FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **2021-08-16** | Period of Report: **2021-06-30**
SEC Accession No. 0001683168-21-003696

(HTML Version on secdatabase.com)

FILER

Gaming Technologies, Inc.
CIK:**1816906**| IRS No.: **352675083** | State of Incorp.:**DE** | Fiscal Year End: **1231**
Type: **10-Q** | Act: **34** | File No.: **333-249998** | Film No.: **211177342**
SIC: **7372** Prepackaged software

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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 June 30, 2021

☐ **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: **333-249998**

Gaming Technologies, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**35-2675083**
State or Other Jurisdiction of Incorporation or Organization	I.R.S. Employer Identification No.
Two Summerlin Las Vegas, NV USA	**89135**
Address of Principal Executive Offices	Zip Code

Registrant's telephone number, including area code: **+ 1 (833) 888-4648**

413 West 14th Street
New York, New York 10014
(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
None	–	–

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

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

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

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

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐Yes ☒ No

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

As of August 16, 2021, 30,986,674 shares of the registrant's common stock, par value $0.001 per share, were outstanding.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (this "Form 10-Q") contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and the provisions of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Forward-looking statements give our current expectations or forecasts of future events. You can identify these statements by the fact that they do not relate strictly to historical or current facts. You can find many (but not all) of these statements by looking for words such as "approximates," "believes," "hopes," "expects," "anticipates," "estimates," "projects," "intends," "plans," "would," "should," "could," "may" or other similar expressions in this Form 10-Q. In particular, these include statements relating to future actions, future performance, anticipated expenses, or projected financial results. These forward-looking statements are subject to certain risks and uncertainties, including the risks outlined under "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2020 (the "Form 10-K") filed with the Securities and Exchange Commission (the "SEC") and in this Form 10-Q, that could cause actual results to differ materially from our historical experience and our present expectations or projections. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time and it is not possible for us to predict all risk factors, nor can we address the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause our actual results to differ materially from those contained in any forward-looking statements. All forward-looking statements included in this document are based on information available to us on the date hereof, and we assume no obligation to update any such forward-looking statements.

We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements we make. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, or joint ventures we may make or collaborations or strategic partnerships we may enter into.

You should read this Form 10-Q and the documents that we have filed as exhibits to this Form 10-Q, as well as the Form 10-K and the other reports, schedules and documents we have filed with the SEC, completely and with the understanding that our actual future results may be materially different from what we expect. We do not assume any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Unless the context requires otherwise, references in this report to "Gaming Technologies," the "Company," "we," "us," and "our" refer to Gaming Technologies, Inc., a Delaware corporation, and its subsidiary. All brand names or trademarks appearing in this report are the property of their respective holders.

PART I FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

GAMING TECHNOLOGIES, INC.
AND SUBSIDIARY

INDEX TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

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GAMING TECHNOLOGIES, INC.
AND SUBSIDIARY

CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2021	December 31, 2020
	Unaudited	
ASSETS		
Current assets:		
Cash	$ 306,719	$ 1,946,232
Deposits and other current assets	162,839	37,917
Total current assets	469,558	1,984,149
Property and equipment, net	8,321	8,503
Operating lease right of use asset, net	–	11,968
Intellectual property, net	190,241	50,967
Total assets	$ 668,120	$ 2,055,587
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$ 476,056	$ 368,784
Due to related parties	12,588	14,918
Current portion of note payable, bank	13,990	2,241
Current portion of operating lease liability	–	11,968
Total current liabilities	502,634	397,911
Note payable, bank	50,992	62,741
Total liabilities	553,626	460,652
Commitments and contingencies	–	–
Stockholders' equity:		
Preferred stock, $0.001 par value; authorized -5,000,000 shares; issued - none	–	–
Common stock, $0.001 par value; authorized - 45,000,000 shares; issued and outstanding - 30,521,059 shares and 28,367,525 shares at June 30, 2021 and December 31, 2020, respectively	30,521	28,367
Additional paid-in capital	14,698,188	9,551,507
Accumulated other comprehensive income	(40,410)	(18,746)
Accumulated deficit	(14,573,805)	(7,966,193)

Total stockholders' equity	114,494	1,594,935
Total liabilities and stockholders' equity	$ 668,120	$ 2,055,587

See accompanying notes to condensed consolidated financial statements.

GAMING TECHNOLOGIES, INC.
AND SUBSIDIARY

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS (UNAUDITED)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	**2020**	**2021**	**2020**
Revenue	$ 23,321	$ –	$ 25,410	$ –
Costs and Expenses:				
Cost of revenues	91,318	–	273,581	–
Software development, including amortization of intellectual property of $15,150 and $14,697 in the three months ended June 30, 2021 and 2020, respectively and $35,071 and $30,011 in the six months ended June 30, 2021 and 2020, respectively	114,460	14,697	132,863	34,802
General and administrative:				
Officers, directors, affiliates, and other related parties	155,727	148,914	447,582	234,423
Other (including stock compensation costs of $20,833 and $1,467,335 in the three and six months ended June 30, 2021, respectively)	3,888,605	199,942	5,778,996	327,072
Total Costs and expenses	4,250,110	363,553	6,633,022	596,297
Loss from operations	(4,226,789)	(363,553)	(6,607,612)	(596,297)
Other income (expense):				
Interest expense	–	(2,083)	–	(2,995)
Foreign currency gain or (loss)	–	(1,042)	–	(18,890)
Total other expense, net	–	(3,125)	–	(21,885)
Net loss	(4,226,789)	(366,678)	(6,607,612)	(618,182)
Foreign currency translation adjustment	(8,491)	9,976	(21,664)	9,976
Comprehensive loss	$ (4,235,280)	$ (356,702)	$ (6,629,276)	$ (608,206)
Net loss per common share - basic and diluted	$ (0.14)	$ (0.05)	$ (0.22)	$ (0.02)
Weighted average common shares outstanding - basic and diluted	30,521,059	7,518,094	30,033,705	24,689,545

See accompanying notes to condensed consolidated financial statements.

GAMING TECHNOLOGIES, INC.
AND SUBSIDIARY

CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIENCY) (UNAUDITED)
Three and Six Months Ended June 30, 2021 and 2020

Three and six months ended June 30, 2021:

	Common Stock		Additional Paid-in	Accumulated Other Comprehensive	Accumulated	Stockholders' Equity
	Shares	Par Value	Capital	Income	Deficit	(Deficiency)
Balance, March 31, 2021	30,521,059	$ 30,521	$14,677,355	$ (31,919)	$ (10,347,016)	$ 4,328,941
Common stock issued in connection with private placement, net	–	–	–	–	–	–
Common stock issued as compensation	–	–	20,833	–	–	20,833
Foreign currency translation adjustment	–	–	–	(8,491)	–	(8,491)
Net loss for the three months ended June 30, 2021	–	–	–	–	(4,226,789)	(4,226,789)
Balance, June 30, 2021	30,521,059	$ 30,521	$14,698,188	$ (40,410)	$ (14,573,805)	$ 114,494

	Common Stock		Additional Paid-in	Accumulated Other Comprehensive	Accumulated	Stockholders' Equity
	Shares	Par Value	Capital	Income	Deficit	(Deficiency)
Balance, December 31, 2020	28,367,525	$ 28,367	$ 9,551,507	$ (18,746)	$ (7,966,193)	$ 1,594,935
Common stock issued in connection with private placement, net	1,616,600	1,617	3,679,883	–	–	3,681,500
Common stock issued as compensation	536,934	537	1,466,798	–	–	1,467,335
Foreign currency translation adjustment	–	–	–	(21,664)	–	(21,664)
Net loss for the six months ended June 30, 2021	–	–	–	–	(6,607,612)	(6,607,612)
Balance, June 30, 2021	30,521,059	$ 30,521	$14,698,188	$ (40,410)	$ (14,573,805)	$ 114,494

Three and six months ended June 30, 2020:

	Common Stock		Additional Paid-in	Accumulated Other Comprehensive	Accumulated	Stockholders' Equity
	Shares	Par Value	Capital	Income	Deficit	(Deficiency)
Balance, March 31, 2020	24,698,325	$ 24,698	$1,262,176	$ 10,229	$ (1,005,880)	$ 291,223
Common stock issued in connection with private placement, net	–	–	–	–	–	–
Acquisition of Game Tech	–	–	–	–	–	–
Foreign currency translation adjustment	–	–	–	2,513	–	2,513
Net loss for the three months ended June 30, 2020	–	–	–	–	(366,678)	(366,678)
Balance, June 30, 2020	24,698,325	$ 24,698	$1,262,176	$ 12,742	$ (1,372,558)	$ (72,942)

	Common Stock		Additional Paid-in	Accumulated Other Comprehensive	Accumulated	Stockholders' Equity
	Shares	Par Value	Capital	Income	Deficit	(Deficiency)
Balance, December 31, 2019	24,614,325	$ 24,614	$1,040,199	$ 2,766	$ (754,376)	$ 313,203
Common stock issued in connection with private placement, net	84,000	84	209,916	–	–	210,000
Acquisition of Game Tech	–	–	12,061	–	–	12,061
Foreign currency translation adjustment	–	–	–	9,976	–	9,976
Net loss for the six months ended June 30, 2020	–	–	–	–	(618,182)	(618,182)
Balance, June 30, 2020	24,698,325	$ 24,698	$1,262,176	$ 12,742	$ (1,372,558)	$ (72,942)

See accompanying notes to condensed consolidated financial statements.

