

Inspired Entertainment, Inc. is a Delaware corporation (the “Company” or “Inspired”). The Company’s shares are publicly traded on the NASDAQ stock exchange. The purchase and sale (called “trading in”) of the Company’s stock or other securities is subject to the rules of the Securities and Exchange Commission (“SEC”), an agency of the U.S. government. U.S. law provides for substantial criminal and civil penalties for persons trading while in possession of material, non-public information, also called inside information. This is true for “insiders” and those receiving such information from insiders, often called “tippees.” And, so long as you work for or provide services to the Company or one of its subsidiaries or have material non-public information the law and this Policy related to the Company stock or other securities applies to you and to tippees, regardless of where you work or live.

Directors, officers, employees, and consultants of the Company and its subsidiaries are considered “insiders” for purposes of U.S. securities laws. As such, they may not purchase or sell Company stock or other securities, while in possession of material non-public information, and they may not provide such information to third-persons so that such third-persons may trade.

In order to help achieve compliance with these laws, the Board of Directors has approved this policy (“Policy”).

Please read this document very carefully. Then sign it and return a copy of the policy to Inspired Entertainment, Inc., First Floor, 107 Station Street, Burton on Trent, Staffs DE14 1SZ or by email to Simona.Camilleri@inseinc.com Attention: General Counsel.

The Insider Trading Policy

It is a violation of law and this Policy to purchase or sell Company stock or other securities while in possession of material non-public information.

It is a violation of law and this Policy to provide material non-public information to third-persons about Inspired and its current or potential vendors and customers, or to advise third-persons (including trusts and donees) as to suggested purchases or sales of securities of Inspired or its current or potential vendors and customers when your are in possession of material nonpublic information.

It is a violation of this Policy and may be a violation of law to purchase or sell stock or other securities of our current or potential vendors ,customers or other companies based on material non-public information obtained while employed or affiliated with Inspired.

For purposes of this Insider Trading Policy, references to “trading” and all “transactions” in securities (examples include stock, bonds, warrants, other debt instruments) of the Company (or any other publicly traded company) include purchases or sales of Company (or such other publicly traded company) shares, bonds, options, puts and calls, as well as sales of shares acquired upon the exercise of shares options, gifts, loans, hedging transactions, contributions to a trust and any other transfer of shares or other securities, and trades in shares or other securities made under an employee benefit plan, such as a 401(k) plan.

In addition to limitations on trading, the policy also imposes certain reporting requirements on certain executive officers and directors of the Company set forth below.

Violations of this Policy should be reported promptly to the General Counsel and may result in disciplinary action, including termination of employment and referral to government authorities for prosecution.

Civil and Criminal Penalties

The legal consequences of insider trading violations can be serious:

For individuals who trade on inside information (or tip information to others):

- A civil penalty of up to three times the profit gained or loss avoided;
- A criminal fine (no matter how small the profit) of up to the greater of \$5 million, twice the pecuniary gain derived from the offense, or twice the pecuniary loss to persons other than the defendant, resulting from the offense; and
- A jail term of up to twenty years per violation.

Violations of these laws may also have adverse legal consequences for the Company (as well as possibly any supervisory person) that fails to take appropriate steps to prevent illegal trading.

Compliance

The Company has appointed the Company's General Counsel as the Company's Insider Trading Compliance Officer (the "**Compliance Officer**").

If you have any questions, please feel free to contact the Compliance Officer.

**INSPIRED ENTERTAINMENT, INC.
INSIDER TRADING POLICY**

I. Restrictions Apply Post-Employment

This policy applies to you while you work for the Company or one of its subsidiaries or provide services to it, and continues to apply after termination of employment or involvement with the Company to the extent that a former Covered Person is in possession of material nonpublic information at the time of termination. In such case, no trading may take place until the information becomes public or ceases to be material.

