REFINITIV

DELTA REPORT

10-Q

EVRI - EVERI HOLDINGS INC.

10-Q - JUNE 30, 2024 COMPARED TO 10-Q - MARCH 31, 2024

The following comparison report has been automatically generated

TOTAL DELTAS	1136
CHANGES	171
DELETIONS	450
ADDITIONS	515

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2024 June 30, 2024

OR

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

For the transition period from to

Commission file number: 001-32622

EVERI HOLDINGS INC.

(Exact name of registrant as specified in its charter)

Delaware	**20-0723270**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
7250 S. Tenaya Way, Suite 100	
Las Vegas	
Nevada	**89113**
(Address of principal executive offices)	(Zip Code)

(800) 833-7110

(Registrant's telephone number, including area code)

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

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock, $0.001 par value	EVRI	New York Stock Exchange

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

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

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

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

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

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

As of May 3, 2024 August 2, 2024, there were 84,075,849 85,323,580 shares of the registrant's $0.001 par value per share common stock outstanding.

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PART I: FINANCIAL INFORMATION

Item 1. Financial Statements.

EVERI HOLDINGS INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(In thousands, except earnings per share amounts)

		Three Months Ended March 31,		Three Months Ended June 30,		Six Months Ended June 30,	
		2024	2023	2024	2023	2024	2023
Revenues	**Revenues**						
Games revenues	**Games revenues**						
Games revenues							
Games revenues							
Gaming operations							
Gaming operations							
Gaming operations							
Gaming equipment and systems							
Games total revenues							
FinTech revenues	**FinTech revenues**						
Financial access services							
Financial access services							
Financial access services							
Software and other							
Hardware							
FinTech total revenues							
Total revenues							
Costs and expenses	**Costs and expenses**						
Games cost of revenues(1)	**Games cost of revenues**(1)						
Games cost of revenues(1)							
Games cost of revenues(1)							
Gaming operations							
Gaming operations							
Gaming operations							
Gaming equipment and systems							
Games total cost of revenues							
FinTech cost of revenues(1)	**FinTech cost of revenues**(1)						
Financial access services							
Financial access services							
Financial access services							
Software and other							
Hardware							
FinTech total cost of revenues							
Operating expenses							
Research and development							
Depreciation							
Amortization							
Total costs and expenses							
Operating income							
Other expenses	**Other expenses**						
Interest expense, net of interest income							
Interest expense, net of interest income							
Interest expense, net of interest income							
Total other expenses							

Income before income tax	
Income tax provision	
Net income	
Foreign currency translation loss	
Foreign currency translation gain (loss)	
Comprehensive income	

(1) 1. Exclusive of depreciation and amortization.

EVERI HOLDINGS INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME - CONTINUED
(In thousands, except earnings per share amounts)

		Three Months Ended March 31,			Three Months Ended June 30,		Six Months Ended June 30,	
		2024	2023		2024	2023	2024	2023
Earnings per share	**Earnings per share**			**Earnings per share**				
Basic								
Diluted								
Weighted average common shares outstanding	**Weighted average common shares outstanding**			**Weighted average common shares outstanding**				
Basic								
Diluted								

See notes to unaudited condensed consolidated financial statements.

EVERI HOLDINGS INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except par value amounts)

		At March 31,	At December 31,		At June 30,	At December 31,
		2024	2023		2024	2023
ASSETS	**ASSETS**			**ASSETS**		
Current assets	**Current assets**			**Current assets**		
Cash and cash equivalents						
Settlement receivables						
Trade and other receivables, net of allowances for credit losses of $5,233 and $5,210 at March 31, 2024 and December 31, 2023, respectively						
Trade and other receivables, net of allowances for credit losses of $5,161 and $5,210 at June 30, 2024 and December 31, 2023, respectively						
Inventory						
Prepaid expenses and other current assets						
Total current assets						
Non-current assets						
Property and equipment, net						
Property and equipment, net						
Property and equipment, net						
Goodwill						
Other intangible assets, net						
Other receivables						
Deferred tax assets, net						

Other assets				
Total non-current assets				
Total assets				
LIABILITIES AND STOCKHOLDERS' EQUITY	**LIABILITIES AND STOCKHOLDERS' EQUITY**		**LIABILITIES AND STOCKHOLDERS' EQUITY**	
Current liabilities	**Current liabilities**		**Current liabilities**	
Settlement liabilities				
Accounts payable and accrued expenses				
Current portion of long-term debt				
Total current liabilities				
Non-current liabilities				
Deferred tax liabilities, net				
Deferred tax liabilities, net				
Deferred tax liabilities, net				
Long-term debt, less current portion				
Other accrued expenses and liabilities				
Total non-current liabilities				
Total liabilities				
Commitments and contingencies (Note 12)	**Commitments and contingencies (Note 12)**		**Commitments and contingencies (Note 12)**	
Stockholders' equity	**Stockholders' equity**		**Stockholders' equity**	
Convertible preferred stock, $0.001 par value, 50,000 shares authorized and no shares outstanding at March 31, 2024 and December 31, 2023, respectively				
Common stock, $0.001 par value, 500,000 shares authorized and 123,287 and 83,836 shares issued and outstanding at March 31, 2024, respectively, and 123,179 and 83,738 shares issued and outstanding at December 31, 2023, respectively				
Convertible preferred stock, $0.001 par value, 50,000 shares authorized and no shares outstanding at June 30, 2024 and December 31, 2023, respectively				
Common stock, $0.001 par value, 500,000 shares authorized and 124,578 and 85,127 shares issued and outstanding at June 30, 2024, respectively, and 123,179 and 83,738 shares issued and outstanding at December 31, 2023, respectively				
Additional paid-in capital				
Retained earnings				
Accumulated other comprehensive loss				
Treasury stock, at cost, 39,451 and 39,441 shares at March 31, 2024 and December 31, 2023, respectively				
Treasury stock, at cost, 39,451 and 39,441 shares at June 30, 2024 and December 31, 2023, respectively				
Total stockholders' equity				
Total liabilities and stockholders' equity				

See notes to unaudited condensed consolidated financial statements.

EVERI HOLDINGS INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

		Three Months Ended March 31,		Six Months Ended June 30,	
	2024	**2024**	**2023**	**2024**	**2023**
Cash flows from operating activities					
Net income					
Net income					

Net income
Adjustments to reconcile net income to cash provided by operating activities:
Depreciation
Depreciation
Depreciation
Amortization
Non-cash lease expense
Amortization of financing costs and discounts
Loss on sale or disposal of assets
Accretion of contract rights
Provision for credit losses
Deferred income taxes
Reserve for inventory obsolescence
Stock-based compensation
Adjustment to deferred acquisition consideration
Changes in operating assets and liabilities:
Settlement receivables
Settlement receivables
Settlement receivables
Trade and other receivables
Inventory
Prepaid expenses and other assets
Settlement liabilities
Accounts payable and accrued expenses
Net cash provided by operating activities
Cash flows from investing activities
Capital expenditures
Capital expenditures
Capital expenditures
Acquisitions, net of cash acquired
Proceeds from sale of property and equipment
Net cash used in investing activities
Cash flows from financing activities
Repayments of term loan
Repayments of term loan
Repayments of term loan
Proceeds from exercise of stock options
Treasury stock - equity award activities, net of shares withheld
Treasury stock - repurchase of shares
Payment of deferred acquisition consideration
Net cash used in financing activities
Effect of exchange rates on cash and cash equivalents
Cash, cash equivalents and restricted cash
Net increase for the period
Net increase for the period
Net increase for the period
Net decrease for the period
Net decrease for the period
Net decrease for the period
Balance, beginning of the period
Balance, end of the period

Supplemental cash disclosures **Supplemental cash disclosures** **Supplemental cash disclosures**

Cash paid for interest

Cash (refunded) paid for income tax, net

Cash received for interest

Cash paid for income tax, net

Supplemental non-cash disclosures

Accrued and unpaid capital expenditures

Accrued and unpaid capital expenditures

Accrued and unpaid capital expenditures

Transfer of leased gaming equipment to inventory

See notes to unaudited condensed consolidated financial statements.

EVERI HOLDINGS INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In thousands)

	Common Stock—Series A Number of Shares	Number of Shares	Common Stock—Series A Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total Stockholders' Equity	Number of Shares	Common Stock—Series A Amount	Additional Paid-in Capital	Retair Earnir
Balance, January 1, 2024												
Balance, January 1, 2024												
Balance, January 1, 2024												
Net income												
Foreign currency translation												
Stock-based compensation expense												
Exercise of options												
Restricted stock vesting, net of shares withheld												
Balance, March 31, 2024												
Net income												
Foreign currency translation												
Stock-based compensation expense												
Exercise of options												
Restricted stock vesting, net of shares withheld												

Balance, June 30, 2024

	Common Stock— Series A		Additional	(Accumulated Deficit)/	Accumulated Other		Total
	Number of Shares	Amount	Paid-in Capital	Retained Earnings	Comprehensive Loss	Treasury Stock	Stockholders' Equity
Balance, January 1, 2023	119,390	$ 119	$ 527,465	$ (21,266)	$ (4,197)	$ (284,480)	$ 217,641
Net income	—	—	—	28,066	—	—	28,066
Foreign currency translation	—	—	—	—	(186)	—	(186)
Stock-based compensation expense	—	—	4,825	—	—	—	4,825
Exercise of options	702	1	5,233	—	—	—	5,234
Restricted stock vesting, net of shares withheld	53	—	—	—	—	(333)	(333)
Balance, March 31, 2023	120,145	$ 120	$ 537,523	$ 6,800	$ (4,383)	$ (284,813)	$ 255,247

See notes to unaudited condensed consolidated financial statements.

EVERI HOLDINGS INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY - CONTINUED
(In thousands)

	Common Stock— Series A		Additional	(Accumulated Deficit)/	Accumulated Other		Total
	Number of Shares	Amount	Paid-in Capital	Retained Earnings	Comprehensive Loss	Treasury Stock	Stockholders' Equity
Balance, January 1, 2023	119,390	$ 119	$ 527,465	$ (21,266)	$ (4,197)	$ (284,480)	$ 217,641
Net income	—	—	—	28,066	—	—	28,066
Foreign currency translation	—	—	—	—	(186)	—	(186)
Stock-based compensation expense	—	—	4,825	—	—	—	4,825
Exercise of options	702	1	5,233	—	—	—	5,234
Restricted stock vesting, net of shares withheld	53	—	—	—	—	(333)	(333)
Balance, March 31, 2023	120,145	$ 120	$ 537,523	$ 6,800	$ (4,383)	$ (284,813)	$ 255,247
Net income	—	—	—	27,396	—	—	27,396
Foreign currency translation	—	—	—	—	118	—	118
Stock-based compensation expense	—	—	4,828	—	—	—	4,828
Exercise of options	494	—	2,353	—	—	—	2,353
Restricted stock vesting, net of shares withheld	1,656	2	—	—	—	(7,738)	(7,736)
Repurchase of shares	—	—	—	—	—	(40,023)	(40,023)
Balance, June 30, 2023	122,295	$ 122	$ 544,704	$ 34,196	$ (4,265)	$ (332,574)	$ 242,183

See notes to unaudited condensed consolidated financial statements.

EVERI HOLDINGS INC. AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

In this filing, we refer to: (i) our unaudited condensed consolidated financial statements and notes thereto as our "Financial Statements;" (ii) our Unaudited Condensed Consolidated Statements of Operations and Comprehensive Income as our "Statements of Operations;" (iii) our Unaudited Condensed Consolidated Balance Sheets as our "Balance Sheets;" and (iv) our Unaudited Condensed Consolidated Statements of Cash Flows as our "Statements of Cash Flows."

1. BUSINESS

Everi Holdings Inc. ("Everi Holdings," or "Everi") is a holding company, the assets of which are the issued and outstanding shares of capital stock of each of Everi Payments Inc. ("Everi FinTech" or "FinTech") and Everi Games Holding Inc., which owns all of the issued and outstanding shares of capital stock of Everi Games

Inc. (“Everi Games” or “Games”). Unless otherwise indicated, the terms the “Company,” “we,” “us,” and “our” refer to Everi Holdings together with its consolidated subsidiaries.

Everi develops and offers products and services that provide gaming entertainment, improve our customers’ patron engagement, and help our casino customers operate their businesses more efficiently. We develop and supply entertaining game content, gaming machines and gaming systems and services for land-based and iGaming operators. Everi is a provider of financial technology solutions that power casino floors, provide operational efficiencies, and help fulfill regulatory requirements. The Company also develops and supplies player loyalty tools and mobile-first applications that enhance patron engagement for our customers and venues in the casino, sports, entertainment and hospitality industries. In addition, the Company provides bingo solutions through its consoles, electronic gaming tablets and related systems.

Everi reports its financial performance, and organizes and manages its operations, across the following two business segments: (i) Games and (ii) Financial Technology Solutions (“FinTech”). FinTech.

Everi Games provides gaming operators with gaming technology and entertainment products and services, including: (i) gaming machines, primarily comprising Class II, Class III and Historic Horse Racing (“HHR”) slot machines placed under participation and fixed-fee lease arrangements or sold to casino customers; (ii) providing and maintaining the central determinant systems for the video lottery terminals (“VLTs”) installed in the State of New York and similar technology in certain tribal jurisdictions; (iii) business-to-business (“B2B”) digital online gaming activities; and (iv) bingo solutions through consoles, integrated electronic gaming tablets and related systems.

Everi FinTech provides gaming operators with financial technology products and services, including: (i) financial access and related services supporting digital, cashless and physical cash options across mobile, assisted and self-service channels; (ii) loyalty and marketing software and tools, regulatory and compliance (“RegTech”) software solutions, other information-related products and services, and hardware maintenance services; and (iii) associated casino patron self-service hardware that utilizes our financial access, software and other services. We also develop and offer mobile-first applications aimed at enhancing patron engagement for customers in the casino, sports, entertainment, and hospitality industries. Our solutions are secured using an end-to-end security suite to protect against cyber-related attacks, allowing us to maintain appropriate levels of security. These solutions include: access to cash and cashless funding at gaming facilities via Automated Teller Machine (“ATM”) debit withdrawals, credit card financial access transactions, and point of sale (“POS”) debit card purchases at casino cages, kiosk and mobile POS devices; accounts for the CashClub Wallet, check warranty services, self-service loyalty and fully integrated kiosk maintenance services; self-service loyalty tools and promotion management software; compliance, audit, and data software; casino credit data and reporting services; marketing and promotional offering subscription-based services; and other ancillary offerings.

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Our Financial Statements included herein have been prepared by us pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). Some of the information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles in the United States (“GAAP”) have been condensed or omitted pursuant to such rules and regulations, although we believe the disclosures are adequate to make the information presented not misleading. In the opinion of management, all adjustments (which include normal recurring adjustments) necessary for a fair statement of results for the interim periods have been made. The results for the three and six months ended March 31, 2024 June 30, 2024 are not necessarily indicative of results to be expected for the full fiscal year. The Financial Statements should be read in conjunction with the consolidated financial statements and notes thereto included in the most recently filed Annual Report on Form 10-K for the year ended December 31, 2023 (the “Annual Report”).

Restricted Cash

Our restricted cash primarily consists of: (i) funds held in connection with certain customer agreements; (ii) funds held in connection with a sponsorship agreement; (iii) wide-area progressive (“WAP”)-related restricted funds; and (iv) financial access activities related to cashless balances cash held on behalf of patrons. patrons and funds required to be held to cover underlying financial access service transactions. The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the Balance Sheets that sum to the total of the same such amounts shown in the Statements of Cash Flows for the three six months ended March 31, 2024 June 30, 2024 (in thousands).

	Classification on our Balance Sheets	Classification on our Balance Sheets	At March 31, 2024	At December 31, 2023	Classification on our Balance Sheets	At June 30, 2024	At December 31, 2023
Cash and cash equivalents							
Restricted cash - current							
Restricted cash - non-current							
Total							

Fair Values of Financial Instruments

The fair value of a financial instrument represents the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Fair value estimates are made at a specific point in time, based upon relevant market information about the financial instrument.

The carrying amount of cash and cash equivalents, short-term restricted cash, settlement receivables, short-term trade and other receivables, settlement liabilities, accounts payable, and accrued expenses approximate fair value due to the short-term maturities of these instruments. The fair value of the long-term trade and loans receivable is estimated by discounting expected future cash flows using current interest rates at which similar loans would be made to borrowers with similar credit ratings and remaining maturities. maturities, which represent Level 2 inputs. The fair value of long-term accounts payable is estimated by discounting the total obligation. As of March 31, 2024 June 30, 2024 and December 31, 2023, the fair value of trade and loans receivable approximated the carrying value due to contractual terms generally being slightly over 12 months. The fair value of our borrowings is estimated based on various inputs to determine a market price, such as: market demand and supply, size of tranche, maturity, and similar instruments trading in more active markets.

The estimated fair value and outstanding balances of our borrowings are as follows (in thousands):

	Level of Hierarchy	Fair Value	Outstanding Balance	Level of Hierarchy	Fair Value	Outstanding Balance
March 31, 2024						
June 30, 2024						
$600 million Term Loan						
$400 million Unsecured Notes						
December 31, 2023	**December 31, 2023**		**December 31, 2023**			
$600 million Term Loan						
$400 million Unsecured Notes						

The fair values of our borrowings were determined using Level 2 inputs based on quoted market prices for these securities.

Reclassification of Balances

Certain amounts in the accompanying Financial Statements have been reclassified to be consistent with the current year presentation. These reclassifications had no effect on net income for the prior periods.

Recent Accounting Guidance

Recently Adopted Accounting Guidance

None.