GAMING TECHNOLOGIES, INC.
AND SUBSIDIARY

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	Six Months Ended June 30,	
	2021	2020
Cash flows from operating activities:		
Net loss	$ (6,607,612)	$ (618,182)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	5,146	3,844
Interest expense subsidy	–	(86)
Amortization of intellectual property	35,342	30,011
Amortization of accrued lending fee	–	(599)
Amortization of operating lease right of use asset	11,968	21,870
Stock compensation	1,467,335	–
Foreign currency gain / (loss)	–	18,890
Changes in operating assets and liabilities:		
(Increase) decrease in -		
Due from related parties	–	(53,727)
Deposits and other current assets	(124,922)	(2,377)
Increase (decrease) in -		
Accounts payable and accrued expenses	107,272	196,341
Due to related parties	(2,330)	2,312
Operating lease liability	(11,968)	(21,870)
Accrued interest payable	–	86
Net cash used in operating activities	(5,119,769)	(423,487)
Cash flows from investing activities:		
Purchase of intellectual property	(174,616)	–
Purchase of property and equipment	(4,964)	(5,266)
Net cash used in investing activities	(179,580)	(5,266)
Cash flows from financing activities:		
Proceeds from private placement of common stock	3,681,500	210,000

Proceeds from note payable bank	–	60,623
Repayment of note payable related party	–	(35,508)
Repayment of cancelled common stock subscription	–	(60,000)
Net cash provided by financing activities	3,681,500	175,115
Effect of exchange rate on cash	(21,664)	(9,965)
Cash:		
Net decrease	(1,639,513)	(263,603)
Balance at beginning of year	1,946,232	320,402
Balance at end of year	$ 306,719	$ 56,799

(Continued)

GAMING TECHNOLOGIES, INC.
AND SUBSIDIARY

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(Continued)

	Six Months Ended June 30,	
	2021	**2020**
Supplemental disclosures of cash flow information:		
Cash paid for -		
Interest	$ –	$ 3,593
Income taxes	$ –	$ –
Non-cash investing and financing activities:		
Accrued interest payable contributed to capital by related parties	$ –	$ 12,061

See accompanying notes to condensed consolidated financial statements.

GAMING TECHNOLOGIES, INC.
AND SUBSIDIARY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Three and Six Months Ended June 30, 2021 and 2020

1. Organization and Basis of Presentation

Organization and Combination

Gaming Technologies, Inc. (formerly Dito, Inc.,) ("Gaming US") was incorporated in the State of Delaware on July 23, 2019. Effective as of March 18, 2020, Gaming US completed a Share Exchange Agreement (the "Exchange Agreement") to acquire all of the outstanding ordinary shares of Gaming Technologies Limited, formerly Gaming UK Limited, ("Gaming UK") that provided for each outstanding ordinary share of Gaming UK to be effectively converted into 25 shares of common stock of Gaming US. As a result, Gaming UK became a wholly-owned subsidiary of Gaming US in a recapitalization transaction (collectively, the "Company"). On December 21, 2020, the Company changed its name from Dito, Inc. to Gaming Technologies Inc.

Gaming UK was originally formed as Smart Tower Limited on November 3, 2017 in the United Kingdom for the purpose of software development. On June 29, 2018, Smart Tower Limited changed its name to NENX Gaming Limited and then to Gaming UK Limited on July 29, 2019 and to Gaming Technologies Limited on January 7, 2021.

Gaming US maintains its principal executive offices in Las Vegas, Nevada, United States. Gaming UK maintains its principal executive offices in London, England.

Business Operations

The Company is a mobile games developer, publisher, and operator with offices in London and Las Vegas. The Company intends to license its software platform to mobile gaming operators and developers to enable rapid development of new games. In addition, the Company operates an online gaming operation in Mexico through its web site vale.mx.

On November 13, 2020, we entered into an Agreement for the Provision of Online Gaming Management and Consulting Services (as subsequently amended) with Comercial de Juegos de la Frontera, S.A. de C.V., a Mexican company doing business as Big Bola, pursuant to which we provide to Big Bola consulting and management services related to their interactive online betting and gaming business in Mexico via the web site www.vale.mx, a regulated online casino and sports betting site. vale.mx operates under Big Bola's existing license issued by the General Directorate of Games and Raffles of the Ministry of Interior (SEGOB). Big Bola is one of only 14 operators legally authorized to offer legal betting and online casino services in Mexico. vale.mx has more than 500 online premium casino games available, which can be enjoyed both on mobile or via desktop. Players can receive promotions and play live roulette and blackjack, or high-definition slots from leading software providers such as NetEnt, Microgaming, Pragmatic Play, Evolution and Matrix Studios. We are responsible for player acquisition, promotion and retention for vale.mx. We manage players' accounts and are required to ensure that the balance in players' accounts at all times satisfies the requirements under applicable law, and we pay out winnings to players from Big Bola's account. While Big Bola bears liability to the players as provided by the permit, as between us and Big Bola we bear the costs of this obligation. Each party indemnifies the other against certain liabilities and claims. Under the terms of the agreement, we share 60% of gross gaming revenue generated from the platform, subject to certain minimum guaranteed monthly amounts of Big Bola's participation in the remaining gross gaming revenues. This venture began operations in February 2021.

On May 19, 2021, we entered into a non-exclusive license agreement with Playboy Enterprises International, Inc. ("Playboy") to use certain trademarks (including the rabbit head logo) and other intellectual property of Playboy on and in connection with the design, creation, promotion, marketing, advertisement, sales, operation, maintenance and distribution in India of real-money game mobile apps, such as rummy, poker, fantasy sports and other games of skill approved by Playboy. We will pay Playboy as a royalty a percentage of net gaming revenue. The term of the agreement is through the end of 2025, subject to early termination upon certain events of default, which include our failure to launch a Playboy-branded game in India by November 1, 2021, or to meet certain annual minimum net gaming revenue targets.

Going Concern

The Company's condensed consolidated financial statements have been presented on the basis that the Company is a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. As reflected in the accompanying condensed consolidated financial statements, the Company has had no significant operating revenues to date, and has experienced recurring net losses from operations and negative operating cash flows. During the six months ended June 30, 2021, the Company

incurred a net loss of $6,607,612 utilized cash in operating activities of $5,119,769, and had an accumulated deficit of $14,573,805 as of June 30, 2021. The Company has financed its working capital requirements since inception through the sale of its equity securities and from borrowings.

At June 30, 2021, the Company had cash of $306,719, reflecting cash of $3,681,500 from the sale of common stock in the first quarter of 2021 and marketing development costs of $3,524,643. The Company estimates that a significant amount of capital will be necessary over a sustained period of time to advance the development of the Company's business to the point at which it can become commercially viable and self-sustaining. However, there can be no assurances that the Company will be successful in this regard.

As a result, management has concluded that there is substantial doubt about the Company's ability to continue as a going concern within one year of the date that the accompanying condensed consolidated financial statements are issued. In addition, the Company's independent registered public accounting firm, in their report on the Company's condensed consolidated financial statements for the year ended December 31, 2020, has also expressed substantial doubt about the Company's ability to continue as a going concern. The ability of the Company to continue as a going concern is dependent upon the Company's ability to raise additional funds and implement its business plan, and to ultimately achieve sustainable operating revenues and profitability. The accompanying condensed consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

The development and expansion of the Company's business in 2021 and thereafter will be dependent on many factors, including the capital resources available to the Company. No assurances can be given that any future financing will be available or, if available, that it will be on terms that are satisfactory to the Company or adequate to fund the development and expansion of the Company's business to a level that is commercially viable and self-sustaining. There is also significant uncertainty as to the effect that the coronavirus pandemic may have on the availability, amount and type of financing in the future.

If cash resources are insufficient to satisfy the Company's ongoing cash requirements, the Company would be required to scale back or discontinue its operations, obtain funds, if available, although there can be no certainty, through strategic alliances that may require the Company to relinquish rights to its technology, or to discontinue its operations entirely.

2. Summary of Significant Accounting Policies

Principles of Combination

The accompanying condensed consolidated financial statements of the Company have been prepared in accordance with United States generally accepted accounting principles ("GAAP") and include the financial statements of Gaming US and its wholly-owned foreign subsidiary, Gaming UK. Intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Management bases its estimates on historical experience and on various assumptions that are believed to be reasonable in relation to the financial statements taken as a whole under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Management regularly evaluates the key factors and assumptions used to develop the estimates utilizing currently available information, changes in facts and circumstances, historical experience and reasonable assumptions. After such evaluations, if deemed appropriate, those estimates are adjusted accordingly. Actual results could differ from those estimates. Significant estimates are expected to include those related to assumptions used in calculating accruals for potential liabilities, valuing equity instruments issued for services, and the realization of deferred tax assets.

Cash

The Company maintains its cash balances with financial institutions with high credit ratings. The Company has not experienced any losses to date resulting from this practice.

As of June 30, 2021 and December 31, 2020, the Company's cash balances by currency consisted of the following:

	June 30, 2021	December 31, 2020
GBP	£ 14,297	£ 49,127
USD	$ 286,988	$ 1,879,166

Cash balances in British Pounds are maintained in the United Kingdom and cash balances in United States Dollars are maintained in the United States.

Concentration of Risk

The Company may periodically contract with consultants and vendors to provide services related to the Company's business development activities. Agreements for these services may be for a specific time period or for a specific project or task. The Company did not have any agreements at June 30, 2021 or December 31, 2020.

Revenue Recognition

The Company recognizes revenue in accordance with ASC Topic 606, *Revenue From Contracts With Customers*. ASC Topic 606 requires companies to recognize revenue in a manner that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In addition, the standard requires disclosures of the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. Revenue is recognized based on the following five step model:

- Identification of the contract with a customer
- Identification of the performance obligations in the contract
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations in the contract
- Recognition of revenue when, or as, the Company satisfies a performance obligation

The Company operates an online betting platform allowing users to place wagers on casino games. Each wager placed by users create a single performance obligation for the Company to administer each event wagered. Net gaming revenue is the aggregate of gaming wins and losses based on results of each event that customers wager bets on. Gross gaming revenue is split with our partners, whose share of gross gaming revenue is recorded as a reduction to net gaming revenue.

Cost of Revenue

Cost of revenue consists primarily of variable costs related to our contract with Big Bola. These include mainly (i) payment processing fees and chargebacks, (ii) product taxes, (iii) technology costs, (iv) revenue share / market access arrangements, and (v) feed / provider services. The Company incurs payment processing fees on user deposits, withdrawals and deposit reversals from payment processors (“chargebacks”). Chargebacks have not been material to date. Cost of revenue also includes expenses related to the distribution of our services, amortization of intangible assets and compensation of revenue associated personnel.

Stock-Based Compensation

The Company issues common stock and intends to issue stock options to officers, directors and consultants for services rendered. Options will vest and expire according to terms established at the issuance date of each grant. Stock grants, which are generally time vested, will be measured at the grant date fair value and charged to operations ratably over the vesting period.

The fair value of stock options granted as stock-based compensation will be determined utilizing the Black-Scholes option-pricing model, and can be affected by several variables, the most significant of which are the life of the equity award, the exercise price of the stock option as compared to the fair market value of the common stock on the grant date, and the estimated volatility of the common stock. Estimated volatility will be based on the historical volatility of the Company's common stock over an appropriate calculation period, or, if not available, by reference to the volatility of a representative sample of comparable public companies. The risk-free interest rate will be based on the U.S. Treasury yield curve in effect at the time of grant. The fair market value of the common stock will be determined by reference to the quoted market price of the Company's common stock on the grant date, or, if not available, by reference to an appropriate alternative valuation methodology.