II. Material information

Is any information that a reasonable investor would consider important in a decision to buy, hold, or sell shares. Either positive or negative information may be material. Common examples of information that will frequently be regarded as material are:

- financial results;
 - information relating to the Company's stock exchange listing or SEC regulatory issues;
 - information regarding regulatory review of Company products;
 - intellectual property and other proprietary/scientific information;
 - projections of future earnings or losses;
 - the fact that earnings are inconsistent with guidance or expectations;
 - a pending or proposed merger, joint venture, acquisition or other material contractual arrangement or customer win or loss or write-offs;
 - a significant sale of assets or the disposal of a subsidiary or business unit;
 - joint ventures/commercial partnerships with third parties;
 - gain or loss of a substantial customer or supplier;
 - capital investment plans;
 - changes in dividend policies or the declaration of a shares split or the offering of additional securities;
 - changes in Board members, officers or other key employees;
 - significant new products or other development works;
 - significant legal or regulatory exposure due to a pending or threatened lawsuit or investigation by gaming authorities or other relevant governmental authorities; and
 - new equity or debt offerings or impending bankruptcy or other financial liquidity problems.
-

III. When Information is Public

Law and this Policy forbid trading while in possession of “material information” that has not been disclosed (i.e. not been made available) to the marketplace (i.e. to all potential buyers and sellers). Examples of disclosure that would be considered “material information” include a press release or a filing with the SEC. The public must also be given time to consider the material information even after disclosure so that the law only considers material information as public once fully absorbed by the marketplace — generally the end of the second business day after the information is released.

Law and this Policy also prohibit disclosing (“tipping”) material information to any other person (including family members) where such information may be used by such person to his or her profit by trading in the securities of companies to which such information relates, nor shall such Insider or related person make recommendations or express opinions while in possession of material information as to trading in the Company’s securities.

IV. Transactions under Company Equity Plans

Although this policy does not apply to the exercise of employee stock options, it does apply to the sale of common shares received upon exercise. In addition, it applies to the sale as part of a broker-assisted cashless exercise of a stock option and the market sale for the purpose of raising cash to fund the exercise of an option. This policy also applies to the following elections under a 401(k) plan (if and when the Company makes Company shares an investment alternative under a 401(k) plan):

- increasing or decreasing periodic contributions allocated to the purchase of Company shares;
- intra-plan transfers of an existing balance in or out of Company shares;
- borrowing money against the account if the loan results in the liquidation of any portion of Company shares; and
- pre-paying a loan if the pre-payment results in allocation of the proceeds to Company shares.

V. Transactions by “Related Parties”

The same restrictions described in this policy apply to “Related Parties” including:

- your spouse, minor children, anyone else living in your household;
 - partnerships in which you are a partner;
 - limited liability companies in which you are a managing member,
 - trusts of which you are a trustee; and
 - estates of which you are an executor.
-

Covered Persons are expected to be responsible for compliance with this policy by their Related Parties.

VI. Confidentiality Obligations

Nothing in this Policy lessens the obligation of every employee to maintain as private the confidential and property interests of the Company covered in our other Policies.

Nonpublic information relating to the Company is the property of the Company and the unauthorized disclosure of such information (including, without limitation, via email or by posting on Internet message boards, blogs or social media) except as it is permitted by law, is strictly forbidden,

VII. Avoiding Selective Disclosure

The Company and those who speak on its behalf are also required by law (Regulation FD (Fair Disclosure)) to avoid the selective disclosure of material nonpublic information. Compliance with Regulation FD is required by this Policy through procedures for the release of material information to achieve broad public dissemination of that information. Accordingly, no Covered Person may disclose material nonpublic information to any person outside the Company, except in accordance with these procedures. This prohibition extends to discussions concerning the Company on social media.

It is the Company's policy that all communications with the press be handled through our Executive Chairman, President & CEO, Chief Financial Officer, General Counsel, or our Director of Communications.

Please refer all press, analyst or similar requests for information to the Company's Investor Relations function at IR@inseinc.com (Phone: +1 646 277 1285) and do not respond to any inquiries without prior authorization. If the Company's Investor Relations is unavailable, the Company's Director of Communications will fill this role.

VIII. Additional Prohibited Transactions

Short-term or speculative transactions involving the Company's securities are not allowed.