Recent Accounting Guidance Not Yet Adopted

Standard	Description	Date of Planned Adoption	Effect on Financial Statements
Accounting Standards Update (“ASU”) 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures	The amendments in this update require enhanced reportable segment disclosures, primarily concerning significant segment expenses.	December 31, 2024	We are currently evaluating the impact of adopting this ASU on our Financial Statements and our disclosures; however, we do not expect the impact to be material.
ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosure	The amendments in this update require enhanced income tax disclosures, primarily concerning the rate reconciliation and income taxes paid information.	January 1, 2025	We are currently evaluating the effect of adopting this ASU on our Financial Statement disclosures.

As of March 31, 2024 June 30, 2024, other than what has been described above, we do not anticipate recently issued accounting guidance to have a significant impact on our Financial Statements.

3. REVENUES

Overview

We evaluate the recognition of revenue based on the criteria set forth in Accounting Standards Codification (“ASC”) 606 — Revenue from Contracts with Customers and ASC 842 — Leases, as appropriate. We recognize revenue upon transferring control of goods or services to our customers in an amount that reflects the consideration we expect to receive in exchange for those goods or services. We enter into contracts with customers that include various performance obligations consisting of goods, services, or combinations of goods and services. Timing of the transfer of control varies based on the nature of the contract. We recognize revenue net of any sales and other taxes collected from customers, which are subsequently remitted to governmental authorities and are not included in revenues or operating expenses. We measure revenue based on the consideration specified in a contract with a customer and adjusted, as necessary.

Disaggregation of Revenues

We disaggregate revenues based on the nature and timing of the cash flows generated by such revenues as presented in "Note 17 — Segment Information."

Contract Balances

Since our contracts may include multiple performance obligations, there is often a timing difference between cash collections and the satisfaction of such performance obligations and revenue recognition. Such arrangements are evaluated to determine whether contract assets and liabilities exist. We generally record contract assets when the timing of billing differs from when revenue is recognized due to contracts containing specific performance obligations that are required to be met prior to a customer being invoiced. We generally record contract liabilities when cash is collected in advance of us satisfying performance obligations, including those that are satisfied over a period of time. Balances of our contract assets and contract liabilities may fluctuate due to timing of cash collections.

The following table summarizes our contract assets and contract liabilities arising from contracts with customers (in thousands):

	2024	2024	2023	2024	2023
Contract assets(1)					
Balance, beginning of period					
Balance, beginning of period					
Balance, beginning of period					
Balance, end of period					
Balance, January 1					
Balance, January 1					
Balance, January 1					
Balance, June 30					
Increase (decrease)					
Contract liabilities(2)					
Contract liabilities(2)					
Contract liabilities(2)					
Balance, beginning of period					
Balance, beginning of period					
Balance, beginning of period					
Balance, end of period					
Increase (decrease)					
Balance, January 1					
Balance, January 1					
Balance, January 1					
Balance, June 30					
Increase					

(1) 1. Contract assets are included within trade and other receivables, net and other receivables in our Balance Sheets.

(2) 2. Contract liabilities are included within accounts payable and accrued expenses and other accrued expenses and liabilities in our Balance Sheets.

We recognized approximately $15.9 million $27.3 million and $18.2 $31.4 million in revenue that was included in the beginning contract liabilities balance during the three six months ended March 31, 2024 June 30, 2024 and 2023, respectively.

Games Revenues

Our products and services include electronic gaming devices, such as Native American Class II offerings and other electronic bingo products, Class III slot machine offerings, HHR offerings, integrated electronic bingo gaming tablets, VLTs installed in the State of New York and similar technology in certain tribal jurisdictions, B2B digital online gaming activities, accounting and central determinant systems, and other back-office systems. We conduct our Games segment business based on results generated from the following major revenue streams: (i) Gaming Operations; and (ii) Gaming Equipment and Systems.

We recognize our Gaming Operations revenue based on criteria set forth in ASC 842 or ASC 606, as applicable. The amount of lease revenue included in our Gaming Operations revenues and recognized under ASC 842 was approximately $46.4 $45.2 million and $49.4 $91.6 million for the three and six months ended March 31, 2024 June 30, 2024, respectively, and 2023, $51.3 million and $100.8 million for the three and six months ended June 30, 2023, respectively.

FinTech Revenues

Our FinTech products and services include solutions that we offer to gaming establishments to provide their patrons with financial access and funds-based services supporting digital, cashless and physical cash options across mobile, assisted and self-service channels along with related loyalty and marketing tools, and other information-related products and services. We also develop and offer mobile-first applications aimed at enhancing patron engagement for customers in the casino, sports, entertainment, and hospitality industries. In addition, our services operate as part of an end-to-end security suite to protect against cyber-related attacks, allowing us to maintain appropriate levels of security. These solutions include: access to cash and cashless funding at gaming facilities via ATM debit withdrawals, credit card financial access transactions, and POS debit card purchases at casino cages, kiosk and mobile POS devices; accounts for the CashClub Wallet, check warranty services, self-service loyalty and fully integrated kiosk maintenance services; self-service loyalty tools and promotion management software; compliance, audit, and data software; casino credit data and reporting services; marketing and promotional offering subscription-based services; and other ancillary offerings. We conduct our FinTech segment business based on results generated from the following major revenue streams: (i) Financial Access Services; (ii) Software and Other; and (iii) Hardware.

Hardware revenues are derived from the sale of our financial access and loyalty kiosks and related equipment and are accounted for under ASC 606, unless such transactions meet the definition of a sales type or direct financing lease, which are accounted for under ASC 842. We did not have any significant financial access kiosk and related equipment sales contracts accounted for under ASC 842 during the three and six months ended March 31, 2024 June 30, 2024 and 2023.

4. LEASES

Lessee

Supplemental balance sheet information related to our operating leases is as follows (in thousands):

	Classification on our Balance Sheets	Classification on our Balance Sheets	At March 31, 2024	At December 31, 2023	Classification on our Balance Sheets	At June 30, 2024	At December 31, 2023
Assets							
Operating lease right-of-use assets							
Operating lease right-of-use assets							
Operating lease right-of-use assets							
Liabilities							
Current operating lease liabilities							
Current operating lease liabilities							
Current operating lease liabilities							
Non-current operating lease liabilities							

Supplemental cash flow information related to leases is as follows (in thousands):

	Three Months Ended March 31,							
		Three Months Ended June 30,		Six Months Ended June 30,				
	2024	2024	2023	2024	2023	2024	2023	
Cash paid for:								
Long-term operating leases								
Long-term operating leases								
Long-term operating leases								
Short-term operating leases								
Right-of-use assets obtained in exchange for lease obligations:								
Operating leases								
Operating leases								
Operating leases								

Other information related to lease terms and discount rates is as follows:

	At March 31, 2024	At December 31, 2023
Weighted Average Remaining Lease Term (in years):		
Operating leases	6.64	6.71

Weighted Average Discount Rate:		
Operating leases	6.15 %	6.08 %

	At June 30, 2024	At December 31, 2023
Weighted average remaining lease term (in years):		
Operating leases	6.57	6.71
Weighted average discount rate:		
Operating leases	6.21 %	6.08 %

Components of lease expense are as follows (in thousands):

	Three Months Ended March 31,							
	Three Months Ended June 30,		Six Months Ended June 30,					
	2024	2024	2023		2024	2023	2024	2023
Operating Lease Cost:								
Operating lease cost:								
Operating lease cost								
Operating lease cost								
Operating lease cost								
Variable lease cost								

Maturities of lease liabilities are summarized as follows as of March 31, 2024 June 30, 2024 (in thousands):

Year Ending December 31,	Year Ending December 31,	Amount	Year Ending December 31,	Amount
2024 (excluding the three months ended March 31, 2024)				
2024 (excluding the six months ended June 30, 2024)				
2025				
2026				
2027				
2028				
Thereafter				
Total future minimum lease payments				
Less: Amount representing interest				
Present value of future minimum lease payments				
Less: Current operating lease obligations				
Long-term lease obligations				

Lessor

Supplemental balance sheet information related to our sales-type leases is as follows (in thousands):

	Classification on our Balance Sheets	Classification on our Balance Sheets	At March 31, 2024	At December 31, 2023	Classification on our Balance Sheets	At June 30, 2024	At December 31, 2023
Assets							
Net investment in sales-type leases — current							
Net investment in sales-type leases — current							
Net investment in sales-type leases — current							

5. BUSINESS COMBINATIONS

We account for business combinations in accordance with ASC 805 — Business Combinations, which requires that the identifiable assets acquired and liabilities assumed be recorded at their estimated fair values on the acquisition date separately from goodwill, which is the excess of the fair value of the purchase price over the fair values of these identifiable assets and liabilities. We include the results of operations of an acquired business starting from the acquisition date.

Pending Proposed Merger

On February 28, 2024, the Company entered into definitive agreements with, among others, International Game Technology PLC, a public limited company incorporated under the laws of England and Wales ("IGT"), pursuant to which IGT agreed to spin-off a newly created subsidiary, which will own IGT's Global Gaming and PlayDigital businesses, Digital business, with the Company acquiring the Global IGT's Gaming and PlayDigital businesses Digital business in a series of transactions (the "Proposed Transaction"). Upon the closing of the Proposed Transaction, under the terms of the agreements, IGT shareholders are were expected to own approximately 54% of the combined company, with the Company's existing stockholders expected to own approximately 46% of the combined company. We In connection with the Proposed Transaction, we incurred transaction costs of approximately $14.4 $1.4 million and $15.8 million during the three and six months ended June 30, 2024, respectively, and employee retention costs of approximately $1.3 $4.1 million and $5.4 million during the first quarter of 2024, three and six months ended June 30, 2024, respectively, which are included within Operating Expenses of our Statements of Operations.

On February 28, 2024, the Company and Ignite Rotate LLC, a subsidiary of IGT ("Spinco"), entered into a debt commitment letter and related letters with the lenders specified therein. On March 29, 2024, the Company and Spinco entered into an amended and restated debt commitment letter and related amended and restated letters (as amended, the "Commitment Letter"), pursuant to which the lenders committed to provide the Company and such subsidiary with up to $3.7 billion, together with a revolver of $0.8 $0.8 billion,, used to refinance the existing debt of the Company and its subsidiaries, and distribute funds to IGT, with the remainder to be used to pay the combined company's fees, costs and expenses in connection with the Proposed Transaction, subject to the satisfaction of certain customary closing conditions including the consummation of the Proposed Transaction described above.

Subsequent to June 30, 2024, each of the definitive agreements for the Proposed Transaction, including the Commitment Letter, was terminated by mutual consent of the respective parties thereto, effective immediately.There were no termination or other penalties surrounding the termination of such agreements. Refer to "Note 18 — Subsequent Events" for additional discussion on the Proposed Transaction.

eCash Holdings Pty Limited

On March 1, 2022 (the "eCash Closing Date"), the Company acquired the stock of eCash Holdings Pty Limited ("eCash"). Under the terms of the stock purchase agreement, we paid the seller AUD$20 million (approximately USD$15 million) on the eCash Closing Date, additional consideration of AUD$5.0 million (USD$3.4 million) approximately one year following the eCash Closing Date and additional consideration of AUD$6.5 million (USD$4.2 million) approximately two years following the eCash Closing Date. In addition, we paid approximately AUD$8.7 million (USD$6.0 million) for the excess net working capital during the second quarter of 2022. We finalized our measurement period adjustments and recorded approximately $2.3 million primarily related to deferred taxes during the first quarter of 2023. The acquisition did not have a significant impact on our results of operations or financial condition.

Intuicode Gaming Corporation

On April 30, 2022 (the "Intuicode Closing Date"), the Company acquired the stock of Intuicode Gaming Corporation ("Intuicode"), a privately owned game development and engineering firm focused on HHR games. Under the terms of the stock purchase agreement, we paid the seller $12.5 million on the Intuicode Closing Date of the transaction, a net working capital payment of $1.6 million during the second quarter of 2022 and $6.4 million based on the achievement of a certain revenue target one year following the Intuicode Closing Date. In addition, we expect to make owe approximately $2.4 million as a final payment of $2.6 million based on the achievement of a certain revenue target approximately two years following the Intuicode Closing Date. We finalized our measurement period adjustments and recorded approximately $1.3 million primarily related to the final payment and deferred taxes during the second quarter of 2023.

During the second quarter of 2024, the contingent consideration performance period ended and we revised our final payment estimate. As a result, we recorded an adjustment of approximately $0.2 million, which was included within Operating Expenses of our Statements of Operations. The acquisition did not have a significant impact on our results of operations or financial condition.

The fair value of the contingent consideration was based on Level 3 inputs utilizing a discounted cash flow methodology. The estimates and assumptions included projected future revenues of the acquired business and a discount rate of approximately 5%. Contingent consideration to be paid is comprised of a short-term component that is recorded in accounts payable and accrued expenses in our Balance Sheets. The change in fair value of the contingent consideration during the period ended March 31, 2024 June 30, 2024 was not material.

Venuetize, Inc.

On October 14, 2022 (the "Venuetize Closing Date"), the Company acquired certain strategic assets of Venuetize, Inc. ("Venuetize"), a privately owned innovator of mobile-first technologies that provide an advanced guest engagement and m-commerce platform for the sports, entertainment and hospitality industries. Under the terms of the asset purchase agreement, we paid the seller $18.2 million on the Venuetize Closing Date of the transaction and an immaterial amount twelve-months following the Venuetize Closing Date that was netted against a net working capital receivable of approximately $1.0 million. In addition, we expect to pay approximately $1.8 million in contingent consideration based upon the achievement of certain revenue targets on the twenty-four month and thirty-month anniversaries of the Venuetize Closing Date. We finalized our measurement period adjustments and recorded approximately $1.2 million primarily related to the net working capital receivable and deferred taxes during the fourth quarter of 2023. The acquisition did not have a significant impact on our results of operations or financial condition.

The fair value of the contingent consideration was based on Level 3 inputs utilizing a discounted cash flow methodology. The estimates and assumptions included projected future revenues of the acquired business and a discount rate of approximately 7%. Contingent consideration to be paid is comprised of a short-term component that is recorded in accounts payable and accrued expenses and a long-term component payable within two years recorded in other accrued expenses and liabilities in our Balance Sheets. The change in fair value of the contingent consideration during the period ended March 31, 2024 June 30, 2024 was not material.

VKGS LLC

On May 1, 2023 (the "Video King Closing Date"), the Company acquired certain strategic assets of VKGS LLC ("Video King"), a privately owned leading provider of integrated electronic bingo gaming tablets, video gaming content, instant win games and systems. Under the terms of the purchase agreement, we paid the seller approximately $61.0 million, inclusive of a net working capital payment on the Video King Closing Date. We also made an additional net working capital payment of $0.3 million post-closing, early in the third quarter of 2023. In addition, we expect to pay approximately $0.2 million related to an indemnity holdback, which is scheduled for release on the eighteen-month anniversary of the Video King Closing Date. We finalized our measurement period adjustments and recorded an immaterial amount related to deferred taxes during the quarter ended March 31, 2024. The acquisition did not have a significant impact on our results of operations or financial condition.

Pro-forma financial information (unaudited)

The acquisition related to Video King occurred during fiscal 2023; therefore, it is included in our Financial Statements for the three and six months ended March 31, 2024 June 30, 2024.

The unaudited pro forma financial data on a consolidated basis, including the historical operating results of the Company, as if assuming the Video King acquisition occurred on January 1, 2023 January 1, 2022, reflected revenue of approximately $207.4 $211.0 million and $418.4 million, and net income of approximately $27.9 $27.3 million and $55.3 million for the three and six months ended March 31, 2023. June 30, 2023, respectively.

The acquisitions related to eCash, Intuicode and Venuetize occurred during fiscal 2022; therefore, each are included in our Financial Statements for the three and six months ended March 31, 2024 June 30, 2024 and 2023, respectively.

The unaudited pro forma results include increases to depreciation and amortization expense based on the purchased intangible assets and costs directly attributable to the acquisitions. The unaudited pro forma results do not purport to be indicative of results of operations as of the date hereof, for any period ended on the date hereof, or for any other future date or period; nor do they give effect to synergies, cost savings, fair market value adjustments and other changes expected as a result of the acquisitions.

6. FUNDING AGREEMENTS

We have commercial arrangements with third-party vendors to provide cash for certain of our fund dispensing devices. For the use of these funds, we pay a usage fee on either the average daily balance of funds utilized multiplied by a contractually defined usage rate or the amounts supplied multiplied by a contractually defined usage rate. These fund usage fees, reflected as interest expense within the Statements of Operations, were approximately $4.8 million and $4.3 $9.6 million for the three and six months ended March 31, 2024 June 30, 2024, respectively, and 2023, $5.9 million and $10.2 million for the three and six months ended June 30, 2023, respectively. We are exposed to interest rate risk to the extent that the applicable rates increase.

Under these agreements, the currency supplied by third party vendors remain their sole property until the funds are dispensed. As these funds are not our assets, supplied cash is not reflected in our Balance Sheets.

Our primary commercial arrangement, the Contract Cash Solutions Agreement, as amended, is with Wells Fargo, N.A. ("Wells Fargo"). Wells Fargo provides us with cash up to $450 million with the ability to increase the amount permitted by the vault cash provider. The term of the agreement expires on December 1, 2026 and will automatically renew for additional one-year periods unless either party provides a ninety-day written notice of its intent not to renew. The outstanding balance of funds provided in connection with this arrangement were approximately $319.3 million $333.0 million and $388.5 million as of March 31, 2024 June 30, 2024 and December 31, 2023, respectively.

We are responsible for losses of cash in the fund dispensing devices under this agreement, and we self-insure for this type of risk. There were no material losses for the three and six months ended March 31, 2024 June 30, 2024 and 2023, respectively.