The Company will recognize the fair value of stock-based compensation awards in general and administrative costs or in software development costs, as appropriate, in the Company's condensed consolidated statements of operations. The Company will issue new shares of common stock to satisfy stock option exercises.

As of June 30, 2021 and December 31, 2020, the Company did not have any outstanding stock options.

Comprehensive Income (Loss)

Comprehensive income or loss is defined as the change in equity during a period from transactions and other events and circumstances from non-owner sources. Components of comprehensive income or loss, including net income or loss, unrealized gains or losses on available-for-sale securities, unrealized gains or losses on other financial investments, unrealized gains or losses on pension and retirement benefit plans, and foreign currency translation adjustments, are reported in the financial statements in the period in which they are recognized. Net income (loss) and other comprehensive income (loss) are reported net of any related tax effect to arrive at comprehensive income (loss). The Company's comprehensive income (loss) for the three months ended June 30, 2021 and 2020 consists of foreign currency translation adjustments.

Earnings (Loss) Per Share

The Company's computation of earnings (loss) per share ("EPS") includes basic and diluted EPS. Basic EPS is measured as the income (loss) attributable to common stockholders divided by the weighted average common shares outstanding for the period. Diluted EPS is similar to basic EPS but presents the dilutive effect on a per share basis of potential common shares (e.g., convertible notes payable, convertible preferred stock, warrants and stock options) as if they had been converted at the beginning of the periods presented, or issuance date, if later. Potential common shares that have an anti-dilutive effect (i.e., those that increase income per share or decrease loss per share) are excluded from the calculation of diluted EPS.

Loss per common share is computed by dividing net loss by the weighted average number of shares of common stock outstanding during the respective periods. At June 30, 2021 and December 31, 2020, the Company excluded warrants to acquire 234,000 shares of common stock from its calculation of loss per share as their effect would be antidilutive. Basic and diluted loss per common share is the same for all periods presented because the aforementioned warrants were antidilutive.

The Company has adopted ASU 2017-11, Earnings per share (Topic 260), provided that when determining whether certain financial instruments should be classified as liability or equity instruments, a down round feature no longer precludes equity classification when assessing whether the instrument is indexed to an entity’s own stock.

Fair Value of Financial Instruments

The authoritative guidance with respect to fair value established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels and requires that assets and liabilities carried at fair value be classified and disclosed in one of three categories, as presented below. Disclosure as to transfers in and out of Levels 1 and 2, and activity in Level 3 fair value measurements, is also required.

Level 1. Observable inputs such as quoted prices in active markets for an identical asset or liability that the Company has the ability to access as of the measurement date. Financial assets and liabilities utilizing Level 1 inputs include active-exchange traded securities and exchange-based derivatives.

Level 2. Inputs, other than quoted prices included within Level 1, which are directly observable for the asset or liability or indirectly observable through corroboration with observable market data. Financial assets and liabilities utilizing Level 2 inputs include fixed income securities, non-exchange-based derivatives, mutual funds, and fair-value hedges.

Level 3. Unobservable inputs in which there is little or no market data for the asset or liability which requires the reporting entity to develop its own assumptions. Financial assets and liabilities utilizing Level 3 inputs include infrequently-traded non-exchange-based derivatives and commingled investment funds and are measured using present value pricing models.

The Company will determine the level in the fair value hierarchy within which each fair value measurement falls in its entirety, based on the lowest level input that is significant to the fair value measurement in its entirety. In determining the appropriate levels, the Company will perform an analysis of the assets and liabilities at each reporting period end.

The carrying value of financial instruments (consisting of cash and accounts payable and accrued expenses) is considered to be representative of their respective fair values due to the short-term nature of those instruments.

Foreign Currency

The accompanying condensed consolidated financial statements are presented in United States dollars ("USD"). The functional currency of Gaming UK, the Company's foreign subsidiary, is the British Pound (“GBP”), the local currency in the United Kingdom. Accordingly, assets and liabilities of the foreign subsidiary are translated at the current exchange rate at the end of the period, and revenues and expenses are translated at average exchange rates during the six months ended June 30, 2021 and the year ended December 31, 2020. The resulting translation adjustments are recorded as a component of shareholders' equity (deficiency). Gains and losses from foreign currency transactions are included in net income (loss).

Translation of amounts from the local currencies of the foreign subsidiary, Gaming UK, into USD has been made at the following exchange rates for the respective periods:

	As of and for the	
	Six months ended June 30, 2021	**Year ended December 31, 2020**
Period-end GBP to USD1.00 exchange rate	1.3801	1.3652
Period-average GBP to USD1.00 exchange rate	1.3885	1.2825

Recent Accounting Pronouncements

In June 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments ("ASU 2016-13"). ASU 2016-13 significantly changes how entities measure credit losses for most financial assets, including accounts and notes receivables. ASU 2016-13 will replace the current "incurred loss" approach with an “expected loss” model, under which companies will recognize allowances based on expected rather than incurred losses. Entities will apply the provisions of ASU 2016-13 as a cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period in which ASU 2016-13 is effective. As small business filer, ASU 2016-13 will be effective for the Company for interim and annual reporting periods beginning after December 15, 2022. Management is currently in the process of assessing the impact of adopting ASU-2016-13 on the Company's financial statements and related disclosures.

In August 2020, the FASB issued ASU 2020-06, Debt — Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity’s Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity’s Own Equity (“ASU 2020-06). ASU 2020-06 simplifies the accounting for convertible debt by eliminating the beneficial conversion and cash conversion accounting models. Upon adoption of ASU 2020-06, convertible debt proceeds, unless issued with a substantial premium or an embedded conversion feature that is not clearly and closely related to the host contract, will no longer be allocated between debt and equity components. This modification will reduce the issue discount and result in less non-cash interest expense in financial statements.

ASU 2020-06 also updates the earnings per share calculation and requires entities to assume share settlement when the convertible debt can be settled in cash or shares. ASU 2020-06 will be effective January 1, 2024, and a cumulative-effect adjustment to the opening balance of retained earnings is required upon adoption. Early adoption is permitted, but no earlier than January 1, 2021, including interim periods within that year. The Company adopted ASU 2020-06 effective January 1, 2021. The adoption of ASU 2020-06 did not have any impact on the Company's consolidated financial statement presentation or disclosures.

Other recent accounting pronouncements issued by the FASB, including its Emerging Issues Task Force, the American Institute of Certified Public Accountants, and the Securities and Exchange Commission did not or are not believed by management to have a material impact on the Company's present or future condensed consolidated financial statements and related disclosures.

3. Property and Equipment

Property and equipment as of June 30, 2021 and December 31, 2020 is summarized as follows:

	June 30, 2021	December 31, 2020
Computer and office equipment	$ 32,445	$ 27,307
Less accumulated depreciation	(24,124)	(18,804)
Computer and office equipment, net	$ 8,321	$ 8,503

All of the Company's property and equipment is located in the United Kingdom. Depreciation expense for the six months ended June 30, 2021 and 2020 was $5,320 and $3,844, respectively. Depreciation expense is included in general and administrative costs in the Company's condensed consolidated statement of operations.

4. Intellectual Property

Intellectual property as of June 30, 2021 and December 31, 2020 is summarized as follows:

	June 30, 2021	December 31, 2020
Software	$ 194,978	$ 194,978
Internet domain name	187,400	13,055
Total intellectual property	382,378	208,033
Less accumulated amortization	(192,137)	(157,066)
Intellectual property, net	$ 190,241	$ 50,967

Amortization expense for the six months ended June 30, 2021 and 2020 was $35,071 and $30,011, respectively. Amortization expense is included in software development costs in the Company's condensed consolidated statement of operations.

5. Note Payable to Bank

On June 9, 2020, Gaming UK received an unsecured loan of $60,600 (equivalent to 47,600£) from Metro Bank PLC under the Bounce Bank Loan Scheme managed by the British Business Bank on behalf of, and with the financial backing of, The Secretary of State for Business, Energy and Industrial Strategy of the Government of the United Kingdom. The Government of the United Kingdom has provided a full guarantee to Metro Bank PLC with respect to the repayment of this loan. The proceeds from the loan are required to be used for working capital purposes, for investment in a company's business, and to support trading or commercial activity in the United Kingdom. The loan is for a term of 72 months and has a fixed interest rate of 2.5% per annum. Gaming UK is not required to make any payments of interest on the loan during the first 12 months of this loan, with such amount being paid by the Government of the United Kingdom under its business interruption payment program. Beginning in the 13th month after the drawdown of the loan, Gaming UK will be required to repay the loan by making 60 equal monthly payments of principal and interest aggregating $1,076 (equivalent to 845£) per month. During the six months ended June 30, 2021, the Company recorded interest expense of $731, with respect to this loan, which was

paid by the Government of the United Kingdom under this program. As of June 30, 2021, $64,982 was due under this note, of which, $13,990 was reflected as current portion due.

Maturities of long-term debt for each of the next five years and thereafter are as follows:

Year ended December 31,	Amount
2021	$ 2,241
2022	10,137
2023	10,137
2024	10,137
2025	10,137
Thereafter	22,193
Total payments	64,982
Less current portion	13,990
	$ 50,992

6. Related Party Transactions

During the six months ended June 30, 2021 and 2020, the Company paid base salary, and a bonus of £75,000, totaling $390,307 and $165,081 to Jason Drummond, the Company's sole director and executive officer.

As of June 30, 2021 and December 31, 2020, $12,588 and $14,918 was due to officers. The advances were unsecured, non-interest bearing with no formal terms of repayment.

7. Stockholders' Equity

Preferred Stock

The Company has authorized a total of 5,000,000 shares of preferred stock, par value $0.001 per share. No preferred shares have been designated by the Company as of June 30, 2021 and December 31, 2020.

Common Stock

The Company is authorized to issue up to 45,000,000 shares of common stock, par value $0.001 per share. As of June 30, 2021 and December 31, 2020, the Company had 30,521,059 and 28,367,525 shares of common stock issued and outstanding, respectively.