Covered Persons, and their Related Parties, should not engage in any of the following activities with respect to securities of the Company:

1. Purchases of shares of the Company on margin (although you may pledge Company securities, including as part of a margin account, you should be aware that sales of such securities could have securities law implications for you, including under Section 16 of the Exchange Act);
2. Short sales (i.e., selling shares you do not own and borrowing the shares to make delivery). The SEC effectively prohibits officers and directors from selling Company shares short. We are simply expanding this rule to cover all Covered Persons; and
3. Buying or selling puts, calls or other derivatives in respect of securities of the Company.

Although the Company discourages speculative hedging transactions, the Company may allow specific long-term hedging transactions that are designed to protect an individual's investment in Company shares (i.e., the hedge must be for at least six months and relate to shares or options held by the individual). **If you wish to engage in any such transaction, you must pre-clear it in accordance with the pre-clearance procedures described below, whether or not you are otherwise subject to pre-clearance obligations.** Because these activities raise issues under the U.S. federal securities laws, any person intending to engage in permitted hedging transactions is strongly urged to consult legal counsel.

IX. Closed Periods — For Directors, Officers and Certain Other Personnel with Access to Company Results

The Company's announcement of quarterly or annual financial results has the potential to have a material impact on the market for the Company's securities. Therefore, to avoid even the appearance of trading while aware of material nonpublic information, persons who are or may be expected to be aware of quarterly or annual financial results will be subject to a prohibition on trading until such information has been publicly disseminated. Thus, in addition to the general rule that Covered Persons may not effect transactions in Company securities while in possession of material information until such time as the information becomes public or is no longer material, **the following persons, and their Related Parties, may not effect any transactions in Company securities from the first day of any fiscal quarter through to the second business day following the public release of earnings for the prior fiscal quarter* (or prior fiscal year in the case of the fourth fiscal quarter) or, if the earnings release is issued prior to the opening of the market on a given day, the next business day following the day of release:**

- Directors and their secretaries and/or other assistants;
 - Executive officers and their secretaries and/or other assistants;
 - Employees and consultants in the finance, accounts and legal departments; and
 - Employees and consultants in other departments who have regular access to material nonpublic information or who receive on a regular basis information that could include or relate to the earnings of the Company or to substantial transactions of the Company.
-

You should be aware that the Closed Period described above may be modified by the Company at any time. In addition, the Company may from time to time determine that trading in the Company's securities is inappropriate at a time that is outside the Closed Period and, accordingly, may impose a Closed Period at any time. Each person is individually responsible at all times for compliance with the prohibitions against insider trading. Trading in the Company's securities during the Trading Window should not be considered a "safe harbor," and all directors, officers and other persons should use good judgment at all times.

Persons subject to the Closed Period restrictions whose employment with the Company terminates during a Closed Period will remain subject to the restrictions until the end of such period.

X. Pre-Clearance of Securities Trades By Directors, Executive Officers and Certain Other Personnel with Access to Information Concerning Potential Material Developments

To provide assistance in preventing inadvertent violations of the law and avoiding even the appearance of an improper transaction (which could result, for example, where an officer, director or consultant engages in a trade while unaware of a pending major development), the Company has implemented the following procedure:

- **All transactions in securities of the Company by the persons who are subject to the Closed Period of the preceding section, and their Related Parties, must be pre-cleared with the Company's Compliance Officer.**
- **Persons subject to these restrictions should contact the Compliance Officer/General Counsel, and may not effect transactions subject to the pre-clearance request unless given clearance to do so, which clearance, if granted, will be valid only for three business days. Such business days commencing on the day following clearance. If a transaction for which clearance has been granted is not implemented (i.e., the trade is not placed) within the three business days following approval, the transaction must be pre-cleared again.**

For purposes of the pre-clearance procedures, "transactions in securities" would cover purchases or sales of Company (or such other publicly traded company covered by this policy) shares, bonds, options, warrants, puts and calls, as well as sales of shares acquired upon the exercise of options, warrants, gifts, loans, hedging transactions, contributions to a trust and any other transfer of shares, and trades in shares made under an employee benefit plan, such as a 401(k) plan.

To the extent that a material event or development affecting the Company remains non-public, persons subject to pre-clearance will not be given permission to effect transactions in Company securities. Such persons may not be informed of the reason why they may not trade. Any person who is made aware of the reason for an event-specific prohibition on trading should in no event disclose the reason for the prohibition to third parties, and should avoid disclosing the existence of the prohibition, if possible.