7. TRADE AND OTHER RECEIVABLES

Trade and other receivables represent short-term credit granted to customers and long-term loans receivable in connection with our Games and FinTech equipment and software, and compliance products. Trade and loans receivable generally do not require collateral.

The balance of trade and loans receivable consists of outstanding balances owed to us by gaming operators. Other receivables include income tax receivables and other miscellaneous receivables.

The balance of trade and other receivables consisted of the following (in thousands):

	At March 31,	At December 31,	At June 30,	At December 31,
	2024	2024	2023	2024	2023
Trade and other receivables, net	**Trade and other receivables, net**		**Trade and other receivables, net**		
Games trade and loans receivable					
FinTech trade and loans receivable					
Contract assets(1)					
Other receivables					
Total trade and other receivables, net					
Total trade and other receivables, net					
Total trade and other receivables, net					
Non-current portion of receivables					
Non-current portion of receivables					
Non-current portion of receivables					
Games trade and loans receivable					
Games trade and loans receivable					
Games trade and loans receivable					
FinTech trade and loans receivable					
Contract assets(1)					
Total non-current portion of receivables					
Total non-current portion of receivables					
Total non-current portion of receivables					
Total trade and other receivables, current portion					
Total trade and other receivables, current portion					
Total trade and other receivables, current portion					

(1) 1. Refer to "Note 3 — Revenues" for a discussion on the contract assets.

Allowance for Credit Losses

The activity in our allowance for credit losses for the three six months ended March 31, 2024 June 30, 2024 and 2023 is as follows (in thousands):

	Three Months Ended March 31,		Six Months Ended June 30,	
	2024	2024	2023	2024	2023
Beginning allowance for credit losses					
Provision					
Charge-offs, net of recoveries					
Ending allowance for credit losses					

8. INVENTORY

Our inventory primarily consists of component parts as well as work-in-progress and finished goods. The cost of inventory includes cost of materials, labor, overhead and freight, and is accounted for using the first in, first out method. The inventory is stated at the lower of cost or net realizable value.

Inventory consisted of the following (in thousands):

	At March 31, 2024	At December 31, 2023	At June 30, 2024	At December 31, 2023
Inventory	**Inventory**		**Inventory**	
Component parts				
Work-in-progress				

Finished goods

Total inventory

9. PROPERTY AND EQUIPMENT

Property and equipment consist of the following (in thousands):

			At March 31, 2024			At December 31, 2023			At June 30, 2024			At December 31, 2023			
	Useful Life (Years)	Useful Life (Years)	Cost	Accumulated Depreciation	Net Book Value	Cost	Accumulated Depreciation	Net Book Value	Useful Life (Years)	Cost	Accumulated Depreciation	Net Book Value	Cost	Accumulated Depreciation	Net Book Value
Property and equipment	**Property and equipment**					**Property and equipment**									
Rental pool - deployed															
Rental pool - undeployed															
FinTech equipment															
Leasehold and building improvements															
Machinery, office, and other equipment															
Total															

Depreciation expense related to property and equipment totaled approximately $20.0 million $19.7 million and $18.9 $39.7 million for the three and six months ended June 30, 2024, respectively, and $19.5 million and $38.5 million for the three and six months ended March 31, 2024 and 2023, June 30, 2023, respectively.

10. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill

Goodwill represents the excess of the purchase price over the identifiable tangible and intangible assets acquired plus liabilities assumed arising from business combinations. The balance of goodwill was approximately $737.1 million $737.5 million and $737.8 million at March 31, 2024 June 30, 2024 and December 31, 2023, respectively. We have the following reporting units: (i) Games; (ii) Financial Access Services; (iii) Kiosk Sales and Services; (iv) Central Credit Services; (v) Compliance Sales and Services; (vi) Loyalty Sales and Services; and (vii) Mobile Technologies.

Other Intangible Assets

Other intangible assets consist of the following (in thousands):

			At March 31, 2024			At December 31, 2023			At June 30, 2024			At December 31, 2023			
	Useful Life (Years)	Useful Life (Years)	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value	Useful Life (Years)	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Other intangible assets	**Other intangible assets**					**Other intangible assets**									
Contract rights under placement fee agreements															
Customer relationships															
Developed technology and software															

Patents, trademarks, and other	
Total	

Amortization expense related to other intangible assets was approximately $15.5 million $16.2 million and $14.4 $31.7 million for the three and six months ended June 30, 2024, respectively, and $14.2 million and $28.5 million for the three and six months ended March 31, 2024 and 2023, June 30, 2023, respectively.

11. LONG-TERM DEBT

The following table summarizes our indebtedness (in thousands):

		Maturity Date	Interest Rate	At March 31, 2024	At December 31, 2023		Maturity Date	Interest Rate	At June 30, 2024	At December 31, 2023
Long-term debt	**Long-term debt**					**Long-term debt**				
$600 million Term Loan										
$125 million Revolver										
Senior Secured Credit Facilities										
$400 million Unsecured Notes										
Total debt										
Debt issuance costs and discount										
Total debt after debt issuance costs and discount										
Current portion of long-term debt										
Total long-term debt, net of current portion										

Credit Facilities

Our senior secured credit facilities consist of: (i) a seven-year $600 million senior secured term loan due 2028 issued at 99.75% of par (the “Term Loan”); and (ii) a $125 million senior secured revolving credit facility due 2026, which was undrawn at closing (the “Revolver” and together with the Term Loan, the “Credit Facilities”). The Company, as borrower, entered into the credit agreement dated as of August 3, 2021 (the “Closing Date”), among the Company, the lenders party thereto and Jefferies Finance LLC, as administrative agent, collateral agent, swing line lender and a letter of credit issuer (the “Original Credit Agreement”).

On June 23, 2023, the Company entered into the first amendment (the “Amendment”) to the Original Credit Agreement (as amended, the “Amended Credit Agreement”), among Everi, as borrower, the lenders party thereto and Jefferies Finance LLC, as administrative agent, collateral agent, swing line lender and letter of credit issuer. Under the Amended Credit Agreement, the Secured Overnight Financing Rate (“SOFR”) replaced the Eurodollar Rate for all purposes under the Original Credit Agreement and under any other Loan Document (as defined therein) on July 1, 2023, when the ICE Benchmark Administration ceased to provide all available tenors of the Eurodollar Rate. In connection with such implementation of SOFR, the Company and Jefferies Finance LLC agreed to make conforming changes to the relevant provisions of the Original Credit Agreement, as reflected in the Amended Credit Agreement.

On November 2, 2023, the Company entered into the second amendment (the “Second Amendment”), effective November 9, 2023, to the Original Credit Agreement and the Amended Credit Agreement (as amended, the “Credit Agreement”), among Everi, as borrower, the lenders party thereto and Jefferies Finance LLC, as administrative agent, collateral agent, swing line lender and letter of credit issuer. Under the Amended Credit Agreement, capitalized terms not otherwise defined in this Second Amendment have the same meanings as specified in the Original Credit Agreement or the Amended Credit Agreement, as the context may require; and pursuant to the Amended Credit Agreement, the Borrower borrower and the Administrative Agent administrative agent jointly identified certain obvious errors of a technical nature in the Amended Credit Agreement and have agreed to amend the Amended Credit Agreement to correct such errors.

The interest rate per annum applicable to the Credit Facilities will be, at the Company’s option, either the SOFR, rate inclusive of the credit spread adjustment (“CSA”) with a 0.50% floor plus a margin of 2.50%, or the base rate plus a margin of 1.50%. In addition, we pay a SOFR adjustment the CSA is recorded as interest expense that varies for the applicable interest period, with an adjustment of 0.1% for interest periods of one month, an adjustment of 0.3% for interest periods of two months and an adjustment of 0.4% for interest periods of three months. Our Revolver remained fully undrawn as of March 31, 2024 June 30, 2024.

The weighted average interest rate on the Term Loan was 7.94% and 7.95% for the three and six months ended March 31, 2024. June 30, 2024, respectively.

Senior Unsecured Notes

Our senior unsecured notes issued in 2021 (the “2029 “2021 Unsecured Notes”) had an outstanding balance of $400.0 million as of March 31, 2024 June 30, 2024 that accrues interest at a rate of 5.00% per annum and is payable semi-annually in arrears on each January 15 and July 15.

Compliance with Debt Covenants

We were in compliance with the covenants and terms of the Credit Facilities and the 2029 2021 Unsecured Notes as of March 31, 2024 June 30, 2024.

12. COMMITMENTS AND CONTINGENCIES

We are involved in various legal proceedings in the ordinary course of our business. While we believe resolution of the claims brought against us, both individually and in the aggregate, will not have a material adverse impact on our financial condition or results of operations, litigation of this nature is inherently unpredictable. Our views on these legal proceedings, including those described below, may change in the future. We intend to vigorously defend against these actions, and ultimately believe we should prevail.

Legal Contingencies

We evaluate matters and record an accrual for legal contingencies when it is both probable that a liability has been incurred and the amount or range of the loss may be reasonably estimated. We evaluate legal contingencies at least quarterly and, as appropriate, establish new accruals or adjust existing accruals to reflect: (i) the facts and circumstances known to us at the time, including information regarding negotiations, settlements, rulings, and other relevant events and developments; (ii) the advice and analyses of counsel; and (iii) the assumptions and judgment of management. Legal costs associated with such proceedings are expensed as incurred. Due to the inherent uncertainty of legal proceedings as a result of the procedural, factual, and legal issues involved, the outcomes of our legal contingencies could result in losses in excess of amounts we have accrued.

NRT matter:

NRT Technology Corp., et al. v. Everi Holdings Inc., et al. is a civil action filed on April 30, 2019 against Everi Holdings and Everi FinTech in the United States District Court for the District of Delaware by NRT Technology Corp. and NRT Technology, Inc., alleging monopolization of the market for unmanned, integrated kiosks in violation of federal antitrust laws, fraudulent procurement of patents on functionality related to such unmanned, integrated kiosks and sham litigation related to prior litigation brought by Everi FinTech (operating as Global Cash Access Inc.) against the plaintiff entities. The plaintiffs are seeking compensatory damages, treble damages, and injunctive and declaratory relief. Discovery is closed. The court removed the case from the September trial calendar and requested briefs from the parties on relevant legal issues. Briefing was completed in December 2022. The parties are awaiting further guidance from the court. Due to the current stage of the litigation, we are unable to estimate the probability of the outcome of this matter or reasonably estimate the range of possible damages, if any.

Zenergy Systems, LLC matter:

*Zenergy Systems, LLC v. Everi Payments Inc.*is a civil action filed on May 29, 2020, against Everi FinTech in the United States District Court for the District of Nevada, Clark County by Zenergy Systems, LLC ("Zenergy"), alleging breach of contract, breach of a non-disclosure agreement, conversion, breach of the covenant of good faith and fair dealing, and breach of a confidential relationship related to a contract with Everi FinTech that expired in November 2019. The plaintiff is seeking compensatory and punitive damages. Everi FinTech has counterclaimed against Zenergy alleging breach of contract, breach of implied covenant of good faith and fair dealing, and for declaratory relief. The parties participated in mediation on March 21, 2023. No settlement was reached at mediation. The parties filed a joint motion to set a firm trial date which the court granted. The case is set for trial on the court's court's May 28, 2025 trial calendar. Due to the current stage of the litigation, we are unable to estimate the probability of the outcome of this matter or reasonably estimate the range of possible damages, if any.

Mary Parrish matter:

*Mary Parrish v. Everi Holdings Inc., et al.*is a civil action filed on December 28, 2021, against Everi Holdings and Everi FinTech in the District Court of Nevada, Clark County by Mary Parrish alleging violation of the Fair and Accurate Credit Transactions Act (FACTA) amendment to the the Fair Credit Reporting Act (FCRA). Plaintiff's Plaintiff's complaint alleges she received a printed receipt for cash access services performed at an Everi Payments' Payments' ATM which displayed more than four (4) digits of the account number. Plaintiff seeks statutory damages, punitive damages, injunctive relief, attorneys' attorneys' fees, and other relief. Everi filed a Petition for Removal to the United States District Court, District of Nevada. On May 4, 2023, the United States District Court entered an order remanding the case and the matter is now pending in the District Court of Nevada, Clark County. On October 20, 2023, the Clark County Court entered an Order denying Everi's Motion to Dismiss. Thereafter, Everi filed a Petition for Writ of Mandamus with the Nevada Supreme Court appealing the Clark County court's ruling.On December 15, 2023, the Nevada Supreme Court denied Everi's Petition for Writ of Mandamus.Discovery is underway. The case is set for trial on the court's court's January 6, 2025, trial calendar. Discovery is underway. Due to the current stage of the litigation, we are unable to estimate the probability of the outcome of this matter or reasonably estimate the range of possible damages, if any.

In addition, we have commitments with respect to certain lease obligations discussed in "Note 4 — Leases" and installment payments under our asset purchase agreements discussed in "Note 5 — Business Combinations."

13. STOCKHOLDERS' EQUITY

On May 3, 2023, our Board of Directors authorized and approved a share repurchase program in an amount not to exceed $180 million, pursuant to which we may were authorized to purchase outstanding Company common stock in open market or privately negotiated transactions over a period of eighteen (18) months through November 3, 2024, in accordance with Company and regulatory policies and trading plans established in accordance with Rules 10b5-1 and 10b-18 of the Securities Exchange Act of 1934. The actual number

On May 2, 2024, the Board of shares to be purchased will depend upon market conditions and is subject to available liquidity, general market and economic conditions, alternative uses for Directors canceled the capital and other factors. All shares purchased will be held in the Company's treasury for possible future use. share repurchase program. As of March 31, 2024 May 2, 2024, Everi had approximately 83.8 million shares issued and outstanding, net of 39.5 million shares held in the Company's treasury. There is no minimum number of shares that the Company is required to repurchase, and had repurchased $100.0 million of Company common stock under the program may be suspended or discontinued at any time without prior notice. This new repurchase program supersedes and replaces, in its entirety, the previous $180 million authorized share repurchase program.

There No shares were no shares repurchased during the three and six months ended March 31, 2024 June 30, 2024, and 2023, respectively. Under 2.7 million shares were repurchased during the share repurchase program, the remaining availability was $80.0 million as of March 31, 2024 three and six months ended June 30, 2023.

14. WEIGHTED AVERAGE SHARES OF COMMON STOCK

The weighted average number of common stock outstanding used in the computation of basic and diluted earnings per share is as follows (in thousands):

		Three Months Ended March 31,		Three Months Ended June 30,		Six Months Ended June 30,	
		2024	2023	2024	2023	2024	2023
Weighted average shares	**Weighted average shares**						
Weighted average number of common shares outstanding - basic							
Weighted average number of common shares outstanding - basic							
Weighted average number of common shares outstanding - basic							
Potential dilution from equity awards(1)							
Weighted average number of common shares outstanding - diluted(1)							

(1) 1. There were 1.7 2.1 million and 0.1 1.7 million shares that were anti-dilutive under the treasury stock method for the three and six months ended March 31, 2024 June 30, 2024, respectively, and 2023, 0.3 million and 0.2 million shares that were anti-dilutive under the treasury stock method for the three and six months ended June 30, 2023, respectively.

15. SHARE-BASED COMPENSATION

Equity Incentive Awards

Generally, we grant the following types of awards: (i) restricted stock units with either time- or performance-based criteria; and (ii) time-based options. We estimate forfeiture amounts based on historical patterns.

A summary of award activity is as follows (in thousands):

	Stock Options	Stock Options	Restricted Stock Units	Stock Options	Restricted Stock Units
Outstanding, December 31, 2023					
Granted					
Exercised options or vested shares					
Canceled or forfeited					
Outstanding, March 31, 2024					
Outstanding, June 30, 2024					

There were approximately 2.1 million 4.2 million awards of our common stock available for future equity grants under our existing equity incentive plan as at June 30, 2024, which included 3.6 million additional shares approved by our stockholders during the second quarter of March 31, 2024. 2024.

16. INCOME TAXES

The income tax provision for the three and six months ended March 31, 2024, June 30, 2024 reflected an effective income tax rate of 23.5% 19.7% and 21.0%, respectively, which was greater less than and consistent with the statutory federal rate of 21.0%, respectively, primarily due to a research credit, partially offset by state taxes, and a valuation allowance on certain deferred tax assets partially offset by a research credit. and the net tax expense from equity award activities. The income tax provision for the three and six months ended March 31, 2023, June 30, 2023 reflected an effective income tax rate of 17.6% 17.3% and 17.5%, respectively, which was less than the statutory federal rate of 21.0%, respectively, primarily due to a research credit and the benefit from equity award activities, partially offset by state taxes. taxes and compensation deduction limitations.

We have analyzed our positions in the federal, state and foreign jurisdictions where we are required to file income tax returns, as well as the open tax years in these jurisdictions. As of March 31, 2024 June 30, 2024, we recorded approximately $4.5 $4.9 million of unrecognized tax benefits, all of which would impact our effective tax rate, if recognized. We do not anticipate that our unrecognized tax benefits will materially change within the next 12 months.

17. SEGMENT INFORMATION

Operating segments are components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision-making group (the “CODM”). Our CODM consists of the Chief Executive Officer and the Chief Financial Officer. Our CODM determined that our operating segments for conducting business are: (i) Games and (ii) FinTech. Our CODM allocates resources and measures profitability based on our operating segments, which are managed and reviewed separately, as each represents products and services that can be sold separately to our customers. Our segments are monitored by management for performance against our internal forecasts. We have reported our financial performance based on our segments in both the current and prior periods. Refer to “Note 1 — Business” for additional information regarding our operating segments.