Private Placement of Common Stock

On February 3, 2021, Gaming Technologies, Inc. (the "Company") entered into a Securities Purchase Agreement with certain accredited investors ("Purchase Agreement"), pursuant to which the Company sold an aggregate of 1,606,600 shares of its Common Stock for gross proceeds of $4,016,500 in a private placement. The Company paid a finder's fee to registered brokers in the amount of $360,000 in connection with these transactions resulting in net proceeds to the Company of $3,656,500. In connection with the Purchase Agreement, the Company issued to certain registered brokers warrants to purchase an aggregate of 144,000 shares of common at an exercise price of $2.50 per share, with an expiration date 5 years from the date of issuance, pursuant to the terms of certain finder's fee agreements previously entered into by the Company and such brokers.

Under the terms of the Purchase Agreement, each investor was granted customary piggyback registration rights in the event the Company proposes to register the offer and sale of any shares of its common stock, subject to the limitations set forth in the Purchase Agreement, such as a registration statement solely relating to an offering or sale to employees or directors of the Company pursuant to employee stock plan or in connection with any dividend or distribution. The Purchase Agreement also provides the investors the option and right

to participate in future capital raising transactions at the same purchase price and on the same terms and conditions as other investors participating in such transactions, for an aggregate purchase price of up to $6,000,000.

If, at any time during the twelve months following sale of the Shares, the Company issues or sells shares of common stock or common stock equivalents, except for certain exempt issuances as described in the Purchase Agreement, at a price below $2.50 per share, then immediately upon such issuance or sale, the Company will deliver to the investors that number of restricted shares of common stock equal to the difference between the number of Shares purchased by the investor pursuant to this Purchase Agreement and the number of shares of common stock the investor would have received for the investor's subscription amount at the dilutive issuance price.

In March 2021, the Company sold 10,000 shares of its Common Stock for gross proceeds of $25,000 in a private placement.

Consulting Agreements

On November 6, 2020, the Company entered into an agreement with a consultant to serve as a board advisor. The term of the agreement is for one year and may be renewed at the end of the term. Compensation consists of the following stock grants: 50,000 shares of the Company's common stock within seven days of the execution of the agreement which was valued at $125,000 and recorded during the year ended December 31, 2020. In addition, 50,000 shares of the Company's common stock six months after the date of the agreement, which was May 6, 2021; 50,000 shares of the Company's common stock upon the first renewal of the agreement and 50,000 shares of the Company's common stock six months after the first renewal; and, 100,000 shares of the Company common stock at each of the following two renewal periods, if the agreement is renewed. The grant date fair value of $875,000 of these shares will be amortized over the service period. During the six months ended June 30, 2021, the Company amortized $125,000, representing the pro rata portion of the grant date fair value of the shares vesting during the period. As of June 30, 2021, $708,333 of unvested stock compensation will be amortized in future periods. The Company was obligated to issue a second tranche of 50,000 shares on May 6, 2021. These shares had not yet been issued as of the date of this filing.

In January 2021, the Company entered into two agreements with two consultants to provide investor relation services to the Company. The agreements are for a term of one year. The Company issued 200,000 shares of its common stock in exchange for the services. The common stock was valued at $500,000 at the time the agreements were executed.

In February 2021, the Company entered into an internet advertising campaign with a consultant. The contract is for a term of one year and calls for an initial non-refundable deposit of $20,000 upon the execution of the agreement and a payment of 333,334 shares of the Company's common stock valued at $833,335 on the date of issuance.

In March 2021, the Company issued 3,600 shares of its common stock to a consultant in exchange for consulting services. The fair market value of the services was $9,000.

Warrants

A summary of warrant activity for the six months ended June 30, 2021 is presented below:

	Warrants	Weighted average exercise price	Weighted average remaining contractual life (years)	Aggregate intrinsic value
Outstanding on December 31, 2020	90,000	$ 2.50	4.84	$ –
Granted	144,000	2.50	4.78	–
Exercised	–	–	–	–
Outstanding on June 30, 2021	234,000	$ 2.50	4.59	$ –

Stock-option plan

On May 21, 2021, the shareholders of the Company approved the Company's 2021 Equity Incentive Plan (the "2021 Plan"). The purposes of the 2021 Plan are to (a) enable the Company to attract and retain the types of employees, consultants and directors who will contribute to the Company's long-term success; (b) provide incentives that align the interests of employees, consultants, and directors with those of the shareholders of the Company; and (c) promote the success of the Company's business. The persons eligible to receive awards are the employees, consultants, and directors of the Company and such other individuals designated by the 2021 Plan's administrative committee (the Committee) who are reasonably expected to become employees, consultants, and directors after the receipt of Awards. Awards that may be granted under the Plan include: (a) Incentive Stock Options, (b) Non-qualified Stock Options, (c) Stock Appreciation Rights, (d) Restricted Awards, (e) Performance Share Awards, (f) Cash Awards, and (g) Other Equity-Based Awards. 3,000,000 shares are available for issuance under the 2021 Plan. The shares available for issuance may be increased annually by the lesser of four percent (4%) of the number of shares of common stock issued and outstanding on the immediately preceding December 31 or such number of shares of common stock as determined by the Committee no later than the immediately preceding December 31.

8. Commitments and Contingencies

Canelo Sponsorship Agreement

On April 14, 2021, we entered into a Sponsorship Agreement (the "Canelo Agreement") with SA Holiday, Inc. ("Holiday"), owner of the personality rights of champion professional boxer Saul Alvarez Barragan, or "Canelo," in connection with a promotional campaign for the Corporation to sponsor a prize fight and certain other activities of Canelo, and for Canelo to promote the Corporation's "VALE" brand and create certain promotional materials in connection therewith for the Corporation's use in the United States, Latin America and certain countries in the Caribbean. Pursuant to the Canelo Agreement we will, among other things, pay to Holiday a cash fee of US$1,600,000 and be responsible for paying certain other amounts as provided therein.

Playboy License Agreement

On May 19, 2021, we entered into a non-exclusive license agreement with Playboy Enterprises International, Inc. ("Playboy") to use certain trademarks (including the rabbit head logo) and other intellectual property of Playboy on and in connection with the design, creation, promotion, marketing, advertisement, sales, operation, maintenance and distribution in India of real-money game mobile apps, such as rummy, poker, fantasy sports and other games of skill approved by Playboy. We will pay Playboy as a royalty a percentage of net gaming revenue. The term of the agreement is through the end of 2025, subject to early termination upon certain events of default, which include our failure to launch a Playboy-branded game in India by November 1, 2021, or to meet certain annual minimum net gaming revenue targets.

Legal Contingencies

The Company may be subject to legal proceedings from time to time as part of its business activities. As of June 30, 2021 and December 31, 2020, the Company was not subject to any threatened or pending legal actions or claims.

Impact of COVID-19 on the Company

The global outbreak of COVID-19 has led to severe disruptions in general economic activities, as businesses and governments have taken broad actions to mitigate this public health crisis. Although the Company has not experienced any significant disruption to its business to date, these conditions could significantly negatively impact the Company's business in the future.

The extent to which the COVID-19 outbreak ultimately impacts the Company's business, future revenues, results of operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to, the duration and spread of the outbreak, its severity and longevity, the actions to curtail the virus and treat its impact (including an effective vaccine), and how quickly and to what extent normal economic and operating conditions can resume. Even after the COVID-19 outbreak has subsided, the Company may be at risk of experiencing a significant impact to its business as a result of the global economic impact, including any economic downturn or recession that has occurred or may occur in the future.

Currently, capital markets have been disrupted by the crisis, as a result of which the availability, amount and type of financing available to the Company in the near future is uncertain and cannot be assured and is largely dependent upon evolving market conditions and other factors.

The Company intends to continue to monitor the situation and may adjust its current business plans as more information and guidance become available.

9. Subsequent Events

In August 2021, the Company sold 415,615 shares of common stock at a purchase price of $3.25 per share in a private placement for gross proceeds of $1,350,749. The Company agreed with the purchasers to file with the SEC by August 31, 2021, a registration statement on Form S-1 or other available form to register these shares under the Securities Act for resale, and to use its commercially reasonable efforts to cause such registration statement to become effective within 120 days after such date (or, in the event of a "full review" by the SEC staff, 150 calendar days after such date), and to keep such registration statement effective (with certain exceptions) until all such shares (i) have been sold, thereunder or pursuant to Rule 144 under the Securities Act, or (ii) may be sold without volume or manner-of-sale restrictions pursuant to Rule 144 and without the requirement for the Company to be in compliance with the current public information requirement under Rule 144. The Company will pay all expenses of such registration other than broker or similar commissions or fees or transfer taxes of any selling shareholder. The Company and each holder of such shares agreed to provide customary indemnifications to each other in connection with the registration statement. The Company also agreed to provide to such holders "piggyback" registration rights in certain circumstances. The Company agreed to pay a licensed broker a cash fee equal to 9% of the purchase price paid by certain investors for their shares, to reimburse it for certain expenses, and to issue to the broker warrants to purchase 9.0% of the total number of shares purchased by those investors, at an exercise price of $3.25 per share with a cashless exercise feature, with an expiration date 5 years from date of issuance and with other customary terms and conditions. As a result the Company paid a cash fee to the broker of $121,567 and issued warrants to purchase 37,405 shares of common stock.

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

The following discussion and analysis of the Company's financial condition and results of operations should be read in conjunction with the Company's condensed consolidated financial statements and related notes appearing elsewhere in this Form 10-Q. In addition to historical information, this discussion and analysis here and throughout this Form 10-Q contains forward-looking statements that involve risks, uncertainties and assumptions. The Company's actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, including, but not limited to, those set forth under Item 1A ("*Risk Factors*") in the Form 10-K and elsewhere in this Form 10-Q.

Overview

The Company is a mobile games developer, publisher, and operator with offices in London and Las Vegas.

The Company's activities are subject to significant risks and uncertainties, including the need for additional capital, as described below. The Company commenced revenue-generating operations in February 2021, does not have positive cash flows from operations, and is dependent on periodic infusions of equity capital to fund its operating requirements.

Background and Basis of Presentation

Gaming Technologies, Inc. was incorporated in the State of Delaware on July 23, 2019 under the name Dito, Inc. and on December 21, 2020 amended its name to Gaming Technologies, Inc. Effective as of March 18, 2020, Gaming Technologies, Inc. completed a Share Exchange Agreement (the "Exchange Agreement") to acquire all of the outstanding ordinary shares of Gaming Technologies UK that provided for each outstanding ordinary share of Gaming Technologies UK to be effectively converted into 25 shares of common stock of Gaming Technologies, Inc., As a result, Gaming Technologies UK became our wholly-owned subsidiary in a recapitalization transaction, as described below. Gaming Technologies UK was originally formed on November 3, 2017, in the United Kingdom as Dito UK Limited for the purpose of software development.