Be aware that the implementation of the pre-clearance procedures are at the sole discretion of the Company and the operation of the same may delay the disposal of any shares after they are purchased.

XI. 10b5-1 Plans.

The SEC has adopted a safe harbor rule, Rule 10b5-1, which provides a defense against insider trading liability for trades that are implemented pursuant to a pre-arranged trading plan that meets specified conditions. The trading plans must be properly documented and all of the procedural conditions of the Rule must be satisfied to avoid liability.

Rule 10b5-1 plans allow trades to occur including during Closed Periods by giving control to implement pre-planned transactions in Company securities to a third party. After establishing the plan, the insider may not exercise any subsequent influence over how, when or whether to implement sales. In addition to other specified conditions, a Rule 10b5-1 plan would specify in writing in advance the amount of securities to be sold and a price at which and the date on which the securities are to be sold.

After adopting a valid Rule 10b5-1 plan, the insider will have an affirmative defense that a sale under the plan was not made on the basis of material nonpublic information.

The Company will treat the creation, modification or termination of a pre-planned trading program or arrangement established to meet the requirements of Rule 10b5-1 as a transaction subject to pre-clearance at the time the plan is established, modified or terminated. Even though each transaction effected under a Rule 10b5-1 plan does not need to be pre-cleared, it nonetheless must be reported on a Form 4 (within two business days from the date of execution, or where the insider does not select the transaction date, the earlier of two business days after notice of the trade or three business days after the actual trade date). Persons subject to the pre-clearance policy should coordinate any such plans or arrangements with the Company's Compliance Officer.

Transactions effected pursuant to a properly established and Company-approved Rule 10b5-1 plan will not be subject to Closed Periods.

XII. Additional Reporting Requirements

Section 16 of the Exchange Act generally requires directors and executive officers of the Company (the "Section 16 Insiders") to disclose to the Company any profit realized from any purchase and sale, or any sale and purchase, of equity securities of the Company within any 6-month period, irrespective of the intention of such Section 16 Insider when he or she entered into the transactions, subject to certain exceptions. In addition, Section 16 of the Exchange Act also requires Section 16 Insiders to file certain information with respect to their beneficial ownership of equity securities.

The Company will seek to inform those people who are Section 16 Insiders, otherwise you should contact the Company's Compliance Officer if you need to confirm whether you are a Section 16 Insider and to receive additional information with respect to your obligations as a Section 16 Insider.

XIII. Individual Responsibility

Every person subject to this Policy has the individual responsibility to comply with this Policy against insider trading, regardless of whether the Company has established a Trading Window applicable to that Insider or any other Insiders of the Company. Each individual is responsible for his or her own actions and will be individually responsible for the consequences of their actions. Therefore, appropriate judgment, diligence and caution should be exercised in connection with any trade in the Company's securities. An Insider may, from time to time, have to forego a proposed transaction in the Company's securities even if he or she planned to engage in the transaction before learning of the material nonpublic information and even though the Insider believes he or she may suffer an economic loss or forego anticipated profit by waiting.

XIV. Applicability of Policy to Inside Information Regarding Other Companies

This Policy and the guidelines described herein also apply to material information relating to other companies, including the Company's customers, vendors or suppliers ("business partners"), when that information is obtained in the course of employment with, or other services performed on behalf of the Company. Civil and criminal penalties, as well as termination of employment, may result from trading on material information regarding the Company's business partners. All Insiders should treat material information about the Company's business partners with the same care as is required with respect to information relating directly to the Company.

XV. Assistance and Duties of the Compliance Officer

Any person who has any questions about this policy statement or about specific transactions may contact the Company's General Counsel, who also serves as the Company's Compliance Officer. Notwithstanding this, the ultimate responsibility for adhering to the Policy and avoiding improper transactions rests with each Covered Person. In this regard, it is imperative that you use your best judgment and ask before acting if you are unsure.