Corporate overhead expenses have been allocated to the segments either through specific identification or based on a reasonable methodology. In addition, we record depreciation and amortization expenses to the business segments.

Our business is predominantly domestic with no specific regional concentrations that were material to our results of operations or financial condition, and no significant assets in foreign locations.

The following tables present segment information (in thousands)*:

		Three Months Ended March 31,		Three Months Ended June 30,		Six Months Ended June 30,	
		2024	2023	2024	2023	2024	2023
Games	**Games**						
Revenues	**Revenues**						
Revenues							
Revenues							
Gaming operations (1)							
Gaming operations (1)							
Gaming operations (1)							
Gaming equipment and systems							
Total revenues							
Costs and expenses	**Costs and expenses**						
Cost of revenues (1) (2)	**Cost of revenues** (1) (2)						
Cost of revenues (1) (2)							
Cost of revenues (1) (2)							
Gaming operations							
Gaming operations							
Gaming operations							
Gaming equipment and systems							
Total cost of revenues							
Operating expenses (2) (3)							
Research and development							
Depreciation							
Amortization							
Total costs and expenses							
Operating (loss) income							
Operating income							

(1) Exclusive1. Includes the accretion of contract rights of $2.3 million and $4.7 million for each of the three and six months ended June 30, 2024 and 2023, respectively.

2. Excludes depreciation and amortization.

(2) 3. Includes approximately $14.1 $1.2 million and $15.3 million of transaction costs related to the Proposed Transaction for the three and six months ended June 30, 2024, respectively, and approximately $0.7 $2.1 million and $2.8 million of employee retention costs related to the Proposed Transaction. Transaction

for the three and six months ended June 30, 2024, respectively. Additionally, includes $0.7 million of severance costs related to the realignment of certain employee functions within the Games business for the three and six months ended June 30, 2024, respectively, and $0.3 million for the three and six months ended June 30, 2023, respectively.

* Rounding may cause variances.

		Three Months Ended March 31,		Three Months Ended June 30,		Six Months Ended June 30,	
		2024	2023	2024	2023	2024	2023
FinTech	FinTech						
Revenues	**Revenues**						
Revenues							
Revenues							
Financial access services							
Financial access services							
Financial access services							
Software and other							
Hardware							
Total revenues							
Costs and expenses	**Costs and expenses**						
Cost of revenues(1)	**Cost of revenues(1)**						
Cost of revenues(1)							
Cost of revenues(1)							
Financial access services							
Financial access services							
Financial access services							
Software and other							
Hardware							
Total cost of revenues							
Operating expenses(2)							
Research and development							
Depreciation							
Amortization							
Total costs and expenses							
Operating income							

(1) Exclusive of1. Excludes depreciation and amortization.

(2) 2. Includes approximately $0.3$0.2 million and $0.5 million of transaction costs related to the Proposed Transaction for the three and six months ended June 30, 2024, respectively, and approximately $0.6$2.0 million and $2.6 million of employee retention costs related to the Proposed Transaction for the three and six months ended June 30, 2024, respectively. Additionally, includes $0.1 million of severance costs related to the realignment of certain employee functions within the FinTech business for the three and six months ended June 30, 2024, respectively, and $0.9 million for the three and six months ended June 30, 2023, respectively. Also, includes $0.1 million in other legal fees and expenses associated with legal matters for the three and six months ended June 30, 2024, respectively, and $0.1 million for the three months ended June 30, 2023. We recorded a benefit of $0.1 million against other legal fees and expenses associated with legal matters for the six months ended June 30, 2023.

* Rounding may cause variances.

		At March 31, 2024	At December 31, 2023		At June 30, 2024	At December 31, 2023
Total assets	**Total assets**			**Total assets**		
Games						
FinTech						

Total assets

Major Customers. No single customer accounted for more than 10% of our revenues for the three and six months ended March 31, 2024 June 30, 2024 and 2023, respectively. Our five largest customers accounted for approximately 13% and 13% of our revenues for the three and six months ended March 31, 2024 June 30, 2024, respectively, and 2023, 12% for the three and six months ended June 30, 2023, respectively.

18. SUBSEQUENT EVENTS

On May 2, 2024 July 26, 2024, the Board Company entered into definitive agreements with, among others, IGT and Voyager Parent, LLC, a Delaware limited liability company ("Buyer"), whereby IGT's Gaming & Digital business ("IGT Gaming") and Everi will be simultaneously acquired by Buyer in an all-cash transaction (the "New Proposed Transaction"). Following closing, IGT Gaming and Everi will be privately owned companies that are part of Directors canceled one combined enterprise and Everi's common stock will be delisted from the share repurchase program that was authorized on May 3, 2023 for $180.0 million. The Company had repurchased $100.0 million of common shares with $80.0 million remaining available New York Stock Exchange and deregistered under the Securities Exchange Act of 1934, as amended. Under the terms of the new agreements, Everi stockholders will receive $14.25 per share repurchase program. in cash (subject to adjustment for any stock or interest split, division or subdivision of shares, stock dividend, reverse stock split, combination of shares, reclassification, recapitalization, or other similar transaction) and IGT will receive $4.05 billion of gross cash proceeds for IGT Gaming, subject to customary transaction adjustments in accordance with the definitive agreements. The acquisitions of IGT Gaming and Everi by Buyer are cross-conditioned. The transaction is subject to customary closing conditions, including the receipt of regulatory approvals and approval by Everi stockholders. In addition, on July 26, 2024, immediately prior to and in connection with the entry into the definitive agreements for the New Proposed Transaction, each of the definitive agreements for the Proposed Transaction, including the Commitment Letter, was terminated by mutual consent of the respective parties thereto, effective immediately.There were no termination or other penalties surrounding the termination of such agreements.

Buyer has obtained equity financing commitments and debt financing commitments for the purpose of funding the New Proposed Transaction and paying related fees and expenses. Certain funds managed by affiliates of Apollo Global Management, Inc. (the "Guarantors") have committed to invest in Buyer an aggregate amount of up to $2,300 million, subject to the terms and conditions set forth in the equity commitment letter, and have entered into a limited guarantee in favor of IGT and the Company, pursuant to which the Guarantors are guaranteeing certain obligations of Buyer in connection with the merger agreement relating to the New Proposed Transaction, including the termination fee and certain other fees, indemnities, and expenses, subject to a maximum aggregate liability cap. In addition, certain debt financing sources have committed to lend an aggregate principal amount of up to $4,325 million, together with a committed revolving credit facility in an aggregate principal amount of up to $750 million, to Buyer for the purpose of funding the New Proposed Transaction, subject to the terms and conditions set forth in the debt commitment letter and any related fee letter.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

In this filing, we refer to: (i) our unaudited condensed consolidated financial statements and notes thereto as our "Financial Statements," (ii) our unaudited Condensed Consolidated Statements of Operations and Comprehensive Income as our "Statements of Operations," (iii) our unaudited Condensed Consolidated Balance Sheets as our "Balance Sheets," (iv) our unaudited Condensed Consolidated Statements of Cash Flows as our "Statements of Cash Flows," and (v) our Management's Discussion and Analysis of Financial Condition and Results of Operations as our "Results of Operations."

Cautionary Information Regarding Forward-Looking Statements

The following Management's Discussion and Analysis of Financial Condition and Results of Operations contains "forward-looking" statements as defined in the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements are neither historical facts nor assurances of future performance, but instead are based only on our current beliefs, expectations, and assumptions regarding the future of our business, plans and strategies, projections, anticipated events and trends, the economy, and other future conditions, including the New Proposed Transaction (defined below) as of the date on which this report is filed. Forward-looking statements often, but do not always, contain words such as "expect," "anticipate," "aim to," "designed to," "intend," "plan," "believe," "goal," "target," "future," "assume," "estimate," "indication," "seek," "project," "may," "can," "could," "should," "favorably positioned," or "will" and other words and terms of similar meaning. Readers are cautioned not to place undue reliance on the forward-looking statements contained herein, which are based only on information currently available to us and only as of the date hereof. We undertake no obligation to update or publicly revise any forward-looking statements as a result of new information, future developments or otherwise.

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

Our actual results and financial condition may differ materially from those indicated in forward-looking statements, and important factors that could cause them to do so include, but are not limited to, the following: our ability to generate profits in the future and to create incremental value for shareholders; our ability to withstand economic slowdowns, inflationary and other economic factors that pressure discretionary consumer spending; our ability to execute on mergers, acquisitions, and/or strategic alliances, including our ability to integrate and operate such acquisitions or alliances consistent with our forecasts in order to achieve future growth; our ability to execute on key initiatives and deliver ongoing improvements; expectations regarding growth for the Company's installed base and daily win per unit; expectations regarding placement fee agreements; inaccuracies in underlying operating assumptions; our ability to withstand direct and indirect impacts of a pandemic outbreak, or other public health crises of uncertain duration on our business and the businesses of our customers and suppliers, including as a result of actions taken in response to governments, regulators, markets and individual consumers; changes in global market, business, and regulatory conditions arising as a result of economic, geopolitical and other developments around the world, including a global pandemic, increased conflict and political turmoil, capital market disruptions and instability of financial institutions, climate change or currently unexpected crises or natural disasters; our leverage and the related covenants that restrict our operations; our ability to comply with our debt covenants and our ability to generate sufficient cash to service all of our indebtedness, fund working capital, and capital expenditures; our ability to withstand the loss of revenue during the closure of our customers' facilities; our ability to maintain our current customers; our ability to replace revenue associated with terminated contracts or margin degradation from contract renewals; expectations regarding customers' preferences and demands for future product and service offerings; our ability to successfully introduce new products and services, including third-party licensed content; gaming operator and patron preferences; failure to control product development costs and create successful new products; the overall growth or contraction of the gaming industry; anticipated sales performance; our ability to prevent, mitigate, or timely recover from cybersecurity breaches, attacks, compromises and other security vulnerabilities; national and international economic and industry conditions, including the prospect of a shutdown of the U.S. federal government; changes in gaming regulatory, financial regulatory, legal, card association, and statutory requirements; the impact of evolving legal and regulatory requirements, including emerging environmental, social and governance requirements; regulatory and licensing difficulties, competitive pressures and changes in the competitive environment; operational limitations; changes to tax laws; uncertainty of litigation outcomes; interest rate fluctuations; business prospects; unanticipated expenses or capital needs; the possibility that the conditions to the consummation of the New Proposed Transaction will not for any reason be satisfied (including the failure to obtain necessary regulatory and stockholder and shareholder approvals or any necessary waivers, consents, or transfers, including for any required licenses or other agreements) approvals) in the anticipated timeframe or at all; risks related to the ability to realize the anticipated benefits of the New Proposed Transaction; negative effects of the announcement or failure to consummate the New Proposed Transaction on the market price of the capital stock of Everi and on Everi's operating results, including that Everi's stock price may decline significantly if the possibility that the Company and IGT may be unable to achieve the expected benefits, synergies and operating efficiencies in connection with the New Proposed Transaction within the expected timeframes or at all and to successfully separate and/or integrate the acquired businesses of IGT; is not consummated; the occurrence of any events, event, change, or other circumstances circumstance that could give rise to the termination of the merger agreement for the New Proposed Transaction, which in certain circumstances may require Everi to pay a termination fee; significant transaction costs, fees, expenses, and charges in connection with the New Proposed Transaction; changes operating costs, customer loss, and business disruption (including, without limitation, difficulties in maintaining employee, customer, or other business, contractual, or operating relationships following the extent and characteristics announcement or closing of the common stockholders of the Company and its effect pursuant to the merger agreement for the Proposed Transaction on the number of shares of the Company's common stock issuable pursuant to the New Proposed Transaction and the extent diversion of indebtedness Everi management's attention from its ongoing business); failure to be incurred by consummate or delay in consummating the Company in connection with the New Proposed Transaction; Transaction for any reason; technological obsolescence and our ability to adapt to evolving technologies, including generative artificial intelligence; employee hiring, turnover and retention; our ability to comply with regulatory requirements under the Payment Card Industry ("PCI") Data Security Standards and maintain our certified status; and those other risks and uncertainties discussed in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Item 1A. Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2023 (the "Annual Report") and "Item 1A. Risk Factors" of this Quarterly Report on Form 10-Q. Given these risks and uncertainties, there can be no assurance that the forward-looking information contained in this Quarterly Report on Form 10-Q will in fact transpire or prove to be accurate.

This Quarterly Report on Form 10-Q should be read in conjunction with our Annual Report and with the information included in our other press releases, reports, and other filings with the Securities and Exchange Commission ("SEC"). Understanding the information contained in these filings is important in order to fully understand our reported financial results and our business outlook for future periods.

Overview

Everi develops and offers products and services that provide gaming entertainment, improve our customers' patron engagement, and help our casino customers operate their businesses more efficiently. We develop and supply entertaining game content, gaming machines and gaming systems and services for land-based and iGaming operators. Everi is a leading innovator and provider of trusted financial technology solutions that power casino floors, improve operational efficiencies, efficiencies, and help fulfill regulatory requirements. The The Company also develops and supplies player loyalty tools and mobile-first applications that enhance patron engagement for our customers and venues in the casino, sports, entertainment, and hospitality industries. In addition, the Company provides bingo solutions through its consoles, electronic gaming tablets and related systems.

Everi reports its financial performance, and organizes and manages its operations, across the following two business segments: (i) Games and (ii) Financial Technology Solutions ("FinTech"). FinTech.

Everi Games provides gaming operators with gaming technology and entertainment products and services, including: (i) gaming machines, primarily comprising Class II, Class III and Historic Horse Racing ("HHR") slot machines placed under participation and fixed-fee lease arrangements or sold to casino customers; (ii) providing and maintaining the central determinant systems for the video lottery terminals ("VLTs") installed in the State of New York and similar technology in certain tribal jurisdictions; (iii) business-to-business ("B2B") digital online gaming activities; and (iv) bingo solutions through consoles, integrated electronic gaming tablets and related systems.

Everi FinTech provides gaming operators with financial technology products and services, including: (i) financial access and related services supporting digital, cashless and physical cash options across mobile, assisted and self-service channels; (ii) loyalty and marketing software and tools, regulatory and compliance ("RegTech") software solutions, other information-related products and services, and hardware maintenance services; and (iii) associated casino patron self-service hardware that utilizes our financial access, software and other services. We also develop and offer mobile-first applications aimed at enhancing patron engagement for customers in the casino, sports, entertainment, and hospitality industries. Our solutions are secured using an end-to-end security suite to protect against cyber-related attacks, allowing us to maintain appropriate levels of security. These solutions include: access to cash and cashless funding at gaming facilities via Automated Teller Machine ("ATM") debit withdrawals, credit card financial access transactions, and point of sale ("POS") debit card purchases at casino cages, kiosk and mobile POS devices; accounts for the CashClub Wallet, check warranty services, self-service loyalty and fully integrated kiosk maintenance services; self-service loyalty tools and promotion management software; compliance, audit, and data software; casino credit data and reporting services; marketing and promotional offering subscription-based services; and other ancillary offerings.

Additional Items Impacting Comparability of Results of Operations and Financial Condition

Our Financial Statements included in this report reflect the following additional items impacting the comparability of results of operations: operations and financial condition:

During the first quarter of 2024, we entered into definitive agreements with, among others, International Game Technology PLC ("IGT") pursuant to which IGT agreed to spin-off a newly created subsidiary, which will own IGT's Global Gaming and PlayDigital businesses, Digital business, with the Company acquiring the Global IGT's Gaming and PlayDigital businesses Digital business in a series of transactions (the "Proposed Transaction"). In connection with the Proposed Transaction, we incurred transaction costs of approximately $14.4 $1.4 million and $15.8 million during the three and six months ended June 30, 2024, respectively, and employee retention costs of approximately $1.3 $4.1 million and $5.4 million during the first quarter three and six months ended June 30, 2024, respectively. On July 26, 2024, each of 2024. the definitive agreements for the Proposed Transaction was terminated by mutual consent of the respective parties thereto, effective immediately. For additional information, see "Note 18 — Subsequent Events" included in *Part I, Item 1: Financial Statements* of this Quarterly Report on Form 10-Q.

During the second quarter of 2023, we acquired certain strategic assets of VKGS LLC ("Video King"), a privately owned provider of integrated electronic bingo gaming tablets, video gaming content, instant win games and systems. Under the terms of the purchase agreement, we paid the seller approximately $61.3

$61.3 million, inclusive of a net working capital payment. The acquisition did not have a significant impact on our financial condition or results of operations as of and for the period ended March 31, 2024 June 30, 2024.

Trends and Developments Impacting our Business

Below we have identified a development that could have a material impact on our business:

During the third quarter of 2024, the Company entered into definitive agreements with IGT, Ignite Rotate LLC, a Delaware limited liability company and a direct wholly owned subsidiary of IGT ("Spinco"), Voyager Parent, LLC, a Delaware limited liability company ("Buyer"), and Voyager Merger Sub, Inc., a Delaware corporation and a direct wholly owned subsidiary of Buyer ("Buyer Sub" and together with Buyer, the "Buyer Parties" and each, a "Buyer Party"), whereby IGT's Gaming & Digital business ("IGT Gaming") and Everi will be simultaneously acquired by Buyer, a newly formed holding company owned by funds managed by affiliates of Apollo Global Management, Inc. ("Apollo"), in an all-cash transaction (the "New Proposed Transaction"). Following closing, IGT Gaming and Everi will be privately owned companies that are part of one combined enterprise and Everi's common stock will be delisted from the New York Stock Exchange and deregistered under the Securities Exchange Act of 1934, as amended. Under the terms of the new agreements, Everi stockholders will receive $14.25 per share in cash (subject to adjustment for any stock or interest split, division or subdivision of shares, stock dividend, reverse stock split, combination of shares, reclassification, recapitalization, or other similar transaction) and IGT will receive $4.05 billion of gross cash proceeds for IGT Gaming, subject to customary transaction adjustments in accordance with the definitive agreements (such sale of IGT Gaming, the "Equity Sale"). In addition, on July 26, 2024, immediately prior to and in connection with the entry into the definitive agreements for the New Proposed Transaction, each of the definitive agreements for the Proposed Transaction was terminated by mutual consent of the respective parties thereto, effective immediately. For additional information, see "Note 18 — Subsequent Events" included in *Part I, Item 1: Financial Statements* of this Quarterly Report on Form 10-Q.