For financial reporting purposes, the Exchange Agreement was accounted for as a combination of entities under common control (the "Combination"), as Gaming Technologies, Inc. was formed by Gaming Technologies UK, with the objective of Gaming Technologies UK becoming a wholly-owned subsidiary of Gaming Technologies, Inc., and the resultant parent company being domiciled in the United States. As a result of the Combination, the former stockholders of Gaming Technologies UK became the controlling shareholders of Dito, Inc., and the Gaming Technologies UK management and board members became the management and board members of Gaming Technologies, Inc.

Going Concern

The Company's condensed consolidated financial statements have been presented on the basis that the Company is a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. As reflected in the accompanying condensed consolidated financial statements, the Company has had no significant operating revenues to date, and has experienced recurring net losses from operations and negative operating cash flows. During the six months ended June 30, 2021, the Company incurred a net loss of $6,607,612 utilized cash in operating activities of $5,119,769, and had an accumulated deficit of $14,573,805 as of June 30, 2021. The Company has financed its working capital requirements since inception through the sale of its equity securities and from borrowings.

At June 30, 2021, the Company had cash of $306,719, reflecting cash of $3,681,500 from the sale of common stock in the first quarter of 2021 and marketing development costs of $3,524,643. The Company estimates that a significant amount of capital will be necessary over a sustained period of time to advance the development of the Company's business to the point at which it can become commercially viable and self-sustaining. However, there can be no assurances that the Company will be successful in this regard.

As a result, management has concluded that there is substantial doubt about the Company's ability to continue as a going concern within one year of the date that the accompanying condensed consolidated financial statements are issued. In addition, the Company's independent registered public accounting firm, in their report on the Company's condensed consolidated financial statements for the year ended December 31, 2020, has also expressed substantial doubt about the Company's ability to continue as a going concern. The ability of the Company to continue as a going concern is dependent upon the Company's ability to raise additional funds and implement its business plan, and to ultimately achieve sustainable operating revenues and profitability. The accompanying condensed consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

The development and expansion of the Company's business in 2021 and thereafter will be dependent on many factors, including the capital resources available to the Company. No assurances can be given that any future financing will be available or, if available, that it will be on terms that are satisfactory to the Company or adequate to fund the development and expansion of the Company's business to a level that is commercially viable and self-sustaining. There is also significant uncertainty as to the affect that the coronavirus pandemic may have on the availability, amount and type of financing in the future.

If cash resources are insufficient to satisfy the Company's ongoing cash requirements, the Company would be required to scale back or discontinue its operations, obtain funds, if available, although there can be no certainty, through strategic alliances that may require the Company to relinquish rights to its technology, or to discontinue its operations entirely.

Critical Accounting Policies and Estimates

The following discussion and analysis of financial condition and results of operations is based upon the Company's condensed consolidated financial statements for the three months ended June 30, 2021 and 2020 presented elsewhere in this Form 10-Q, which have been prepared in conformity with accounting principles generally accepted in the US ("GAAP"). Certain accounting policies and estimates are particularly important to the understanding of the Company's financial position and results of operations and require the application of significant judgment by management or can be materially affected by changes from period to period in economic factors or conditions that are outside of the Company's control. As a result, these issues are subject to an inherent degree of uncertainty. In applying these policies, management uses its judgment to determine the appropriate assumptions to be used in the determination of certain estimates. Those estimates are based on the Company's historical operations, the future business plans and the projected financial results, the terms of existing contracts, trends in the industry, and information available from other outside sources. For a more complete description of the Company's significant accounting policies, see Note 2 to the condensed consolidated financial statements.

Revenue Recognition

The Company recognizes revenue in accordance with ASC Topic 606, *Revenue From Contracts With Customers*. ASC Topic 606 requires companies to recognize revenue in a manner that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In addition, the standard requires disclosures of the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. Revenue is recognized based on the following five step model:

- Identification of the contract with a customer
- Identification of the performance obligations in the contract
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations in the contract
- Recognition of revenue when, or as, the Company satisfies a performance obligation

Performance Obligations

The Company operates an online betting platform allowing users to place wagers on casino and other games. Each wager placed by users create a single performance obligation for the Company to administer each event wagered. Net gaming revenue is the aggregate of gaming wins and losses based on results of each event that customers wager bets on. Gross gaming revenue is split with our partners, whose share of gross gaming revenue is recorded as a reduction to net gaming revenue.

Stock-Based Compensation

The Company issues Common Stock and intends to issue stock options to officers, directors and consultants for services rendered. Options will vest and expire according to terms established at the issuance date of each grant. Stock grants, which are generally time vested, will be measured at the grant date fair value and charged to operations ratably over the vesting period.

The fair value of stock options granted as stock-based compensation will be determined utilizing the Black-Scholes option-pricing model, and can be affected by several variables, the most significant of which are the life of the equity award, the exercise price of the stock option as compared to the fair market value of the Common Stock on the grant date, and the estimated volatility of the Common Stock. Estimated volatility will be based on the historical volatility of the Company's Common Stock over an appropriate calculation period, or, if not available, by reference to the volatility of a representative sample of comparable public companies. The risk-free interest rate will be based on the US Treasury yield curve in effect at the time of grant. The fair market value of the Common Stock will be determined by reference to the quoted market price of the Company's Common Stock on the grant date, or, if not available, by reference to an appropriate alternative valuation methodology.

The Company will recognize the fair value of stock-based compensation awards in general and administrative costs or in software development costs, as appropriate, in the Company's consolidated statements of operations. The Company will issue new shares of Common Stock to satisfy stock option exercises.

As of June 30, 2021, the Company did not have any outstanding stock options.

Recent Accounting Pronouncements

See Note 2 to the condensed consolidated financial statements for discussion of Recent Accounting Policies.

Plan of Operation

The Company specializes in the rapidly growing financial, gaming and entertainment sectors. Once development is complete, the Company intends to license its software platform to mobile gaming operators and developers to enable rapid development of new games.

On November 13, 2020, we entered into an Agreement for the Provision of Online Gaming Management and Consulting Services (as subsequently amended) with Comercial de Juegos de la Frontera, S.A. de C.V., a Mexican company doing business as Big Bola, pursuant to which we provide to Big Bola consulting and management services related to their interactive online betting and gaming business in Mexico via the web site www.vale.mx, a regulated online casino and sports betting site. vale.mx operates under Big Bola's existing license issued by the General Directorate of Games and Raffles of the Ministry of Interior (SEGOB). Big Bola is one of only 14 operators legally authorized to offer legal betting and online casino services in Mexico. vale.mx has more than 500 online premium casino games available, which can be enjoyed both on mobile or via desktop. Players can receive promotions and play live roulette and blackjack, or high-definition slots from leading software providers such as NetEnt, Microgaming, Pragmatic Play, Evolution and Matrix Studios. We are responsible for player acquisition, promotion and retention for vale.mx. We manage players' accounts and are required to ensure that the balance in players' accounts at all times satisfies the requirements under applicable law, and we pay out winnings to players from Big Bola's account. While Big Bola bears liability to the players as provided by the permit, as between us and Big Bola we bear the costs of this obligation. Each party indemnifies the other against certain liabilities and claims. Under the terms of the agreement, we share 60% of gross gaming revenue generated from the platform, subject to certain minimum guaranteed monthly amounts of Big Bola's participation in the remaining gross gaming revenues. In February 2021, vale.mx began operations.

On April 14, 2021, we entered into a Sponsorship Agreement (the "Canelo Agreement") with SA Holiday, Inc. ("Holiday"), owner of the personality rights of champion professional boxer Saul Alvarez Barragan, or "Canelo," in connection with a promotional campaign for the Corporation to sponsor a prize fight and certain other activities of Canelo, and for Canelo to promote the Corporation's "VALE" brand and create certain promotional materials in connection therewith for the Corporation's use in the United States, Latin America and certain countries in the Caribbean. Pursuant to the Canelo Agreement we will, among other things, pay to Holiday a cash fee of US$1,600,000 and be responsible for paying certain other amounts as provided therein.

On May 19, 2021, we entered into a non-exclusive license agreement with Playboy Enterprises International, Inc. ("Playboy") to use certain trademarks (including the rabbit head logo) and other intellectual property of Playboy on and in connection with the design, creation, promotion, marketing, advertisement, sales, operation, maintenance and distribution in India of real-money game mobile apps, such as rummy, poker, fantasy sports and other games of skill approved by Playboy. We will pay Playboy as a royalty a percentage of net gaming revenue. The term of the agreement is through the end of 2025, subject to early termination upon certain events of default, which include our failure to launch a Playboy-branded game in India by November 1, 2021, or to meet certain annual minimum net gaming revenue targets.

Key Performance Indicators – B2C Operations

Registered Players

A registered player is a customer who has registered on our app or website and met the Know Your Customer customer identification requirements, which include identity and address verification ("KYC requirements"). During the three and six months ended June 30, 2021 we registered 17,038 and 46,301 players, for a total of 63,339.

Monthly Unique Payers

Monthly Unique Payers ("MUPs"). MUPs is the average number of unique paid users ("unique payers") that use our online games on a monthly basis.

MUPs is a key indicator of the scale of our user base and awareness of our brand. We believe that year-over-year MUPs will also generally be indicative of the long-term revenue growth potential of our online casino, although MUPs in individual periods may be less indicative of our longer-term expectations. We expect the number of MUPs to grow as we attract, retain and re-engage users in new and existing jurisdictions and expand our online casino offerings to appeal to a wider audience.

We define MUPs as the number of unique payers per month who had a paid engagement (*i.e.*, participated in a casino game) across one or more of our product offerings via our technology. For reported periods longer than one month, we average the MUPs for the months in the reported period.

A "unique paid user" or "unique payer" is any person who had one or more paid engagements via our B2C technology during the period (*i.e.*, a user that participates in a paid engagement with one of our B2C product offerings counts as a single unique paid user or unique payer for the period). We exclude users who have made a deposit but have not yet had a paid engagement. Unique payers or unique paid users include users who have participated in a paid engagement with promotional incentives, which are fungible with other funds deposited in their wallets on our technology. The number of these users included in MUPs has not been material to date and a substantial majority of such users are repeat users who have had paid engagements both prior to and after receiving incentives.