The Compliance Officer has been designated by the Board to handle any and all matters relating to the Company's Insider Trading Policy. Certain of those duties may be delegated to outside counsel with special expertise in securities issues and relevant law. The duties of the Compliance Officer shall include the following:

- A. Managing the implementation of Closed Periods and pre-clearing all transactions involving the Company's securities by the Section 16 Insiders and those individuals having regular access to material non-public information;
- B. Assisting in the preparation and filing of Section 16 reports (Forms 3, 4 and 5) for all Section 16 Insiders;
- C. Performing periodic reviews of available materials to determine trading activity by directors, officers and others who have, or may have, access to material non-public information; and
- D. Circulating the Policy (and/or a summary thereof) to all Covered Persons, including Section 16 Insiders, on an annual basis, and providing the Policy and other appropriate materials to new officers, directors and others who have, or may have, access to material non-public information.

XVI Duty to Report Inappropriate and Irregular Conduct

All Covered Persons have a responsibility for maintaining integrity within the Company, consistent with both U.S. federal and state securities laws and any other applicable laws in a jurisdiction in which a Covered Person is engaged or otherwise operates. Any employee who becomes aware of violation of securities law or this policy must report it to the Compliance Officer or the Ethics or Whistleblower Hotline. For a more complete understanding of this issue, Covered Persons should consult the Company's Whistle Blowing Policy and or seek the advice of the Company's Compliance Officer.

Signature Page to Follow.

STATEMENT OF ACKNOWLEDGMENT

If you are a Covered Person who has been designated as a Section 16 Insider or who is otherwise covered by the Closed Period provisions described in Section IV of the accompanying Policy, please sign one copy below and return it to the Company's Compliance Officer at: Inspired Entertainment, Inc., First Floor, 107 Station Street, Burton on Trent, Staffs DE14 1SZ or by email to simona.camilleri@inseinc.com Attention: General Counsel

I have read and I understand the Inspired Entertainment, Inc. Insider Trading Policy, and I agree to comply with all of its requirements. I understand that failure to do so can result in termination of employment or other contractual relationship, among other penalties.

Name:

Signature: _____

Date:

INSPIRED ENTERTAINMENT, INC. PRE-CLEARANCE REQUEST FORM

To: Inspired Entertainment, Inc. (the “**Company**”)

Insider Trading - Compliance Officer

From: _____

Position: _____

Re: **Proposed Transaction in the Company’s Securities**

I certify that:

1. I have read and understand the Inspired Entertainment, Inc. Insider Trading Policy dated [DATE] which, among other things, restricts trading during closed periods and requires that I receive clearance during open periods prior to engaging in a transaction in the Company’s securities.
2. I am not in possession of material non-public Information (as defined in the Policy) about the Company and will not enter into the transaction if I come into possession of material non-public Information about the Company.
3. I presently intend to engage in the following transaction(s) (please describe below or on a separate attached sheet, if necessary):

Number and type of securities that I (or a related party as defined in the Policy) propose to buy, sell or otherwise acquire, dispose of or transfer (insert description of the proposed transaction):

Proposed transaction date or range of dates: _____

I agree to advise the Company promptly if, as a result of future developments, any of the foregoing information becomes inaccurate or incomplete in any respect. I understand that the Company may require additional information about the transaction, and I agree to provide such information upon request.

Very truly yours,

Date: _____

Signature: _____

Name: _____

INSPIRED ENTERTAINMENT, INC.

Section 16 Reporting Officers and Directors

Transactions Report

This is to remind you that if there is a change in your beneficial ownership of Common Stock or other securities of Inspired Entertainment, Inc., you must file a Form 4 report with the Securities and Exchange Commission (the "SEC") by the second business day following the transaction.

Please furnish the information below regarding your transactions in Company securities to the Company's Compliance Officer on the date of your transaction so that we can assist you in the preparation of the Form 4.