Operating Segments

We report our financial performance within two operating segments: (i) Games; and (ii) FinTech. For additional information on our segments, see "Note 1 — Business", "Note 3 — Revenues" and "Note 17 — Segment Information" included in *Part I, Item 1: Financial Statements* of this Quarterly Report on Form 10-Q.

Results of Operations

Three months ended March 31, 2024 June 30, 2024 compared to three months ended March 31, 2023 June 30, 2023

The following table presents our Results of Operations as reported for the three months ended March 31, 2024 June 30, 2024 compared to the three months ended March 31, 2023 June 30, 2023 (amounts in thousands)*:

		March 31, 2024			March 31, 2023			2024 vs 2023				June 30, 2024			June 30, 2023	20
		$	%		$	%		$		%		$		%		$
Revenues	**Revenues**										**Revenues**					
Games revenues	**Games revenues**										**Games revenues**					
Gaming operations	Gaming operations	$72,622	38	38 %	$75,309	38	38 %	$(2,687)	(4)	(4)%	Gaming operations	$71,936	38	38 %		
Gaming equipment and systems	Gaming equipment and systems	24,500	13	13 %	32,065	16	16 %	(7,565)	(24)	(24)%	Gaming equipment and systems	25,735	13	13 %		
Games total revenues	**Games total revenues**	97,122	51	51 %	107,374	54	54 %	(10,252)	(10)	(10)%	**Games total revenues**	97,671	51	51 %		
FinTech revenues	**FinTech revenues**										**FinTech revenues**					
Financial access services	Financial access services	57,419	30	30 %	56,214	28	28 %	1,205	2	2 %	Financial access services	57,533	30	30 %		
Software and other	Software and other	25,776	14	14 %	24,215	12	12 %	1,561	6	6 %	Software and other	24,750	13	13 %		
Hardware	Hardware	9,029	5	5 %	12,669	6	6 %	(3,640)	(29)	(29)%	Hardware	11,236	6	6 %		
FinTech total revenues	**FinTech total revenues**	92,224	49	49 %	93,098	46	46 %	(874)	(1)	(1)%	**FinTech total revenues**	93,519	49	49 %		
Total revenues	**Total revenues**	189,346	100	100 %	200,472	100	100 %	(11,126)	(6)	(6)%	**Total revenues**	191,190	100	100 %		
Costs and expenses	**Costs and expenses**										**Costs and expenses**					
Games cost of revenues(1)																
Gaming operations																
Gaming operations																
Gaming operations		9,515	5	5 %	6,806	3	3 %	2,709	40	40 %		9,836	5	5 %		8,388
Gaming equipment and systems	Gaming equipment and systems	14,060	7	7 %	20,249	10	10 %	(6,189)	(31)	(31)%	Gaming equipment and systems	15,266	8	8 %		
Games total cost of revenues	**Games total cost of revenues**	23,575	12	12 %	27,055	13	13 %	(3,480)	(13)	(13)%	**Games total cost of revenues**	25,102	13	13 %		
FinTech cost of revenues(1)	**FinTech cost of revenues**(1)										**FinTech cost of revenues**(1)					
Financial access services	Financial access services	2,697	1	1 %	2,899	1	1 %	(202)	(7)	(7)%	Financial access services	2,465	1	1 %		

Software and other	Software and other	3,132	2	2 %	1,423	1	1 %		1,709	120	120 %	Software and other	3,485	2	2 %
Hardware	Hardware	6,806	4	4 %	8,448	4	4 %		(1,642)	(19)	(19)%	Hardware	7,827	4	4 %
FinTech total cost of revenues	**FinTech total cost of revenues**	12,635	7	7 %	12,770	6	6 %		(135)	(1)	(1)%	**FinTech total cost of revenues**	13,777	7	7 %
Operating expenses	Operating expenses	73,614	39	39 %	59,192	30	30 %		14,422	24	24 %	Operating expenses	66,367	35	35 %
Research and development	Research and development	19,310	10	10 %	16,096	8	8 %		3,214	20	20 %	Research and development	19,986	10	10 %
Depreciation	Depreciation	19,951	11	11 %	18,949	9	9 %		1,002	5	5 %	Depreciation	19,727	10	10 %
Amortization	Amortization	15,509	8	8 %	14,364	7	7 %		1,145	8	8 %	Amortization	16,170	8	8 %
Total costs and expenses	**Total costs and expenses**	164,594	87	87 %	148,426	74	74 %		16,168	11	11 %	**Total costs and expenses**	161,129	84	84 %
Operating income	**Operating income**	24,752	13	13 %	52,046	26	26 %		(27,294)	(52)	(52)%	**Operating income**	30,061	16	16 %
Other expenses	**Other expenses**							**Other expenses**							
Interest expense, net of interest income	Interest expense, net of interest income	18,800	10	10 %	17,970	9	9 %		830	5	5 %	Interest expense, net of interest income	18,637	10	10 %
Total other expenses	**Total other expenses**	18,800	10	10 %	17,970	9	9 %		830	5	5 %	**Total other expenses**	18,637	10	10 %
Income before income tax	**Income before income tax**	5,952	3	3 %	34,076	17	17 %		(28,124)	(83)	(83)%	**Income before income tax**	11,424	6	6 %

(1) 1. Exclusive of depreciation and amortization.

* Rounding may cause variances.

		Three Months Ended																				
		March 31, 2024																				
		March 31, 2024																				
		March 31, 2024			**March 31, 2023**			**2024 vs 2023**														
		June 30, 2024																				
		June 30, 2024																				
		June 30, 2024			**June 30, 2023**			**2024 vs 2023**														
		$		**$**	**%**		**$**	**%**		**$**		**%**			**$**	**%**		**$**	**%**		**$**	**%**
Income tax provision	Income tax provision	1,398		1	1 %	6,010	3	3 %	(4,612)	(77)	(77)%	Income tax provision	2,251		1	1 %	5,740	3	3 %	(3,489)	(61)	(61)%
Net income	**Net income**	$4,554		2	2 %	$28,066	14	14 %	$(23,512)	(84)	(84)%	**Net income**	$9,173		5	5 %	$27,396	13	13 %	$(18,223)	(67)	(67)%

* Rounding may cause variances.

The following table represents select revenue driving metrics for the three months ended June 30, 2024 compared to the three months ended June 30, 2023:

	Three Months Ended			
	June 30, 2024	June 30, 2023	2024 vs 2023	
	(in millions, except unit amounts and prices)			
Revenue driving metrics:				
Gaming operations information: (1)				
Total installed base at period end	16,614	17,812	(1,198)	(7)%
Average units installed during period	16,854	17,855	(1,001)	(6)%
Daily win per unit	$ 34.28	$ 37.22	$ (2.94)	(8)%
Games unit sales information: (2)				
Units sold	1,099	1,597	(498)	(31)%
Average sales price	$ 20,554	$ 20,512	$ 42	— %
Value of financial access transactions: (3)				
Funds advanced	$ 3,129.2	$ 3,005.0	$ 124.2	4 %
Funds dispensed	8,882.1	8,176.2	705.9	9 %
Check warranty	510.3	483.6	26.7	6 %
Total value processed	$ 12,521.6	$ 11,664.8	$ 856.8	7 %
Number of financial access transactions: (3)				
Funds advanced	4.5	4.5	—	— %
Funds dispensed	33.4	30.9	2.5	8 %
Check warranty	0.9	0.9	—	— %
Total transactions completed	38.8	36.3	2.5	7 %

1. Gaming operations revenues are derived from the installed base of leased machines deployed at customer locations and the daily win per unit generated from these devices.

2. Gaming equipment revenues are derived from the units sold and the average sales prices generated from these machines.

3. Financial access services revenues are based on the total dollars and transactions processed.

Revenues

Total revenues decreased by approximately $11.1 million $17.5 million, or 6% 8%, to approximately $189.3 million $191.2 million for the three months ended March 31, 2024 June 30, 2024, as compared to the same period in the prior year. This was primarily due to the decline in Games revenues described below.

Games revenues decreased by approximately $10.2 million $15.5 million, or 10% 14%, to approximately $97.1 million $97.7 million for the three months ended March 31, 2024 June 30, 2024, as compared to the same period in the prior year. This change was primarily due to lower unit sales, partially offset by higher a decrease of 498 units sold to 1,099 units. The average selling prices price of $20,554 for the three months ended June 30, 2024 was relatively consistent with the average selling price in the same period in the prior year reflected in our gaming equipment and systems revenues. In addition, the decrease was gaming operations revenues declined due to a lower the $2.94 reduction in the daily win per unit and a reduced to $34.28 for the three months ended June 30, 2024, as compared to the same period in the prior year. Our ending installed base of 16,614 leased gaming machines was 1,198 units lower than the 17,812 units at June 30, 2023. The average units installed for the quarter was 16,854 and 17,855 for the three months ended June 30, 2024 and 2023, respectively. The Games total revenue declines were partially offset by the continued results full quarter of revenue earned from our bingo solutions and interactive offerings reflecting the May 2023 acquisition of certain strategic assets of Video King as compared to only a partial quarter in the prior year. These revenues were primarily reflected in our gaming operations revenues.

FinTech revenues decreased by approximately $0.9 million $2.1 million, or 1% 2%, to approximately $92.2 million $93.5 million for the three months ended March 31, 2024 June 30, 2024, as compared to the same period in the prior year. This change was primarily due to lower a decrease in unit sales in both of kiosk and loyalty units reflected in our hardware revenues. revenues for the three months ended June 30, 2024, as compared to the same period in the prior year. The decrease was mostly partially offset by an increase of $2.5 million and $0.9 billion in both transaction and dollar volumes, respectively, reflected in our financial access services revenues associated with continued strength for the three months ended June 30, 2024, as compared to the same period in the gaming industry. In addition, the prior year. The decrease was further offset by increased additional revenues from software sales and support related services attributable to our kiosk and compliance solutions reflected in our software and other revenues.

Costs and Expenses

Total costs and expenses increased by approximately $16.2 million $5.7 million, or 11% 4%, to approximately $164.6 million $161.1 million for the three months ended March 31, 2024 June 30, 2024, as compared to the same period in the prior year. This was primarily due to the expenses described below.

Games cost of revenues decreased by approximately $3.5 million $3.4 million, or 13% 12%, to approximately $23.6 million $25.1 million for the three months ended March 31, 2024 June 30, 2024, as compared to the same period in the prior year. This change was primarily due to the reduced variable costs associated with lower unit sales reflected in our gaming equipment and systems cost of revenues. The decrease was partially offset by the additional costs related to our installed base of both leased gaming machines and bingo integrated electronic gaming tablets reflected in our gaming operations cost of revenues.

FinTech cost of revenues was relatively consistent decreased by approximately $1.4 million, or 9%, to approximately $13.8 million for the three months ended March 31, 2024 June 30, 2024, as compared to the same period in the prior year. This was primarily due to the reduced variable costs of hardware revenues associated with the lower unit sales of kiosk and loyalty units, in addition to a decrease in variable costs of financial access services from our check warranty offering. This result The decrease was partially offset by an increase in variable costs related to higher software revenues from our kiosk solutions. solutions, together with additional loyalty software and support costs.

Operating expenses increased by approximately $14.4 million $5.0 million, or 24% 8%, to approximately $73.6 million $66.4 million for the three months ended March 31, 2024 June 30, 2024, as compared to the same period in the prior year. This was primarily due to approximately $15.7 $5.5 million in incremental accounting, legal, consulting and employee retention expenses related to the Proposed Transaction. In addition, the increase in operating expenses was related to higher payroll and related expenses, to support the growth of our existing operations, and rising expenses for software licensing and hardware maintenance and support in our Games and FinTech segments. The increase in operating expenses was partially offset by reduced a reduction of $2.1 million in non-cash stock-based compensation expense in our Games and FinTech segments.

Research and development expense increased by approximately $3.2 million $3.3 million, or 20%, to approximately $19.3 million $20.0 million for the three months ended March 31, 2024 June 30, 2024, as compared to the same period in the prior year. This change was primarily due to growth in our operations and continued investment in new products in our Games and FinTech segments.

Depreciation expense increased by approximately $1.0 million $0.2 million, or 5% 1%, to approximately $20.0 million $19.7 million for the three months ended March 31, 2024 June 30, 2024, as compared to the same period in the prior year. This was primarily associated with the shortening of estimated remaining useful lives that were no longer supportable for certain fixed assets and an increase in capital spending in our FinTech segment, partially offset by fully depreciated assets in our installed base of leased machines as a result of the shortening of estimated useful lives on certain units in previous periods related to our Games segment.

Amortization expense increased by approximately $1.1 million $2.0 million, or 8% 14%, to approximately $15.5 million $16.2 million for the three months ended March 31, 2024 June 30, 2024, as compared to the same period in the prior year. This was primarily associated with capitalized software costs from development initiatives in both our Games segment. and FinTech segments.

Primarily as a result of the factors described above, our operating income decreased by $27.3 $23.2 million, or 52% 44%, for the three months ended March 31, 2024 June 30, 2024, as compared to the same period in the prior year. The operating income margin was 13% 16% for the three months ended March 31, 2024 June 30, 2024 compared to an operating income margin of 26% for the same period in the prior year.

Interest expense, net of interest income, increased decreased by approximately $0.8 million $1.5 million, or 5% 7%, to approximately $18.8 million $18.6 million for the three months ended March 31, 2024 June 30, 2024, as compared to the same period in the prior year. This was primarily due to higher interest rates on our variable debt and our vault cash as a result of inflationary pressures in the macro-economic environment and global instability. This was partially offset by interest income earned of approximately $3.7 million $3.8 million on our cash balances due to rising interest rates throughout the period. This was partially offset by higher interest rates on our variable debt and our vault cash.

Income tax provision decreased by approximately $4.6 million $3.5 million, or 77% 61%, to approximately $1.4 million $2.3 million for the three months ended March 31, 2024 June 30, 2024, as compared to the same period in the prior year. The income tax provision for the three months ended March 31, 2024 June 30, 2024 reflected an effective income tax rate of 23.5% 19.7%, which was greater lower than the statutory federal rate of 21.0%, primarily due to a research credit, partially offset by state taxes, and a valuation allowance on certain deferred tax assets partially offset by a research credit. and the net tax expense from equity award activities. The income tax provision of $6.0 million $5.7 million for the three months ended March 31, 2023 June 30, 2023 reflected an effective income tax rate of 17.6% 17.3%, which was lower than the statutory federal rate of 21.0%, primarily due to a research credit and the benefit from equity award activities, partially offset by state taxes. taxes and compensation deduction limitations.

Primarily as a result of the factors described above, we had net income of approximately $4.6 million $9.2 million for the three months ended March 31, 2024 June 30, 2024, as compared to net income of approximately $28.1 million $27.4 million for the same period in the prior year.

Results of Operations

Six months ended June 30, 2024 compared to six months ended June 30, 2023

The following table presents our Results of Operations as reported for the six months ended June 30, 2024 compared to the six months ended June 30, 2023 (amounts in thousands)*:

	Six Months Ended					
	June 30, 2024		June 30, 2023		2024 vs 2023	
	$	%	$	%	$	%
Revenues						
Games revenues						
Gaming operations	$ 144,558	38 %	$ 153,090	37 %	$ (8,532)	(6)%
Gaming equipment and systems	50,235	13 %	67,416	16 %	(17,181)	(25)%
Games total revenues	194,793	51 %	220,506	54 %	(25,713)	(12)%
FinTech revenues						
Financial access services	114,952	30 %	111,874	27 %	3,078	3 %
Software and other	50,526	13 %	48,210	12 %	2,316	5 %
Hardware	20,265	5 %	28,599	7 %	(8,334)	(29)%
FinTech total revenues	185,743	49 %	188,683	46 %	(2,940)	(2)%
Total revenues	380,536	100 %	409,189	100 %	(28,653)	(7)%
Costs and expenses						
Games cost of revenues(1)						
Gaming operations	19,351	5 %	15,194	4 %	4,157	27 %
Gaming equipment and systems	29,326	8 %	40,390	10 %	(11,064)	(27)%
Games total cost of revenues	48,677	13 %	55,584	14 %	(6,907)	(12)%
FinTech cost of revenues(1)						
Financial access services	5,162	1 %	5,596	1 %	(434)	(8)%
Software and other	6,617	2 %	3,346	1 %	3,271	98 %
Hardware	14,633	4 %	19,022	5 %	(4,389)	(23)%
FinTech total cost of revenues	26,412	7 %	27,964	7 %	(1,552)	(6)%
Operating expenses	139,981	37 %	120,582	29 %	19,399	16 %
Research and development	39,296	10 %	32,733	8 %	6,563	20 %
Depreciation	39,678	10 %	38,471	9 %	1,207	3 %
Amortization	31,679	8 %	28,537	7 %	3,142	11 %
Total costs and expenses	325,723	86 %	303,871	74 %	21,852	7 %
Operating income	54,813	14 %	105,318	26 %	(50,505)	(48)%
Other expenses						
Interest expense, net of interest income	37,437	10 %	38,106	9 %	(669)	(2)%
Total other expenses	37,437	10 %	38,106	9 %	(669)	(2)%
Income before income tax	17,376	5 %	67,212	16 %	(49,836)	(74)%

1. Exclusive of depreciation and amortization.

* Rounding may cause variances.