During the three and six months ending June 30, 2021, our MUPs were 448 and 1,656, respectively.

Average Revenue per MUP ("ARPMUP"). ARPMUP is the average online casino revenue per MUP, and this key metric represents our ability to drive usage and monetization of our online casino offering.

During the six months ending June 30, 2021, our ARPMUP was $15.34, compared to an ARPMUP of $4.66 during the three months ended March 31, 2021. The increase of $10.68 was due to increased marketing efforts on behalf of the Company and new games that have been introduced.

We define and calculate ARPMUP as the average monthly online casino revenue for a reporting period, divided by MUPs (*i.e.*, the average number of unique payers) for the same period.

Handle

Handle is a casino or sports betting term referring to the total amount of money bet. We will report the handle or cash wagering which is the total amount of money bet excluding all bonuses.

During the three and six months ended June 30, 2021, our handle was $1,692,128 and $2,261,365, respectively.

Hold

Hold is essentially the amount of cash that our platforms keep after paying out winning bets. The industry also refers to hold as win or revenue. During the three and six months ended June 30, 2021, our hold was $81,114 and $108,778, respectively.

Online games are characterized by an element of chance. Our revenue is impacted by variations in the hold percentage (the ratio of net win to total amount wagered) on bets placed on, or the actual outcome of, games or events on which users bet. Although our product offerings generally perform within a defined statistical range of outcomes, actual outcomes may vary for any given period, and a single large bet can have a sizeable impact on our short-term financial performance. Our hold is also affected by factors that are beyond our control, such as a user's skill, experience and behavior, the mix of games played, the financial resources of users and the volume of bets placed. As a result of variability in these factors, actual hold rates on our products may differ from the theoretical win rates we have estimated and could result in the winnings of our gaming users exceeding those anticipated. We seek to mitigate these risks through data science and analytics and rules built into our technology, as well as active management of our amounts at risk at a point in time, but may not always be able to do so successfully, particularly over short periods, which can result in financial losses as well as revenue volatility.

During the three and six months ended June 30, 2021, our hold percentage was 4.79% and 4.81%, respectively.

Results of Operations

In February 2021, our online casino, vale.mx, began operations. However, as of June 30, 2021 and 2020, the Company did not have any positive cash flows from operations and was dependent on its ability to raise equity capital to fund its operating requirements.

Revenues

The Company began generating revenue in February 2021. Revenues consist of the net gaming revenues from the Company's vale.mx online casino based in Mexico. Total revenues were $23,321 and $0 for the three months ended June 30, 2021 and 2020 and $25,410 and $0 for the six months ended June 30, 2021 and 2020, respectively. The increase of $25,410 for the six months ended June 30, 2021 is due to the initiation of revenue producing activities in February 2021.

Cost of Revenues

The Company began generating costs of revenues in February 2021. Cost of revenues consist of the direct costs of operating vale.mx, our online casino based in Mexico. Total costs of revenues were $91,318 and $0 for the three months ended June 30, 2021 and 2020, respectively, and $273,581 for the six months ended June 30, 2021 and 2020, respectively. The increases of $91,318 and $273,581 were due to the initiation of revenue producing activities in February 2021.

Operating Expenses

The Company generally recognizes operating costs and expenses as they are incurred in two general categories, software development costs and expenses and general and administrative costs and expenses. The Company's operating costs and expenses also include non-cash components related to depreciation and amortization of property and equipment, and intellectual property, which are allocated, as appropriate, to software development costs and expenses and general and administrative costs and expenses.

Software development costs and expenses consist primarily of fees paid to consultants and amortization of intellectual property. Management expects software costs and expenses to increase in the future as the Company increases its efforts to develop technology for potential future products based on its technology and research.

General and administrative costs and expenses consist of fees for directors and officers, and their affiliates, as well as legal and other professional fees, depreciation and amortization of property and equipment, lease and rent expense, and other general corporate expenses. Management expects general and administrative costs and expenses to increase in future periods as the Company adds personnel and incurs additional costs related to its operation as a public company, including higher legal, accounting, insurance, compliance, compensation and other costs.

Three Months Ended June 30, 2021 and 2020

The Company's condensed consolidated statements of operations for the three months ended June 30, 2021 and 2020, as discussed herein, are presented below.

	Three Months Ended June 30,	
	2021	**2020**
Revenue	$ 23,321	$ –
Costs and expenses:		
Cost of revenues	91,318	–
Software development	114,460	14,697
General and administrative		
Officers, directors, affiliates and other related parties	155,727	148,914
Other	3,888,605	199,942
Total costs and expenses	4,250,110	363,553
Loss from operations	(4,226,789)	(363,553)
Other expense:		
Interest expense	–	(2,083)
Foreign currency gain	–	(1,042)

Total other expense, net	–	(3,125)
Net loss	(4,226,789)	(366,678)

Revenue. The Company began generating revenue in February 2021. Revenues consist of the net gaming revenues from the Company's vale.mx online casino based in Mexico. Total revenues were $23,321 and $0 for the three months ended June 30, 2021 and 2020. The increase of $23,321 is due to the initiation of revenue producing activities in February 2021.

Cost of Revenues: The Company began generating costs of revenues in February 2021. Cost of revenues consist of the direct costs of operating and marketing vale.mx, our online casino based in Mexico. Total costs of revenues were $91,318 and $0 for the three months ended June 30, 2021 and 2020. The increase of $91,318 was due to the initiation of revenue producing activities in February 2021.

Software Development Costs and Expenses. For three months ended June 30, 2021, software development costs and expenses were $114,460, which consisted of amortization of intellectual property of $15,150.

For the three months ended June 30, 2020, software development costs and expenses were $14,697, which consisted of amortization of intellectual property of $14,697.

Software development costs and expenses increased by $99,763 or 679% in 2021 as compared to 2020, primarily as a result of a increased application development costs for vale.mx.

General and Administrative Costs and Expenses. For the three months ended June 30, 2021, general and administrative costs and expenses were $4,044,332, which consisted of director, consulting, and professional fees to officers, directors, affiliates, and other related parties of $155,727, marketing and advertising of $3,254,676, legal and accounting fees to non-related parties of $152,070, consulting fees of $383,975, stock compensation expense of $20,833, depreciation and amortization of property and equipment of $4,272, lease and rent expense of $11,384, transfer agent fees of $(6,891), investor relations costs of $2,124, travel expenses of $10,375, and other operating costs of $55,787.

For the three months ended June 30, 2020, general and administrative costs and expenses were $348,856, which consisted of director, consulting, and professional fees to officers, directors, affiliates, and other related parties of $148,914, legal and accounting fees to non-related parties of $179,234, consulting fees of $(10,991), stock transfer agent fees of $17,000, depreciation and amortization of property and equipment of $1,892, lease and rent expense of $11,826, and other operating costs of $981.

General and administrative costs increased by $3,695,476 or 1,059% in 2021 as compared to 2020, primarily as a result of marketing and advertising expense of $3,317,162, an increase in consulting fees of $363,432 and a decrease in stock transfer fees of $23,891.

Interest Expense. For the three months ended June 30, 2021, the Company had interest expense of $0, as compared to interest expense of $2,083 for the three months ended June 30, 2020, primarily as a result of interest on notes payable in the prior period.

Foreign Currency Gain (Loss). For the three months ended June 30, 2021, the Company had a foreign currency loss of $0, as compared to a foreign currency loss of $1,042 for the three months ended June 30, 2020, as a result of a decrease in the value of the GB Pound compared to the US Dollar.

Net Loss. For the three months ended June 30, 2021, the Company incurred a net loss of $4,226,789, as compared to a net loss of $366,678 for the three months ended June 30, 2020.

Six Months Ended June 30, 2021 and 2020

The Company's condensed consolidated statements of operations for the six months ended June 30, 2021 and 2020, as discussed herein, are presented below.

	Six Months Ended June 30,

	2021	2020
Revenue	$ 25,410	$ –
Costs and expenses:		
Cost of revenues	273,581	–
Software development	132,863	34,802
General and administrative		
Officers, directors, affiliates and other related parties	447,582	234,423
Other	5,778,996	327,072
Total costs and expenses	6,633,022	596,297
Loss from operations	(6,607,612)	(596,297)
Other expense:		
Interest expense	–	(2,995)
Foreign currency gain	–	(18,890)
Total other expense, net	–	(21,885)
Net loss	(6,607,612)	(618,182)

Revenue. The Company began generating revenue in February 2021. Revenues consist of the net gaming revenues from the Company's vale.mx online casino based in Mexico. Total revenues were $25,410 and $0 for the six months ended June 30, 2021 and 2020. The increase of $25,410 is due to the initiation of revenue producing activities in February 2021.

Cost of Revenues: The Company began generating costs of revenues in February 2021. Cost of revenues consist of the direct costs of operating and marketing vale.mx, our online casino based in Mexico. Total costs of revenues were $273,581 and $0 for the six months ended June 30, 2021 and 2020. The increase of $273,581 was due to the initiation of revenue producing activities in February 2021.

Software Development Costs and Expenses. For the six months ended June 30, 2021 and 2020, software development costs and expenses were $132,863 and $34,802, respectively, which included amortization of intellectual property of $35,071 and $30,011 for the six months ended June 30, 2021 and 2020, respectively.

Software development costs and expenses increased by $98,061 or 282% in 2021 as compared to 2020, primarily as a result of a new application development efforts.

General and Administrative Costs and Expenses. For the six months ended June 30, 2021, general and administrative costs and expenses were $6,226,578, which consisted of director, consulting, and professional fees to officers, directors, affiliates, and other related parties of $447,582, stock compensation expense of $1,467,335, marketing and advertising of $3,524,643, legal and accounting fees to non-related parties of $234,650, consulting fees of $413,899, depreciation and amortization of property and equipment of $6,935, lease and rent expense of $25,188, transfer agent fees of $3,060, investor relations costs of $22,169, travel expenses of $24,339, and other operating costs of $56,778.

For the six months ended June 30, 2020, general and administrative costs and expenses were $561,495, which consisted of director, consulting, and professional fees to officers, directors, affiliates, and other related parties of $234,423, legal and accounting fees to non-related parties of $261,227, consulting fees of $17,933, depreciation and amortization of property and equipment of $3,844, lease and rent expense of $23,921, and other operating costs of $20,147.