Officer or Director: _____

I. TRANSACTIONS DESCRIBED BELOW (or attach summary of transactions to this form):

Owner's Name (you, family member or other related party)	Transaction Date (1)	Transaction Type (2)	Number of Securities Acquired	Number of Securities Disposed of	Purchase/ Sale Price

(1) Transaction Date:

- | | |
|--|--|
| (a) Brokerage transactions - trade date | (d) Acquisitions under stock bonus plan - date of grant |
| (b) Other purchases and sales - date firm commitment is made | (e) Conversion - date of surrender of convertible security |
| (c) Option or warrant exercises - date of exercise | (f) Gifts - date on which gift is made |

(2) Transaction Type:

- | | |
|---|--|
| (a) Purchase or sale (not involving trading plan) | (e) Payment of exercise price or tax liability upon exercise or vesting of award by delivering or withholding shares |
| (b) Trading plan purchase or sale | (f) Transfer pursuant to marital settlement |
| (c) Gift | (g) Acquisition or disposition by will or inheritance |
| (d) Option or warrant exercise | (h) Other acquisition or disposition (specify) |

II. SECURITIES OWNERSHIP FOLLOWING TRANSACTION (securities directly and indirectly owned):

Number and Type of Shares (common stock, options, warrants)	Name of Owner (you, family member or other related party)	Relationship

SUBSIDIARIES

Entity Name	Jurisdiction of Incorporation
DMWSL 633 Limited	England
DMWSL 632 Limited	England
DMWSL 631 Limited	England
Inspired Gaming (USA) Inc.	U.S., State of Delaware
Inspired Entertainment Lotteries LLC	U.S., State of Delaware
Inspired Entertainment (Financing) PLC	England
Gaming Acquisitions Limited	England
Inspired Gaming Group Limited	England
Inspired Gaming (Holdings) Limited	England
Inspired Gaming (International) Limited	England
Inspired Gaming (UK) Limited	England
Inspired Gaming Limited	England
Leisure Link Electronic Entertainment Limited	England
Revolution Entertainment Systems Holdings Limited	England
Revolution Entertainment Systems Limited	England
115CR (150) Limited	England
Inspired Gaming (Gibraltar) Limited	Gibraltar
Inspired Gaming Pension Trustees Limited	England
Inspired Gaming (Colombia) Limited	England
Inspired Gaming (Italy) Limited	England
Inspired Gaming (Greece) Limited	England
Inspired Software Development (India) LLP	India
Gamestec Leisure Limited	England
Indigo Newco Limited	England
IPD Games LTDa	Brazil
Playnation Limited	England
Inspired Entertainment (Malta) Holdings Limited	Malta
Inspired Entertainment (Malta) Limited	Malta

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM'S CONSENT

We consent to the incorporation by reference in the Registration Statement of Inspired Entertainment, Inc. and Subsidiaries on Form S-8 (File Nos. 333-219295, 333-222238, 333-226909, 333-231471, 333-256394 and 333-277760) and Form S-3 (File Nos. 333-217215 and 333-256175) of our report dated March 26, 2025, with respect to our audits of the consolidated financial statements of Inspired Entertainment, Inc. and Subsidiaries as of December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024 and our report dated March 26, 2025 with respect to our audit of internal control over financial reporting of Inspired Entertainment, Inc. and Subsidiaries as of December 31, 2024, which reports are included in this Annual Report on Form 10-K of Inspired Entertainment, Inc. and Subsidiaries for the three years ended December 31, 2024.

/s/ Marcum LLP

Marcum LLP
New York, NY
March 26, 2025

CERTIFICATION

I, A. Lorne Weil, certify that:

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

Date: March 26, 2025

/s/ A. Lorne Weil

A. Lorne Weil
Executive Chairman
(Principal Executive Officer)

CERTIFICATION

I, James Richardson, certify that:

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

Date: March 26, 2025

/s/ James Richardson

James Richardson
Chief Financial Officer
(Principal Financial and Accounting Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Inspired Entertainment, Inc. (the "Company") on Form 10-K for the fiscal year ended December 31, 2024, as filed with the Securities and Exchange Commission (the "Report"), I, A. Lorne Weil, Executive Chairman of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. To my knowledge, the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the period covered by the Report.

Dated: March 26, 2025

By: */s/ A. Lorne Weil*

A. Lorne Weil
Executive Chairman
(Principal Executive Officer)

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

**18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Inspired Entertainment, Inc. (the "Company") on Form 10-K for the fiscal year ended December 31, 2024, as filed with the Securities and Exchange Commission (the "Report"), I, James Richardson, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

Dated: March 26, 2025

By: /s/ James Richardson

James Richardson
Chief Financial Officer
(Principal Financial and Accounting Officer)

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.