	Six Months Ended					
	June 30, 2024		June 30, 2023		2024 vs 2023	
	$	%	$	%	$	%
Income tax provision	3,649	1 %	11,750	3 %	(8,101)	(69)%
Net income	$ 13,727	4 %	$ 55,462	14 %	$ (41,735)	(75)%

* Rounding may cause variances.

The following table represents select revenue driving metrics for the six months ended June 30, 2024 compared to the six months ended June 30, 2023:

	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023	2024 vs 2023	
	(in millions, except unit amounts and prices)			
Revenue driving metrics:				
Gaming operations information:(1)				
Total installed base at period end	16,614	17,812	(1,198)	(7)%
Average units installed during period	17,055	17,876	(821)	(5)%
Daily win per unit	$ 34.39	$ 37.79	$ (3.40)	(9)%
Games unit sales information:(2)				
Units sold	2,120	3,143	(1,023)	(33)%
Average sales price	$ 20,685	$ 20,136	$ 549	3 %
Value of financial access transactions:(3)				
Funds advanced	$ 6,215.5	$ 5,973.0	$ 242.5	4 %
Funds dispensed	17,740.8	16,289.2	1,451.6	9 %
Check warranty	987.1	946.0	41.1	4 %
Total value processed	$ 24,943.4	$ 23,208.2	$ 1,735.2	7 %
Number of financial access transactions:(3)				
Funds advanced	9.1	8.9	0.2	2 %
Funds dispensed	66.9	61.9	5.0	8 %
Check warranty	1.8	1.8	—	— %
Total transactions completed	77.8	72.6	5.2	7 %

1. Gaming operations revenues are derived from the installed base of leased machines deployed at customer locations and the daily win per unit generated from these devices.

2. Gaming equipment revenues are derived from the units sold and the average sales prices generated from these machines.

3. Financial access services revenues are based on the total dollars and transactions processed.

Revenues

Total revenues decreased by approximately $28.7 million, or 7%, to approximately $380.5 million for the six months ended June 30, 2024, as compared to the same period in the prior year. This was primarily due to the decline in Games revenues described below.

Games revenues decreased by approximately $25.7 million, or 12%, to approximately $194.8 million for the six months ended June 30, 2024, as compared to the same period in the prior year. This change was primarily due to a decrease of 1,023 units sold to 2,120 units. The average selling price of $20,685 is an increase of $549 for the six months ended June 30, 2024, as compared to the same period in the prior year and is reflected in our gaming equipment and systems revenues. In addition, gaming operations revenues declined due to the $3.40 reduction in the daily win per unit to $34.39 for the six months ended June 30, 2024, as compared to the same period in the prior year. Our ending installed base of 16,614 leased gaming machines at June 30, 2024 was 1,198 units lower that the 17,812 units at June 30, 2023. The average units installed for the quarter was 17,055 and 17,876 for the six months ended June 30, 2024 and 2023, respectively. The Games total revenue declines were partially offset by the full six months of revenue earned from our bingo solutions reflecting the May 2023 acquisition of certain strategic assets of Video King as compared to only two months in the prior year. These revenues were primarily reflected in our gaming operations revenues.

FinTech revenues decreased by approximately $2.9 million, or 2%, to approximately $185.7 million for the six months ended June 30, 2024, as compared to the same period in the prior year. This change was primarily due to a decrease in unit sales of our kiosk and loyalty units reflected in our hardware revenues for the six months ended June 30, 2024, as compared to the same period in the prior year. The decrease was partially offset by an increase of $5.2 million and $1.7 billion in transaction and dollar volumes, respectively, reflected in our financial access services revenues for the six months ended June 30, 2024, as compared to the same period in the prior year. The decrease was further offset by additional revenues from software sales and support related services attributable to our kiosk and compliance solutions reflected in our software and other revenues.

Costs and Expenses

Total costs and expenses increased by approximately $21.9 million, or 7%, to approximately $325.7 million for the six months ended June 30, 2024, as compared to the same period in the prior year. This was primarily due to the expenses described below.

Games cost of revenues decreased by approximately $6.9 million, or 12%, to approximately $48.7 million for the six months ended June 30, 2024, as compared to the same period in the prior year. This change was primarily due to the reduced variable costs associated with lower unit sales reflected in our gaming equipment and systems cost of revenues. The decrease was partially offset by the additional costs related to our installed base of both leased gaming machines and bingo integrated gaming tablets reflected in our gaming operations cost of revenues.

FinTech cost of revenues decreased by approximately $1.6 million, or 6%, to approximately $26.4 million for the six months ended June 30, 2024,as compared to the same period in the prior year. This was primarily due to the reduced variable costs of hardware revenues associated with the lower unit sales of kiosk and loyalty units, in addition to a decrease in variable costs of financial access services from our check warranty offering. The decrease was partially offset by an increase in variable costs related to higher software revenues from our kiosk solutions, together with additional loyalty software and support costs.

Operating expenses increased by approximately $19.4 million, or 16%, to approximately $140.0 million for the six months ended June 30, 2024, as compared to the same period in the prior year. This was primarily due to approximately $21.2 million in incremental accounting, legal, consulting and employee retention expenses related to the Proposed Transaction. In addition, the increase in operating expenses was related to higher payroll and related expenses, and rising expenses for software licensing and hardware maintenance and support for our Games and FinTech segments. The increase in operating expenses was partially offset by a reduction of $5.0 million in non-cash stock-based compensation expense in our Games and FinTech segments.

Research and development expense increased by approximately $6.6 million, or 20%, to approximately $39.3 million for the six months ended June 30, 2024, as compared to the same period in the prior year. This change was primarily due to our continued investment in new products in our Games and FinTech segments.

Depreciation expense increased by approximately $1.2 million, or 3%, to approximately $39.7 million for the six months ended June 30, 2024, as compared to the same period in the prior year. This was primarily associated with an increase in capital spending in our FinTech segment, together with the shortening of estimated useful lives on certain units related to our Games segment.

Amortization expense increased by approximately $3.1 million, or 11%, to approximately $31.7 million for the six months ended June 30, 2024, as compared to the same period in the prior year. This was primarily associated with capitalized software costs from development initiatives in both our Games and FinTech segments.

Primarily as a result of the factors described above, our operating income decreased by $50.5 million, or 48%, for the six months ended June 30, 2024, as compared to the same period in the prior year. The operating income margin was 14% for the six months ended June 30, 2024 compared to an operating income margin of 26% for the same period in the prior year.

Interest expense, net of interest income, decreased by approximately $0.7 million, or 2%, to approximately $37.4 million for the six months ended June 30, 2024, as compared to the same period in the prior year. This was primarily due to interest income earned of approximately $7.5 million on our cash balances due to rising interest rates throughout the period. This was partially offset by higher interest rates on our variable debt and our vault cash.

Income tax provision decreased by approximately $8.1 million, or 69%, to approximately $3.6 million for the six months ended June 30, 2024, as compared to the same period in the prior year. The income tax provision for the six months ended June 30, 2024 reflected an effective income tax rate of 21%, which was consistent with the statutory federal rate of 21.0%, primarily due to a research credit, offset by state taxes, a valuation allowance on certain deferred tax assets and the net tax expense from equity award activities. The income tax provision of $11.8 million for the six months ended June 30, 2023 reflected an effective income tax rate of 17.5%, which was lower than the statutory federal rate of 21.0%, primarily due to a research credit and the benefit from equity award activities, partially offset by state taxes and compensation deduction limitations.

Primarily as a result of the factors described above, we had net income of approximately $13.7 million for the six months ended June 30, 2024, as compared to net income of approximately $55.5 million for the same period in the prior year.

Critical Accounting Estimates

The preparation of our financial statements in conformity with U.S. generally accepted accounting principles ("GAAP") requires us to make estimates and assumptions that affect our reported amounts of assets and liabilities, revenues and expenses, and related disclosures of contingent assets and liabilities in our Financial Statements. The SEC has defined critical accounting estimates as those that involve a significant level of estimation uncertainty and have had or are reasonably likely to have a material impact on the financial condition or results of operations of the registrant.

There were no material changes to our critical accounting estimates as compared to those disclosed in our most recently filed Annual Report.

Recent Accounting Guidance

For a description of our recently adopted accounting guidance and recent accounting guidance not yet adopted, see the section entitled "Recent Accounting Guidance" in "Note 2 — Basis of Presentation and Summary of Significant Accounting Policies" included in *Part I, Item 1: Financial Statements* of this Quarterly Report on Form 10-Q.

Liquidity and Capital Resources

Overview

The following table presents an unaudited reconciliation of cash and cash equivalents per GAAP to net cash position and net cash available (in thousands):

	At March 31, 2024	At December 31 2023	At June 30, 2024	At December 31 2023
Balance sheet data				
Total assets				
Total assets				
Total assets				
Total borrowings				
Total stockholders' equity				
Cash available	**Cash available**		**Cash available**	
Cash and cash equivalents				
Settlement receivables				
Settlement liabilities				
Net cash position(1)				
Undrawn revolving credit facility				
Net cash available(1)				

(1) 1. Non-GAAP financial measure. In order to enhance investor understanding of our cash balance, we are providing in this Quarterly Report on Form 10-Q our net cash position and net cash available, which are not measures of financial position under GAAP. Accordingly, these measures should not be considered in isolation or as a substitute for GAAP measures, and should be read in conjunction with our balance sheets prepared in accordance with GAAP. Our net cash position is cash and cash equivalents plus settlement receivables less settlement liabilities; and our net cash available is net cash position plus undrawn amounts available under our revolving credit facility. Our net cash position and net cash available change substantially based upon the timing of our receipt of funds for settlement receivables and payments we make to customers for our settlement liabilities. We present these non-GAAP measures as we monitor these amounts in connection with forecasting of cash flows and future cash requirements, both on a short-term and long-term basis.

Cash Resources

As of March 31, 2024 June 30, 2024, our cash balance, cash flows, and line of credit are expected to be sufficient to meet our recurring operating commitments and to fund our planned capital expenditures on both a short- and long-term basis. Cash and cash equivalents included cash in non-U.S. jurisdictions of approximately $19.9 million $20.2 million as of March 31, 2024 June 30, 2024. Generally, these funds are available for operating and investment purposes within the jurisdiction in which they reside, and we may from time to time consider repatriating these foreign funds to the United States, subject to potential withholding tax obligations, based on operating requirements.

We expect that cash provided by operating activities will also be sufficient for our operating and debt servicing needs during the foreseeable future on both a short- and long-term basis. In addition, we have sufficient borrowings available under our senior secured revolving credit facility to meet further funding requirements. Based upon available information, we believe our lenders should be able to honor their commitments under the Credit Agreement (defined in "Note 11 — Long-term Debt") included in *Part I, Item 1: Financial Statements* of this Quarterly Report on Form 10-Q).

Sources and Uses of Cash

The following table presents a summary of our cash flow activity (in thousands):

		Three Months Ended March 31,		$ Change		Six Months Ended June 30,		$ Change
		2024	2023		2024 vs 2023	2024	2023	2024 vs 2023
Cash flow activities	**Cash flow activities**				**Cash flow activities**			
Net cash provided by operating activities								
Net cash used in investing activities								
Net cash used in financing activities								

Effect of exchange rates on cash and cash equivalents		
Cash, cash equivalents and restricted cash	**Cash, cash equivalents and restricted cash**	**Cash, cash equivalents and restricted cash**
Net increase for the period		
Net decrease for the period		
Balance, beginning of the period		
Balance, end of the period		

Cash flows provided by operating activities increased decreased by approximately $23.4 million $30.3 million for the three six months ended March 31, 2024 June 30, 2024, as compared to the same period in the prior year. This was primarily due to changes in operating assets and liabilities, mostly associated with settlement activities from our FinTech segment. These receivables and liabilities are generally highly liquid in nature, with settlement receivables collected within one to three days of the financial access transaction performed by the patron and settlement liabilities repaid to our casino customers within three to five days of the original transaction date. As a result of the timing of weekends and holidays in relation to the close of an accounting period, the amount of uncollected settlement receivables and unpaid settlement liabilities can vary greatly. In addition, the changes in other operating assets and liabilities were related to cash receipts and disbursements in the normal course of business in both the Games and FinTech segments.

Cash flows used in investing activities increased decreased by approximately $12.9 million $26.3 million for the three six months ended March 31, 2024 June 30, 2024, as compared to the same period in the prior year. This was primarily attributable to the acquisition activities in the prior year period, partially offset by an increase in capital expenditures in from our Games and FinTech segments. segment in the current year.

Cash flows used in financing activities increased decreased by approximately $8.8 million $49.1 million for the three six months ended March 31, 2024 June 30, 2024, as compared to the same period in the prior year. This was primarily related to payments of deferred consideration for acquisitions share repurchase activities in our FinTech segment and less proceeds from the reduced option exercise activities. prior year period.

Long-Term Debt

Our $125 million senior secured revolving credit facility (the "Revolver") remained fully undrawn and we had an outstanding balance on the $600 million senior secured term loan (the "Term Loan") of $580.5 million as of March 31, 2024 June 30, 2024.

For additional information regarding our credit agreement and other debt as well as interest rate risk refer to *Part I, Item 3: Quantitative and Qualitative Disclosures About Market Risk* and "Note 11 — Long-Term Debt" included in *Part I, Item 1: Financial Statements. Statements* of this Quarterly Report on Form 10-Q.

Contractual Obligations

There were no material changes to our commitments under contractual obligations as compared to those disclosed in our Annual Report, other than a decrease to certain purchase obligations of approximately $16.6 million $18.1 million from those disclosed in our Annual Report and obligations discussed in "Note 4 — Leases," "Note 5 — Business Combinations," and "Note 11 — Long-Term Debt" in *Part I, Item 1: Financial Statements* of this quarterly report. Quarterly Report on Form 10-Q. We expect that cash provided by operating activities will be sufficient to meet such obligations during the foreseeable future.

We are involved in various legal proceedings in the ordinary course of our business. While we believe resolution of the claims brought against us, both individually and in aggregate, will not have a material adverse impact on our financial condition or results of operations, litigation of this nature is inherently unpredictable. Our views on these legal proceedings, including those described in "Note 12 — Commitments and Contingencies" in *Part I, Item 1: Financial Statements* of this quarterly report Quarterly Report on Form 10-Q may change in the future. We intend to defend against these actions, and ultimately believe that we should prevail.

Off-Balance Sheet Arrangements

In the normal course of business, we have commercial arrangements with third-party vendors to provide cash for certain of our ATMs. For the use of these funds, we pay a usage fee on either the average daily balance of funds utilized multiplied by a contractually defined usage rate or the amounts supplied multiplied by a contractually defined usage rate. These usage fees, reflected as interest expense within the Statements of Operations, were approximately $4.8 million and $4.3 million $9.6 million for the three and six months ended March 31, 2024 June 30, 2024, respectively, and 2023, $5.9 million and $10.2 million for the three and six months ended June 30, 2023, respectively. The usage fees increased in the current reporting period as compared to the same period in the prior year as a result of elevated funds dispensing volumes at our customer locations and higher interest rates as a result of macro-economic conditions. We are exposed to interest rate risk to the extent that the applicable federal funds rate increases.

Under these agreements, the currency supplied by third-party vendors remains their sole property until the funds are dispensed. As these funds are not our assets, supplied cash is not reflected on our Balance Sheets.

Our primary commercial arrangement, the Contract Cash Solutions Agreement, as amended, is with Wells Fargo, N.A. ("Wells Fargo"). Wells Fargo provides us with cash up to $450 million with the ability to increase the amount permitted by the vault cash provider. The term of the agreement expires on December 1, 2026 and will automatically renew for additional one-year periods unless either party provides a ninety-day written notice of its intent not to renew. The outstanding balances of funds provided in connection with the agreement were approximately $319.3 million $333.0 million and $388.5 million as of March 31, 2024 June 30, 2024 and December 31, 2023, respectively.

We are responsible for any losses of cash in the fund dispensing devices under this agreement, and we self-insure for this risk. We incurred no material losses related to this self-insurance for the three and six months ended March 31, 2024 June 30, 2024 and 2023, respectively.

Effects of Inflation

Our monetary assets that primarily consist of cash, receivables, inventory, as well as our non-monetary assets that are mostly comprised of goodwill and other intangible assets, are not significantly affected by inflation. We believe that replacement costs of equipment, furniture, and leasehold improvements will not materially affect our operations. However, the rate of inflation affects our operating expenses, such as those for salaries and benefits, armored carrier expenses, telecommunications expenses, and equipment repair and maintenance services, which may not be readily recoverable in the financial terms under which we provide our Games and FinTech products and services to gaming operators.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

There have been no material changes in our reported market risks or risk management policies since the filing of our Annual Report.

In the normal course of business, we are exposed to foreign currency exchange risk. We operate and conduct business in foreign countries and, as a result, are exposed to movements in foreign currency exchange rates. Our exposure to foreign currency exchange risk related to our foreign operations is not material to our results of operations, cash flows, or financial condition. At present, we do not hedge this exposure; however, we continue to evaluate such foreign currency exchange risk.

In the normal course of business, we have commercial arrangements with third-party vendors to provide cash for certain of our fund dispensing devices. Under the terms of these agreements, we pay a monthly fund usage fee that is generally based upon the target federal funds rate. We are, therefore, exposed to interest rate risk to the extent that the target federal funds rate increases. The outstanding balance of funds provided by our primary third-party vendor was approximately $319.3 million $333.0 million as of March 31, 2024 June 30, 2024; therefore, each 100 basis points increase in the target federal funds rate would have approximately a $3.2 $3.3 million impact on income before tax over a 12-month period.