General and administrative costs increased by $5,665,083 or 1009% in 2021 as compared to 2020, primarily as a result of stock compensation expense of $1,467,335, an increase in officer compensation of $213,159, an increase in consulting fees of $395,966, and an increase in marketing and advertising of $3,524,643.

Interest Expense. For the six months ended June 30, 2021, the Company had interest expense of $0, as compared to interest expense of $2,995 for the six months ended June 30, 2020, primarily as a result of interest on notes payable in the prior period.

Foreign Currency Gain (Loss). For the six months ended June 30, 2021, the Company had a foreign currency loss of $0, as compared to a foreign currency loss of $18,890 for the six months ended June 30, 2020, as a result of a decrease in the value of the GB Pound compared to the US Dollar.

Net Loss. For the six months ended June 30, 2021, the Company incurred a net loss of $6,607,612, as compared to a net loss of $618,182 for the six months ended June 30, 2020.

Liquidity and Capital Resources – June 30, 2021 and December 31, 2020

The Company's condensed consolidated financial statements have been presented on the basis that the Company is a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. The Company has had no operating revenues to date, and has experienced recurring net losses from operations and negative operating cash flows. The Company has financed its working capital requirements since inception through the sale of its equity securities and from borrowings.

As a result, management has concluded that there is substantial doubt about the Company's ability to continue as a going concern within one year of the date that the condensed consolidated financial statements are being issued. In addition, the Company's independent registered public accounting firm, in their report on the Company's condensed consolidated financial statements for the year ended December 31, 2020, has also expressed substantial doubt about the Company's ability to continue as a going concern (see "*—Going Concern*").

The ability of the Company to continue as a going concern is dependent upon the Company's ability to raise additional funds and implement its business plan, and to ultimately achieve sustainable operating revenues and profitability. The accompanying condensed consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

As of June 30, 2021, the Company had a working capital of $(33,076), as compared to working capital of $1,586,238 as of December 31, 2020, reflecting a decrease in working capital of $1,619,314 for the six months ended June 30, 2021. The decrease in working capital during the six months ended June 30, 2021, was primarily the result of marketing costs incurred during the period.

As of June 30, 2021, the Company had cash of $306,719, reflecting the remaining cash derived from the proceeds of $3,681,500 from the sale of Common Stock in the first quarter of 2021. As of December 31, 2020, the Company had cash of $1,946,232, reflecting cash of $2,628,000 from the sale of Common Stock in December 2020.

In February 2021, the Company began earning revenues, however they are not a level sufficient to support the Company's operations. The Company estimates that its working capital requirements for the next twelve months to be approximately $1,800,000, or $150,000 per month.

The working capital budget will enable the Company to support the existing monthly operating costs of the Company of approximately $150,000 per month, consisting of monthly (and quarterly) accounting and US securities filing costs estimated at $20,000 per month and a sales and marketing budget of $130,000 per month to engage in a sales and marketing campaign to sell licenses of the Company's software platform to third parties and attach customers to its online casino based in Mexico.

During the year ended December 31, 2020, the Company completed a series of private placements of its Common Stock, with proceeds totaling $2,628,000. See Item 1 ("*Business—The Private Placements and Share Exchange*") in the Form 10-K. During the six months ended June 30, 2021 the Company completed another series of private placements of its Common Stock, with proceeds totaling $3,681,500. In August 2021, the Company closed another series of private placements of its Common Stock, with proceeds totaling $1,350,749. In addition, the Company is planning additional capital raises over the remainder of the calendar year to fund operations as it ramps up revenues. The Company believes that the resulting working capital will be sufficient to fund the Company's operations for the next twelve months.

Since acquiring the software platform, the Company has successfully carried out development to port the software platform from its former physical server dependencies and reliance on third parties for hardware management and deployment to a cloud-based platform where deployment is automated through the use of infrastructure as code. To make the Company's software platform work for

business-to-business (B2B) licensees, the Company has modified the software to enable remote management by system administrators of prospective licensees. Previously, the platform was business to consumer (B2C) focused, with outsourced management and deployment. As a result of this software development, the Company expects to be able to monetize its software platform by selling licenses to third parties.

The Company's ability to raise additional funds through equity or debt financings or other sources may depend on the stage of development of the software platform, the commercial success of the software, and financial, economic and market conditions and other factors, some of which are beyond the Company's control. No assurance can be given that the Company will be successful in raising the required capital at reasonable cost and at the required times, or at all. Further equity financings may have a dilutive effect on shareholders and any debt financing, if available, may require restrictions to be placed on the Company's future financing and operating activities. If the Company requires additional capital and is unsuccessful in raising that capital, the Company may not be able to continue the development of its software platform and continue to advance its growth initiatives, or ultimately to be able to continue its business operations, which could adversely impact the Company's business, financial condition and results of operations.

Operating Activities

For the six months ended June 30, 2021, operating activities utilized cash of $5,119,769, as compared to utilized cash of $423,487 for the six months ended June 30, 2020, to fund the Company's ongoing operating expenses.

Investing Activities

For the six months ended June 30, 2021, the Company's investing activities consisted of the acquisition of intellectual property for $174,616 and property and equipment of $4,964.

For the six months ended June 30, 2020, the Company's investing activities consisted of the acquisition of property and equipment of $5,266.

Financing Activities

For the six months ended June 30, 2021, the Company's financing activities consisted of gross proceeds from the private placement of 1,616,600 shares of Common Stock of $3,681,500.

For the six months ended June 30, 2020, the Company's financing activities consisted of proceeds from the private placement of 84,000 shares of Common Stock of $210,000 and the repayment of $60,000 in connection with the cancellation of an investment in the private placement.

Off-Balance Sheet Arrangements

As of June 30, 2021, the Company did not have any transactions, obligations or relationships that could be considered off-balance sheet arrangements.

Trends, Events and Uncertainties

Development of new software is, by its nature, unpredictable. Although the Company will undertake development efforts with commercially reasonable diligence, there can be no assurance that the Company's efforts to raise funds in the future will be sufficient to enable the Company to develop its technology to the extent needed to create future revenues to sustain operations as contemplated herein.

There can be no assurances that the Company's technology will be adopted or that the Company will ever achieve sustainable revenues sufficient to support its operations. Even if the Company is able to generate revenues, there can be no assurances that the Company will be able to achieve profitability or positive operating cash flows. There can be no assurances that the Company will be able to secure additional financing on acceptable terms or at all. If cash resources are insufficient to satisfy the Company's ongoing cash requirements, the Company would be required to scale back or discontinue its software development programs, or obtain funds, if available (although

there can be no certainty), through strategic alliances that may require the Company to relinquish rights to certain of its potential products, or to curtail or discontinue its operations entirely.

Other than as discussed above and elsewhere in this Form 10-Q, the Company is not currently aware of any trends, events or uncertainties that are likely to have a material effect on the Company's financial condition in the near term, although it is possible that new trends or events may develop in the future that could have a material effect on the Company's financial condition.

Impact of COVID-19 on the Company

The global outbreak of COVID-19 has led to severe disruptions in general economic activities, as businesses and governments have taken broad actions to mitigate this public health crisis. Although the Company has not experienced any significant disruption to its business to date, these conditions could significantly negatively impact the Company's business in the future.

The extent to which the COVID-19 outbreak ultimately impacts the Company's business, future revenues, results of operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to, the duration and spread of the outbreak, its severity and longevity, the actions to curtail the virus and treat its impact (including an effective vaccine), and how quickly and to what extent normal economic and operating conditions can resume. Even after the COVID-19 outbreak has subsided, the Company may be at risk of experiencing a significant impact to its business as a result of the global economic impact, including any economic downturn or recession that has occurred or may occur in the future.

Currently, capital markets have been disrupted by the crisis, as a result of which the availability, amount and type of financing available to the Company in the near future is uncertain and cannot be assured and is largely dependent upon evolving market conditions and other factors.

The Company intends to continue to monitor the situation and may adjust its current business plans as more information and guidance become available.

Other than as discussed above and elsewhere in this Form 10-Q, the Company is not currently aware of any trends, events or uncertainties that are likely to have a material effect on the Company's financial condition in the near term, although it is possible that new trends or events may develop in the future that could have a material effect on the Company's financial condition.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

A smaller reporting company is not required to provide the information required by this Item.

Item 4. Controls and Procedures

Under the supervision and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer, we have evaluated the effectiveness of our disclosure controls and procedures as required by Exchange Act Rule 13a-15(b) as of the end of the period covered by this report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that these disclosure controls and procedures are not effective. There were no changes in our internal control over financial reporting during the quarter ended June 30, 2021 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

From time to time, we may become involved in litigation relating to claims arising out of its operations in the normal course of business. Currently there are no legal proceedings, government actions, administrative actions, investigations or claims are currently pending against us or that involve the Company or any of its affiliates which, in the opinion of the management of the Company, could reasonably be expected to have a material adverse effect on its business or financial condition.

Item 1A. Risk Factors.

There have been no material changes from the Risk Factors previously disclosed in Part I, Item 1A, in our Form 10-K.

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

In August 2021, the Company sold 415,615 shares of common stock at a purchase price of $3.25 per share in a private placement exempt from registration under the Securities Act under Rule 506(b) of Regulation D under the Securities Act, for gross proceeds of $1,350,749. In connection therewith, we issued to a broker warrants to purchase 27,692 shares of common stock with an exercise price of $3.25 per share and a term of five years. See Part II, Item 5 “Other Information” below.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosure.

None.

Item 5. Other Information

The information set forth in Part II, Item 2 above is incorporated herein by reference. We agreed with the purchasers of such shares to file with the SEC by August 31, 2021, a registration statement on Form S-1 or other available form to register these shares under the Securities Act for resale, and to use its commercially reasonable efforts to cause such registration statement to become effective within 120 days after such date (or, in the event of a “full review” by the SEC staff, 150 calendar days after such date), and to keep such registration statement effective (with certain exceptions) until all such shares (i) have been sold, thereunder or pursuant to Rule 144 under the Securities Act, or (ii) may be sold without volume or manner-of-sale restrictions pursuant to Rule 144 and without the requirement for the Company to be in compliance with the current public information requirement under Rule 144. We will pay all expenses of such registration other than broker or similar commissions or fees or transfer taxes of any selling shareholder. We and each holder of such shares agreed to provide customary indemnifications to each other in connection with the registration statement. The Company also agreed to provide to such holders “piggyback” registration rights in certain circumstances. We agreed to pay a licensed broker a cash fee equal to 9% of the purchase price paid by certain investors for their shares, to reimburse it for certain expenses, and to issue to the broker warrants to purchase 9.0% of the total number of shares purchased by those investors, at an exercise price of $3.25 per share, with a cashless exercise feature, with an expiration date 5 years from date of issuance and with other customary terms and conditions. As a result we paid a cash fee to the broker of $121,567 and issued warrants to purchase 37,405 shares of common stock.