The senior secured term loan and senior secured revolving credit facility ("Credit Facilities") bear interest at rates that can vary over time. We have the option of paying interest on the outstanding amounts under the Credit Facilities using a base rate or a benchmark rate, the secured overnight financing rate ("SOFR"). We have historically elected to pay interest based on the benchmark rate, and we expect to continue to do so for various maturities.

The weighted average interest rate on the Term Loan, which includes a 50 basis point floor, was 7.95% 7.94% for the three and six months ended March 31, 2024 June 30, 2024. Based upon the outstanding balance of the Term Loan of $580.5 million as of March 31, 2024 June 30, 2024, each 100 basis points increase in the applicable SOFR would have a combined impact of approximately $5.8 million on interest expense over a 12-month period.

The interest rate is fixed at 5.00% for our senior unsecured notes due 2029; therefore, changing interest rates have no impact on the related interest expense.

At present, we do not hedge the risk related to the changes in the interest rate; however, we continue to evaluate such interest rate exposure.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

The Company's management, with the participation of the principal executive officer and the principal financial officer, have evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this report. Based on such evaluation, the Chief Executive Officer and the Chief Financial Officer have concluded that the Company's disclosure controls and procedures were effective as of March 31, 2024 June 30, 2024 such that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and (ii) accumulated and communicated to the Company's management, including its principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosures.

Changes in Internal Control over Financial Reporting during the Quarter Ended March 31, 2024 June 30, 2024

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the period covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

A discussion of our legal proceedings is contained in "Note 12 — Commitments and Contingencies" in *Part I, Item 1: Financial Statements. Statements* of this Quarterly Report on Form 10-Q.

Item 1A. Risk Factors.

We refer you to documents filed by us with the SEC; specifically, "Item 1A. Risk Factors" in our most recently filed Annual Report and "Risk Factors" in our Current Quarterly Report on Form 8-K 10-Q filed on February 29, 2024 May 8, 2024, which identify material factors that make an investment in us speculative or risky and could materially affect our business, financial condition and future results. We also refer you to the factors and cautionary language set forth in the section entitled "Cautionary Information Regarding Forward-Looking Statements" in "Item 2. Management's Discussion and Analysis of Financial Conditions and Results of

Operations" of this Quarterly Report on Form 10-Q. This Quarterly Report, including the accompanying Financial Statements, should be read in conjunction with such risks and other factors for a full understanding of our operations and financial condition. The risks described in our Annual Report and Current Quarterly Report on Form 8-K 10-Q filed on February 29, 2024 May 8, 2024 are not the only risks facing us. Additional risks and uncertainties not currently known to us, or that we currently deem to be immaterial, also may materially adversely affect our business, financial condition or operating results. The risk factors included in our Annual Report have not materially changed, except as reflected in the following new risk factors:

The Company has pursued, announcement and may in pendency of the future pursue, strategic acquisitions, investments, strategic partnerships or other ventures, which New Proposed Transaction could disrupt the Company's ongoing adversely impact our business, financial condition, and expose the Company to various risks inherent in such transactions. results of operations.

The Company has pursued, and plans to continually evaluate, potential acquisitions and investment opportunities in complementary businesses, technologies, services, or products, or to enter into strategic relationships. For example, as previously announced, on February 28, 2024 On July 26, 2024, the Company we entered into definitive agreements with International Game Technology PLC ("IGT") pursuant IGT, Spinco, Buyer, and Buyer Sub, whereby we and IGT Gaming are expected to which, through a series of steps, IGT agreed to spin-off be simultaneously acquired by Buyer, a newly created subsidiary, which will own IGT's Global Gaming formed holding company owned by funds managed by affiliates of Apollo, in an all-cash transaction (the "New Proposed Transaction"). Uncertainty about the effect of the New Proposed Transaction on our employees, customers, and PlayDigital businesses, other parties may have an adverse effect on our business, financial condition, and results of operations regardless of whether the New Proposed Transaction is completed. These risks to our business in connection with the Company acquiring New Proposed Transaction include the Global Gaming and PlayDigital businesses in following, all of which could be exacerbated by a series of transactions. The Company may not be able to identify suitable acquisition, investment or strategic partnership candidates, or if it does identify suitable candidates delay in the future, it consummation of the New Proposed Transaction:

- the diversion of significant management time and resources from our ongoing business and operations as a result of the devotion of management's attention to the New Proposed Transaction;
- the impairment of our ability to retain, hire, and motivate our employees, including key personnel;
- operating costs, customer loss, and business disruption (including, without limitation, difficulties in maintaining employee, customer, or other business, contractual, or operational relationships following the announcement of the New Proposed Transaction);
- delays or deferments of certain business decisions by our customers, suppliers, and other business partners;
- the inability to pursue alternative business opportunities or make appropriate changes to our business because, subject to certain exceptions, the merger agreement in connection with the New Proposed Transaction (the "Merger Agreement") requires us to use reasonable best efforts to conduct our business and operations in all material respects in the ordinary course of business consistent with past practice and to preserve intact in all material respects the material components of our business organization and to maintain satisfactory relations with key customers, key suppliers, material licensors, and governmental authorities with whom we and our subsidiaries have significant business relationships or regulatory relationships, to use commercially reasonable efforts to maintain satisfactory relations with all other customers, suppliers, and licensors, and to not engage in certain material transactions prior to the completion of the New Proposed Transaction;
- the occurrence of any event, change, or other circumstance that could give rise to the termination of the Merger Agreement, which in certain circumstances may not be able require us to complete those transactions on commercially favorable terms, or at all. pay a termination fee;

Any• litigation matters relating to the New Proposed Transaction, including the nature, costs, and outcome of any litigation and other legal proceedings related to the New Proposed Transaction;

- the incurrence of significant costs, fees, and expenses for professional services and other transaction costs in connection with the New Proposed Transaction; and
- potential negative reactions from the financial markets.

In addition, any acquisition, merger, disposition, strategic investment, or similar activity may disrupt the Company's our ongoing operations, divert management from their primary responsibilities, subject it us to additional liabilities, increase its our expenses, and otherwise adversely impact the Company's our business, financial condition, and results of operations. The Company We may not achieve any or all of the anticipated financial results, cost synergies, or other benefits expected in connection with any such transaction, or strengthen its our competitive position, or achieve other anticipated goals in a timely manner, or at all. Further, such transactions may be viewed negatively by our current or potential customers, financial markets, or investors. Integration

The completion of acquired companies may also result in problems related the New Proposed Transaction is subject to integration the satisfaction or waiver of technology certain closing conditions by us, IGT, Buyer and inexperienced management teams. Additionally, Buyer Sub, including stockholder approval and certain regulatory conditions, and the Company may have difficulties retaining failure to consummate the New Proposed Transaction within the expected timeframe or assimilating acquired employees, including key personnel. Due diligence performed prior to closing acquisitions or investments or similar ventures may not uncover at all risks or liabilities that could materially adversely impact the Company's business and financial results. The Company may not successfully integrate business, operational, and financial activities such as internal controls, cyber security measures, data privacy laws, and other corporate governance and regulatory matters, operations, personnel or products related to acquisitions and similar transactions. If the Company fails to successfully integrate any acquired companies or businesses, it could materially and adversely affect the

Company's business, reputation, financial condition, and results of operations. Acquisitions or similar activities may also reduce the Company's cash available for operations and other uses, and could result in an increase in amortization expense related to identifiable assets acquired, potentially dilutive issuances of equity securities, or the incurrence of debt, any of which could subject the Company to material restrictions and harm its our business, financial condition, and results of operations.

The Company may not complete *Our respective obligations, on the one hand, and those of the Buyer Parties, on the other hand, to effect the proposed acquisition, of the IGT's Global Gaming and PlayDigital businesses within the anticipated time frame or at all.*

On February 28, 2024, the Company entered into definitive agreements with IGT pursuant to which, through a series of steps, IGT agreed to spin-off a newly created subsidiary, which will own IGT's Global Gaming and PlayDigital businesses, with the Company acquiring the Global Gaming and PlayDigital businesses in a series of transactions. On February 28, 2024, the Company and a subsidiary of IGT, also entered into a debt commitment letter on the one hand, and related letters with the lenders specified therein, and Buyer Parties, on March 29, 2024, the debt commitment letter and related letters were amended and restated (as amended, other hand, to effect the "Commitment Letter"), pursuant to which the lenders committed to provide the Company and such subsidiary with up to $4.5 billion used to refinance the existing debt of the Company and its subsidiaries and distribute funds to IGT, with the remainder to be used to pay the combined company's fees, costs and expenses in connection with the proposed transaction, Equity Sale, are subject to the satisfaction or waiver of certain various and customary closing conditions, including (but not limited to):(i) the consummation accuracy of the proposed transaction described above. Upon representations and warranties contained in the Merger Agreement, subject to certain customary materiality qualifications, as of the date of the Merger Agreement and as of the closing of the proposed transaction, IGT shareholders are expected to receive New Proposed Transaction, and compliance in all material respects with the covenants and obligations contained in the Merger Agreement; (ii) the adoption of the Merger Agreement by the affirmative vote of the holders of a majority of the outstanding shares of the Company's our common stock resulting in an approximate 54% ownership interest in entitled to vote thereon (the "Stockholder Approval"); (iii) (a) the combined company, with expiration or termination of any applicable waiting period under the Company's existing stockholders expected to own approximately 46% Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and (b) the receipt and effectiveness of certain governmental approvals required under antitrust laws, foreign investment laws, and financial services laws (or the termination or expiration of any applicable waiting period thereunder), and gaming approvals from certain gaming authorities; and (iv) the absence of any order, writ, judgment, injunction, or decree that prevents, makes illegal, or prohibits the closing of the combined company. New Proposed Transaction.

We can provide no assurance that the closing conditions will be fulfilled (or waived, if applicable) in a timely manner or at all, and, if all closing conditions are timely fulfilled (or waived, if applicable), we can provide no assurance as to the terms, conditions, and timing of the completion of the New Proposed Transaction. Many of the conditions to completion of the New Proposed Transaction are not within our control, and we cannot predict when or if these conditions will be fulfilled (or waived, if applicable).

The proposed transaction New Proposed Transaction is expected to close complex in early 2025, subject to receipt of regulatory approvals, stockholder nature, and shareholder approvals, and unanticipated developments, including, among other customary closing conditions.

Unanticipated developments or changes, including things, changes in law, the macroeconomic environment, and market conditions, or regulatory or political geopolitical conditions, or natural disasters, may affect our, IGT's, or the Company's Buyer Parties' ability to complete close the proposed transaction New Proposed Transaction as currently expected and within the anticipated time frame or at all. Additionally, the Merger Agreement includes certain termination rights for each of us, IGT, and the Buyer Parties, subject, in certain circumstances, to our payment to IGT and Buyer of a termination fee in an aggregate amount of $65 million in cash upon termination of the Merger Agreement under specified circumstances. If we are required to make this payment, doing so may materially adversely affect our business, financial condition, and results of operations.

Any changes to the New Proposed Transaction or delay in completing closing the proposed transaction New Proposed Transaction could cause us, IGT, or the Company Buyer Parties not to realize some or all of the expected benefits or to realize them on a different timeline than expected. In addition, the terms and conditions of the required regulatory authorizations and consents that are granted, if any, may impose requirements, limitations, or costs, or place restrictions on the conduct of the combined company or its subsidiaries or may materially delay the completion closing of the proposed transaction. New Proposed Transaction. Additionally, there may be a significant or longer than expected time period between the Stockholder Approval and the closing of the New Proposed Transaction, due to the timing of required regulatory approvals, satisfaction of other closing conditions, or other factors, including those described in this "Item 1A. Risk Factors" section. As a result, even if the requisite Stockholder Approval is obtained, the circumstances at the time of the closing may vary, including to a significant degree, from those at the time the Stockholder Approval was obtained, including, without limitation, with respect to our stock price or business and financial performance, developments in the industry in which we operate, external factors such as macroeconomic, regulatory, geopolitical, and market developments, or other factors not currently anticipated. However, pursuant to the Merger Agreement, the closing will nonetheless occur upon the satisfaction or waiver of the required closing conditions as set forth in the Merger Agreement, irrespective of any change in circumstances between the time the requisite Stockholder Approval is obtained (if obtained) and the closing of the New Proposed Transaction, unless otherwise provided for in the Merger Agreement. If the completion closing of the proposed transaction New Proposed Transaction is delayed or does not occur, this would likely could result in a material adverse effect on the Company's business, reputation, our financial condition, and results of operations. operations, ability to pursue alternative transactions, and reputation.

The proposed acquisition of IGT's Global Gaming and PlayDigital businesses could divert management's attention and resources from the Company's ongoing business, result There can be no assurance that a remedy will be available to us in the incurrence event of significant or unanticipated costs and expenses, and otherwise adversely affect its business, financial condition, and results of operations.

Whether or not the proposed acquisition is completed, the Company's businesses and operations may face material risks and challenges in connection therewith, including, without limitation:

- the diversion of management's attention from the Company's ongoing business and operations as a resultbreach of the devotion of management's attentionMerger Agreement by any other party to the proposed transaction;

- maintenance of employee morale and retention and integration of key management and other employees;

- retention of existing business and operational relationships, including with customers, suppliers, employees and other counterparties, and attracting new business and operational relationships;

- execution and related risks in connection with financing transactions undertakenMerger Agreement, or that we will wholly or partially recover for any damages incurred by the Companyus in connection with the proposed transaction;

- potentialNew Proposed Transaction. A failed transaction may result in negative publicity and a negative impression of us among our customers or unknown liabilities associatedin the investment community or business community generally. Further, any disruptions to our business resulting from the announcement and pendency of the New Proposed Transaction, including any adverse changes in our relationships with our customers, suppliers, lenders, partners, officers, employees, governmental entities, and other third parties, could continue or accelerate in the IGT's Global Gaming and PlayDigital businesses;

- difficultyevent of incorporating acquired operations, technology, and rights intoa failed transaction or the Company's business, and unanticipated expenses related to such integration;

- difficulty of integrating IGT's Global Gaming and PlayDigital businesses andperception that the lack of control if such integration istransaction may be delayed or may not successfully implemented;close. In addition, if the New Proposed Transaction is not consummated, the share price of our common stock may likely decline, including below the $14.25 per share price of the New Proposed Transaction. Further, if the New Proposed Transaction is consummated, as our stockholders will receive cash in exchange for their shares, our stockholders will not be able to share in any potential upside of our common stock after the closing.

- otherWe have incurred, and will continue to incur, significant costs, expenses, and expenses incurredfees and other transaction costs in connection with the proposed transaction;Proposed Transaction and the New Proposed Transaction, for which we will have received little or no benefit if the New Proposed Transaction is not completed. Fees and costs will be payable by us even if the New Proposed Transaction is not completed and may relate to activities that we would not have undertaken except in connection with the New Proposed Transaction.

The Merger Agreement contains provisions that limit our ability to pursue an alternative transaction, which may discourage a potential third party from making a favorable alternative transaction proposal, as well as certain limited termination provisions.

The Merger Agreement contains provisions that make it more difficult for us to seek an alternative transaction. Under these provisions, we have agreed not to, and to cause our subsidiaries (and to use reasonable best effort to cause our and their respective representatives) not to, directly or indirectly, solicit, initiate, knowingly encourage or knowingly facilitate the making, submission or announcement of, furnish any information regarding us or our subsidiaries to any person in connection with or in response to, engage in discussions or negotiations with any person relating to (other than to state that they are not currently permitted to have discussions), or approve, endorse or recommend, any Acquisition Proposal or any Acquisition Inquiry (each as defined in the Merger Agreement) with respect to us, nor enter into any letter of intent or similar contract contemplating or relating to any Acquisition Transaction (as defined in the Merger Agreement) or any Acquisition Inquiry with respect to us (excluding certain permitted confidentiality agreements) (the "No Shop Provision").

Notwithstanding the foregoing, if prior to obtaining the Stockholder Approval, we receive a written Acquisition Proposal that did not result from a material breach of the No Shop Provision, and our board of directors determines in good faith (a) after consultation with our financial advisor that such Acquisition Proposal is or would reasonably be expected to lead to a Merger Partner Superior Proposal (as defined in the Merger Agreement) and

(b) after consultation with our outside legal counsel that the failure to take the following actions would reasonably be expected to be inconsistent with the fiduciary duties of our board of directors under applicable law, then we may furnish information regarding us or our subsidiaries, or enter into discussions and negotiations with the person making such Acquisition Proposal and its representatives, in each case subject to complying with specified notice requirements and other conditions as set forth in the Merger Agreement.

These provisions could discourage a potential third-party acquiror or merger partner that might have an interest in acquiring or combining with all or a significant portion of our business or pursuing an alternative transaction with us from considering or proposing such a transaction.

Notwithstanding anything to the contrary in the Merger Agreement, prior to obtaining the Stockholder Approval, our board of directors may, in certain limited circumstances, cause us to terminate the Merger Agreement to simultaneously enter into a definitive agreement to effect a Merger Partner Superior Proposal that did not result from a material breach of the No Shop Provision after compliance with specified notice requirements and other conditions as set forth in the Merger Agreement. In this and other specified circumstances, we would be required to pay to IGT and Buyer a termination fee in an aggregate amount of $65 million in cash upon termination of the Merger Agreement.

In addition, we mayterminate the Merger Agreement under certain circumstances, including if the New Proposed Transaction is not consummated by July 26, 2025 (the "Outside Date"), provided that the Outside Date may be extended under certain circumstances as specified in the Merger Agreement, including with respect to the timing of regulatory approvals and the Marketing Period (as defined in the Merger Agreement). However, the termination right will not be available to us if the failure to consummate the New Proposed Transaction by such date is primarily attributable to our failure to perform any covenant or obligation in the Merger Agreement that we are required to perform. If we terminate the Merger Agreement, this could result in a material adverse impact on our results of operations, and if the Merger Agreement is terminated and we seek another business combination transaction, we may not be able to negotiate a transaction with another party on terms comparable to, or better than, the terms of the New Proposed Transaction.

- *potential negative reactions from We will incur significant costs related to the financial markets.*

Any of these factors New Proposed Transaction that could have a material adverse effect on the Company's business, financial condition, results of operations, our liquidity, cash flows, and/or the price of the Company's common stock. and operating results.

Difficulties in integrating the IGT's Global Gaming and PlayDigital businesses may result in the failure to realize anticipated synergies in the expected time frame or at all, present other operational challenges, and result in unforeseen expenses associated with the proposed transaction. In addition, the Company expects We expect to incur significant costs in connection with the proposed New Proposed Transaction, including transaction including the cost of financing and other transaction costs, integration costs, legal and regulatory fees, and other costs that its our management team believes are necessary to effect or realize the anticipated synergies benefits from the proposed transaction. The Company may also incur unforeseen or higher expenses associated with the proposed transaction. New Proposed Transaction. The incurrence of these costs could cause the Company's financial results to differ from its expectations or the expectations of the investment community and could otherwise have a material adverse effect on the Company's business, our financial condition and results of operations, including in the periods in which they are incurred.

In addition, under the merger agreement for the proposed transaction with IGT, the Company is subject to certain restrictions on the conduct of its business The Merger Agreement contains our specified termination rights, including, among other things, that prior to completing obtaining the proposed transaction. These restrictions Stockholder Approval, our board of directors may, prevent in certain limited circumstances, cause us to terminate the Company from taking certain actions with respect Merger Agreement to capital stock or equity awards, amending organizational documents, taking certain actions with respect simultaneously enter into a definitive agreement to material contracts effect a Merger Partner Superior Proposal. In this and benefit plans, pursuing certain strategic transactions, acquiring other specified circumstances, we would be required to pay to IGT and disposing assets, undertaking certain capital projects, incurring certain indebtedness, changing accounting or tax filing practices, settling certain legal proceedings, failing to maintain insurance, abandoning or selling certain material intellectual property and otherwise pursuing other actions that are not Buyer a termination fee in the ordinary course an aggregate amount of business, even if such actions could prove beneficial. These restrictions may impede the Company's growth prior to the close $65 million in cash upon termination of the proposed transaction, which could negatively impact its revenue, earnings and cash flows.

Any Merger Agreement. The incurrence of the foregoing, including the failure to complete the proposed transaction or to realize the anticipated benefits and synergies of the proposed transaction in a timely manner or at all, and the impact of any indebtedness incurred by the Company in connection with the proposed transaction, would likely such fee may have a material adverse effect on our liquidity, cash flows, and operating results in the Company's business, reputation, stock price, financial condition, and results of operations. period in which it is incurred.

The amount of debt that the Company and its subsidiaries may incur in connection with the proposed acquisition of IGT's Global Gaming and PlayDigital businesses may be substantial.

If the proposed acquisition of IGT's Global Gaming and PlayDigital businesses is consummated, the indebtedness consideration to be incurred as contemplated paid by Buyer to our stockholders will not be adjusted in the Commitment Letter event the value of our business or assets changes before the New Proposed Transaction closes.

The consideration to be paid by Buyer to our stockholders will become indebtedness not be adjusted in the event the value of the Company, and will be guaranteed by the Company and any co-borrower of the term loan facility (in each case, except as to its own obligations) and each of the Company's direct and indirect, existing and future wholly-owned domestic restricted subsidiaries which are not co-borrowers (after giving effect to the proposed transaction), subject to certain exceptions. The indebtedness will be secured by a first priority security interest in substantially all tangible and intangible our business or assets of the Company, any co-borrower of the term loan facility and the guarantors, subject to certain permitted liens and other agreed upon exceptions.

Following consummation of the proposed transaction, changes, including the incurrence of debt contemplated by the Commitment Letter described above, the combined company's debt levels and debt service obligations will increase substantially. Given the increased debt levels and debt service obligations, the combined company may have less cash flow available for its business operations and may become increasingly vulnerable to general adverse economic and industry conditions and interest rate trends, which could limit its ability to obtain future financing.

The market price of the Company's common stock may decline as a result of the proposed acquisition regulatory process. If the value of IGT's Global Gaming and PlayDigital businesses and our business or assets changes after our stockholders approve the market adoption of the Merger Agreement, the trading price of the Company's shares of our common stock after may be less than or greater than our stockholders had anticipated when they considered the consummation adoption of the proposed transaction may Merger Agreement. Pursuant to the Merger Agreement, we will not be affected by factors different from those affecting permitted to terminate the Merger Agreement solely because of changes in the trading price of the Company's shares of our common stock.

The trading price of our shares of common stock before may fluctuate as a result of the proposed transaction. New Proposed Transaction.

There can be no assurance that the market trading price of the Company's our shares of common stock will rise or remain constant. If the proposed transaction is consummated and the market price of the Company's common stock declines, the percentage decline as an absolute number and as a percentage of the overall market capitalization may be greater than would occur in the absence of the proposed transaction. In many cases, both the total market capitalization of an issuer and the market price of a share of such issuer's common stock following separation, divestiture or combination transactions are lower than they were before the consummation of such transactions, and the liquidity of the Company's common stock could potentially be affected by any decreases in share price and investor sentiment following the consummation of the proposed transaction. Additionally, the Company cannot predict whether the market value of its common stock after the proposed transaction will be, in the aggregate, less than, equal to, or greater than the market value of such shares not fluctuate prior to the closing of the New Proposed Transaction. The trading price may increase or decrease (including above or below the $14.25 per share consideration to be paid by Buyer) due to, among other things, uncertainty of the closing of the New Proposed Transaction or uncertainty as to the impact to our business during the pendency of the New Proposed Transaction. Our stockholders will not be able to share in any potential upside that an indirect parent of Buyer will have by virtue of its ownership of IGT Gaming following the Equity Sale and us following the proposed transaction. acquisition.

In addition, upon Lawsuits may be filed against us or our board of directors challenging the transactions contemplated by the Merger Agreement or the New Proposed Transaction, which could prevent or delay the completion of the proposed transaction, the Company's current stockholders will own interests New Proposed Transaction or result in the combined company operating an expanded business with a different mix payment of assets, risks and liabilities. The Company's current stockholders may not wish damages.

Litigation relating to continue to invest in Merger Agreement or the combined company, or for other reasons may wish to dispose of some or all of their common stock. If, following the consummation of the proposed transaction, large amounts of the Company's common stock are sold, the price of the shares of the Company's common stock could decline.

Further, the combined company's results of operations, as well as the market price of the Company's common stock after the proposed transaction, New Proposed Transaction may be affected filed against us or our board of directors. Among other remedies, claimants could seek damages and/or to enjoin the transactions contemplated by factors the Merger Agreement or the New Proposed Transaction. An adverse ruling in addition any such lawsuit may delay or prevent the transactions contemplated by the New Proposed Transaction from being completed. Any such actions may create uncertainty relating to those currently affecting the Company's results of operations New Proposed Transaction and the market price of the Company's common stock, may be costly and other differences in assets and capitalization. Accordingly, the Company's historical market price and financial results may not be indicative of these matters for the combined company after the consummation of the proposed transaction. distracting to our management.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Issuer Purchases and Withholding of Equity Securities

The following table includes the monthly repurchases or withholdings of our common stock during the first quarter ended March 31, 2024:

	Total Number of Shares Purchased (in thousands)	Average Price Paid per Share (1)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (in thousands)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (in thousands) (2)
Share Repurchases				
1/1/24 - 1/31/24	—	$ —	—	$ 80,000.0
2/1/24 - 2/29/24	—	$ —	—	80,000.0
3/1/24 - 3/31/24	—	$ —	—	80,000.0
Sub-total	—	$ —	—	$ 80,000.0
Tax Withholdings				
1/1/24 - 1/31/24	— (3)	$ —	—	$ —
2/1/24 - 2/29/24	2.6 (3)	$ 11.40	—	—
3/1/24 - 3/31/24	7.2 (3)	$ 9.33	—	—
Sub-total	9.8	$ 9.89	—	$ —
Total	9.8	$ 9.89	—	$ 80,000.0

(1) Represents the average price per share of common stock purchased or withheld.

(2) As discussed in "Note 13 — Stockholders' Equity" in *Part I, Item 1: Financial Statements* of this quarterly report, the share repurchase program was approved on May 3, 2023 for an amount not to exceed $180 million over the next eighteen (18) months through November 3, 2024. There were no shares repurchased during the three months ended March 31, 2024, and the remaining availability was $80.0 million as of March 31, 2024. On May 2, 2024, the Board of Directors canceled the share repurchase program.

(3) Represents the shares of common stock that were withheld from restricted stock awards and the net settlement of stock option exercises to satisfy the applicable tax withholding obligations incident to the vesting of such restricted stock awards and the exercise of such stock options. There are no limitations on the number of shares of common stock that may be withheld from restricted stock awards or stock options to satisfy the tax withholding obligations incident to the vesting of restricted stock awards or exercise of stock options. There were 9.8 thousand shares withheld during the three months ended March 31, 2024. None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

(a) None.

(b) Not applicable.

(c) There were no Rule 10b5-1 trading arrangements (as defined in Item 408(a) of Regulation S-K) or non-Rule 10b5-1 trading arrangements (as defined in Item 408(c) of Regulation S-K) adopted, modified or terminated by any director or officer (as defined in Rule 16a-1(f) under the Exchange Act) of the Company during the three months ended March 31, 2024 June 30, 2024.

Item 6. Exhibits

Exhibit Number	Description
2.1+#	Agreement and Plan of Merger, dated as of July 26, 2024, by and among International Game Technology PLC, Ignite Rotate LLC, Everi Holdings Inc., Voyager Parent, LLC, and Ember Voyager Merger Sub, LLC dated as of February 28, 2024 Inc. (incorporated by reference to Exhibit 2.1 to Everi Holdings Inc.'sHoldings Inc.'s Current Report on Form 8-K filed with the SEC on February 29, 2024). July 26,2024).
3.1	Amended and Restated Certificate of Incorporation of Everi Holdings (incorporated by reference to Exhibit 3.1 of Amendment No. 1 of Everi Holdings Inc.'s Registration Statement on Form S-1 (Registration No. 333-123514) filed with the SEC on May 26, 2005). May 26, 2005).
3.2	Certificate of Amendment of Amended and Restated Certificate of Incorporation of Everi Holdings Inc. (incorporated by reference to Exhibit 3.1 of Everi Holdings Inc.'s Current Report on Form 8-K filed with the SEC on April 30, 2009).
3.3	Certificate of Amendment of Amended and Restated Certificate of Incorporation of Everi Holdings Inc. (incorporated by reference to Exhibit 3.1 of Everi Holdings Inc.'s Current Report on Form 8-K filed with the SEC on August 14, 2015).
3.4	Second Amended and Restated Bylaws of Everi Holdings Inc. (effective as of August 24, 2015) (incorporated by reference to Exhibit 3.2 of Everi Holdings Inc.'s Current Report on Form 8-K filed with the SEC on August 14, 2015).
10.1†	10.1+Everi Holdings Inc. Amended and Restated 2014 Equity Incentive Plan dated May 22, 2024 (incorporated by reference to Exhibit 10.1 to Everi Holdings Inc.'s Current Report on Form 8-K filed with the SEC on May 23, 2024).
10.2+#	Separation and Distribution Sale Agreement, dated as of July 26, 2024, by and among International Game Technology PLC, Ignite Rotate LLC, International Game Technology and Everi Holdings Inc. dated as of February 28, 2024, and Voyager Parent, LLC. (incorporated by reference to Exhibit 10.1 to Everi Holdings Inc.'s's Current Report on Form 8-K filed with the SEC on February 29, 2024 July 26, 2024).
10.2+ 10.3+#	Employee Matters Support Agreement, dated as of July 26, 2024, by and among International Game Technology PLC, Ignite Rotate LLC, International Game Technology and Everi Holdings Inc. dated as of February 28, 2024, De Agostini S.p.A., and Voyager Parent, LLC. (incorporated by reference to Exhibit 10.2 to Everi Holdings Inc.'s's Current Report on Form 8-K filed with the SEC on February 29, 2024).
10.3+	Real Estate Matters Agreement by and among International Game Technology PLC, Ignite Rotate LLC, International Game Technology and Everi Holdings Inc. dated as of February 28, 2024 (incorporated by reference to Exhibit 10.3 to Everi Holdings Inc.'s Current Report on Form 8-K filed with the SEC on February 29, 2024).
10.4+	Tax Matters Agreement by and among International Game Technology PLC, Ignite Rotate LLC, International Game Technology and Everi Holdings Inc. dated as of February 28, 2024 (incorporated by reference to Exhibit 10.4 to Everi Holdings Inc.'s Current Report on Form 8-K filed with the SEC on February 29, 2024).
10.5+#	Voting and Support Agreement by and among Everi Holdings Inc., International Game Technology PLC, Ignite Rotate LLC and De Agostini S.p.A. dated as of February 28, 2024 (incorporated by reference to Exhibit 10.5 to Everi Holdings Inc.'s Current Report on Form 8-K filed with the SEC on February 29, 2024).
10.6+#	Investor Rights Agreement by and between Everi Holdings Inc. and De Agostini S.p.A. dated as of February 28, 2024 (incorporated by reference to Exhibit 10.6 to Everi Holdings Inc.'s Current Report on Form 8-K filed with the SEC on February 29, 2024).

Exhibit Number	Description
10.7+	Commitment Letter by and among Ignite Rotate LLC, Deutsche Bank AG New York Branch (and its affiliates), Macquarie Capital (USA) Inc. (and its affiliates) and Everi Holdings Inc., dated as of February 28, 2024 (incorporated by reference to Exhibit 10.7 to Everi Holdings Inc.'s Current Report on Form 8-K filed with the SEC on February 29, 2024).
10.8†	Amendment No.1to the Everi Holdings Inc. Amended and Restated 2014 Equity Incentive Plan dated February 28, 2024 (incorporated by reference to Exhibit 10.8 to Everi Holdings Inc.'s Current Report on Form 8-K filed with the SEC on February 29, 2024 July 26, 2024).
*31.1	Certification of Randy L. Taylor, Chief Executive Officer of Everi Holdings in accordance with Rules 13a-14(a) and 15d-14(a) of the Securities Exchange Act, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
*31.2	Certification of Mark F. Labay, Chief Financial Officer of Everi Holdings in accordance with Rules 13a-14(a) and 15d-14(a) of the Securities Exchange Act, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
**32.1	Certification of the Chief Executive Officer and Chief Financial Officer of Everi Holdings in accordance with 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
*101.INS	XBRL Instance Document - – this instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
*101.SCH	XBRL Taxonomy Extension Schema Document.
*101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
*101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.

Exhibit Number	Description
*101.LAB	XBRL Taxonomy Extension Label Linkbase Document.
*101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.
*104	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2024 June 30, 2024, formatted in Inline XBRL (included as Exhibit 101).

*	Filed herewith.
**	Furnished herewith.
†	Management contracts or compensatory plans or arrangements.
#	Certain information was redacted from this exhibit pursuant to Item 601(a)(6) of Regulation S-K.
+	Schedules (or similar attachments) to this exhibit have been omitted in accordance with Item 601(a)(5) of Regulation S-K. The Registrant agrees to furnish supplementally a copy of all omitted schedules to the Securities and Exchange Commission on a confidential basis up on request.

SIGNATURES

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

May 8, August 7, 2024	**EVERI HOLDINGS INC.**
(Date)	(Registrant)

By: /s/ Todd A. Valli

Todd A. Valli

Senior Vice President, Corporate Finance and Tax & Chief Accounting Officer

(For the Registrant and as Principal Accounting Officer)

Exhibit 31.1

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

I, Randy L. Taylor, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Everi Holdings 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(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

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

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

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

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

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

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

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

Dated: May 8, 2024 August 7, 2024

By: /s/ Randy L. Taylor
Randy L. Taylor
President and Chief Executive Officer

Exhibit 31.2

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

I, Mark F. Labay, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Everi Holdings 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(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

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

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

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

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

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

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

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

Dated: May 8, 2024 August 7, 2024

By: /s/ Mark F. Labay
Mark F. Labay
Executive Vice President and Chief Financial Officer

EXHIBIT 32.1

EVERI HOLDINGS INC.
CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER AND PRINCIPAL FINANCIAL OFFICER 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 Quarterly Report of Everi Holdings Inc. (the “Company”) on Form 10-Q for the period ended March 31, 2024 June 30, 2024 filed with the Securities and Exchange Commission (the “Report”), Randy L. Taylor, Chief Executive Officer of the Company, and Mark F. Labay, Executive Vice President and Chief Financial Officer of the Company, each hereby certifies as of the date hereof, solely for the purposes of Title 18, Chapter 63, Section 1350 of the United States Code, that to the best of his knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods indicated.

This Certification has not been, and shall not be deemed, “filed” with the Securities and Exchange Commission.

Dated: May 8, August 7, 2024

By: /s/ Randy L. Taylor
Randy L. Taylor
President and Chief Executive Officer

Dated: May 8, August 7, 2024

By: /s/ Mark F. Labay
Mark F. Labay
Executive Vice President and Chief Financial Officer

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