Item 6. Exhibits

Exhibits

Certain of the agreements filed as exhibits to this Report contain representations and warranties by the parties to the agreements that have been made solely for the benefit of the parties to the agreement. These representations and warranties:

- may have been qualified by disclosures that were made to the other parties in connection with the negotiation of the agreements, which disclosures are not necessarily reflected in the agreements;
- may apply standards of materiality that differ from those of a reasonable investor; and
- made only as of specified dates contained in the agreements and are subject to subsequent developments and changed circumstances.

Accordingly, these representations and warranties may not describe the actual state of affairs as of the date that these representations and warranties were made or at any other time. Investors should not rely on them as statements of fact.

Exhibit Number	Exhibit Description
3.1	Certificate of Incorporation (filed as Exhibit 3.1 to Form S-1 filed with the SEC on November 10, 2020)
3.2	Certificate of Amendment to Certificate of Incorporation (filed as Exhibit 3.1 to Form 8-K filed with the SEC on January 7, 2021
3.3	Bylaws (filed as Exhibit 3.2 to Form S-1 filed with the SEC on November 10, 2020)
10.1*†	Form of Securities Purchase Agreement between the Company and certain accredited investors.
10.2*	Form of Registration Rights Agreement
10.3*	Gaming Technologies, Inc., 2021 Equity Incentive Plan (filed as Exhibit 10.1 to Form 8-K filed with the SEC on May 6, 2021)
10.4*†	License agreement between the Company and Playboy Enterprises International, Inc., dated May 19, 2021
10.5*†	Sponsorship Agreement between the Company and SA Holiday, Inc., dated April 14, 2021
31.1*	Certification of Principal Executive, Financial and Accounting Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Principal Executive Officer, Financial and Accounting Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover Page Interactive Data File (formatted in IXBRL, and included in exhibit 101).

* Filed herewith

** Furnished herewith

† Certain information identified by [***] has been omitted from this exhibit because it is both not material and is the type that the registrant treats as private or confidential.

SIGNATURES

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

GAMING TECHNOLOGIES, INC.

Date: August 16, 2021

By: /s/ Jason Drummond

Name: Jason Drummond
Title: President, Chief Executive Officer, Chief Financial Officer and Secretary

Exhibit 10.1

Certain information identified by [***] has been omitted from this exhibit because it is both not material and is the type that the registrant treats as private or confidential.

SECURITIES PURCHASE AGREEMENT

This Shares Purchase Agreement (this "Agreement") is dated as of August __, 2021, between **Gaming Technologies, Inc.**, a Delaware corporation (the "Company"), and each purchaser identified on the signature pages hereto the "Purchaser").

WHEREAS, subject to the terms and conditions set forth in this Agreement and pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act"), and Rule 506 promulgated thereunder, the Company desires to issue and sell to the Purchaser, and the Purchaser desires to purchase from the Company, securities of the Company as more fully described in this Agreement.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Company and the Purchaser agree as follows:

ARTICLE I.
DEFINITIONS

1.1 Definitions. In addition to the terms defined elsewhere in this Agreement, for all purposes of this Agreement, the following terms have the meanings set forth in this Section 1.1:

"Acquiring Person" shall have the meaning ascribed to such term in Section 4.4.

"Action" shall have the meaning ascribed to such term in Section 3.1(j).

"Affiliate" means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person, as such terms are used in and construed under Rule 405 under the Securities Act.

"Board of Directors" means the board of directors of the Company.

"Business Day" means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States or any day on which banking institutions in the State of New York are authorized or required by law or other governmental action to close.

"Closing" means the closing of the purchase and sale of the Shares pursuant to Section 2.1.

"Closing Date" means the Business Day on which all of the Transaction Documents have been executed and delivered by the applicable parties thereto, and all conditions precedent to (i) the Purchaser's obligations to pay the Subscription Amount and (ii) the Company's obligations to deliver the Shares, in each case, have been satisfied or waived.

"Commission" means the United States Securities and Exchange Commission.

"Common Stock" means the common stock of the Company, $0.001 par value per share, and any other class of securities into which such securities may hereafter be reclassified or changed.

"Common Stock Equivalents" means any securities of the Company or the Subsidiaries which would entitle the holder thereof to acquire at any time Common Stock, including, without limitation, any debt, preferred stock, right, option, warrant or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Stock.

"Company Counsel" means Sichenzia Ross Ference LLP, 1185 Avenue of the Americas, 31st Floor, New York, NY 10036.

"Disclosure Schedules" means the Disclosure Schedules of the Company delivered concurrently herewith.

"Disqualification Event" shall have the meaning ascribed to such term in Section 3.1(ll).

"Effective Date" means the earliest of the date that (a) a Registration Statement has been declared effective by the Commission, (b) all of the Shares have been sold pursuant to Rule 144 or may be sold pursuant to Rule 144 without the requirement for the Company to be in compliance with the current public information required under Rule 144 and without volume or manner-of-sale restrictions, (c) is the one year anniversary of the Closing Date provided that a holder of Shares is not an Affiliate of the Company, or (d) all of the Shares may be sold pursuant to an exemption from registration under Section 4(a)(1) of the Securities Act without volume or manner-of-sale restrictions and Company Counsel has delivered to such holders a standing written unqualified opinion that resales may then be made by such holders of the Shares pursuant to such exemption which opinion shall be in form and substance reasonably acceptable to such holders.

"Exchange Act" means the Shares Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"FCPA" means the Foreign Corrupt Practices Act of 1977, as amended.

"GAAP" shall have the meaning ascribed to such term in Section 3.1(h).

"Intellectual Property Rights" shall have the meaning ascribed to such term in Section 3.1(p).

"Issuer Covered Person" shall have the meaning ascribed to such term in Section 3.1(ll).

"Legend Removal Date" shall have the meaning ascribed to such term in Section 4.1(c).

"Liens" means a lien, charge pledge, security interest, encumbrance, right of first refusal, preemptive right or other restriction.

"Material Adverse Effect" shall have the meaning assigned to such term in Section 3.1(b).

"Material Permits" shall have the meaning ascribed to such term in Section 3.1(n).

"Per Share Purchase Price" equals $3.25, subject to adjustment for reverse and forward stock splits, stock dividends, stock combinations and other similar transactions of the Common Stock that occur after the date of this Agreement.

"Person" means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

"Proceeding" means an action, claim, suit, investigation or proceeding (including, without limitation, an informal investigation or partial proceeding, such as a deposition), whether commenced or threatened.

"Purchaser Party" shall have the meaning ascribed to such term in Section 4.7.

"Registration Statement" means a registration statement under the Securities Act covering the resale by the Purchaser of all of the Shares.

"Registration Rights Agreement" shall have the meaning ascribed to such term in Section 2.2(a).

"Required Approvals" shall have the meaning ascribed to such term in Section 3.1(e).

"Rule 144" means Rule 144 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same purpose and effect as such Rule.

"Rule 424" means Rule 424 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same purpose and effect as such Rule.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Shares" means the shares of Common Stock issued or issuable to the Purchaser pursuant to this Agreement.

"Short Sales" means all "short sales" as defined in Rule 200 of Regulation SHO under the Exchange Act (but shall not be deemed to include locating and/or borrowing shares of Common Stock).

"Subscription Amount" means the aggregate amount to be paid for Shares purchased hereunder as specified below the Purchaser's name on the signature page of this Agreement and next to the heading "Subscription Amount," in United States dollars and in immediately available funds.

"Subsidiary" means any subsidiary of the Company as set forth on Schedule 3.1(a) of the Disclosure Schedules and shall, where applicable, also include any direct or indirect subsidiary of the Company formed or acquired after the date hereof.

"Transaction Documents" means this Agreement, the Registration Rights Agreement, all exhibits and schedules hereto and thereto and any other documents or agreements executed in connection with the transactions contemplated hereunder.

"Transfer Agent" means Globex Transfer, LLC. Its address is 780 Deltona Blvd., Suite 202 Deltona, FL 32725; Tel: +1-813-344-4490, and any successor transfer agent of the Company.

ARTICLE II.
PURCHASE AND SALE

2.1 Closing. On the Closing Date, upon the terms and subject to the conditions set forth herein, substantially concurrent with the execution and delivery of this Agreement by the parties hereto, the Company agrees to sell, and the Purchaser agrees to purchase, the number of Shares set forth on the signature pages hereto. The Purchaser shall deliver to the Company, via wire transfer, immediately available funds equal to the Purchaser's Subscription Amount as set forth on the signature page hereto executed by the Purchaser, and the Company shall deliver to the Purchaser its Shares, as determined pursuant to Section 2.2(a), and the Company and the Purchaser shall deliver the other items set forth in Section 2.2 deliverable at the Closing. Upon satisfaction of the covenants and conditions set forth in Sections 2.2 and 2.3, the Closing shall occur at the offices of Company Counsel or such other location as the parties shall mutually agree.

2.2 Deliveries.

(a) On or prior to the Closing Date, the Company shall deliver or cause to be delivered to the Purchaser the following:

(i) this Agreement duly executed by the Company;

(ii) a registration rights agreement between the Company on the one hand and the Purchaser and certain other purchasers of the Company's Common Stock substantially in the form of Exhibit A hereto (the "Registration Rights Agreement"), duly executed by the Company; and

(iii) a copy of the irrevocable instructions to the Transfer Agent instructing the Transfer Agent to deliver a certificate evidencing a number of Shares equal to the Purchaser's Subscription Amount divided by the Per Share Purchase Price, registered in the name of the Purchaser.

(b) On or prior to the Closing Date, the Purchaser shall deliver or cause to be delivered to the Company the following:

(i) this Agreement duly executed by the Purchaser;

(ii) the Registration Rights Agreement, duly executed by the Purchaser; and

(iii) the Purchaser's Subscription Amount by wire transfer of immediately available funds to the account specified below the Purchaser's Subscription Amount by wire transfer to the account specified in writing by the Company:

DOMESTIC WIRE TRANSFER

Instruct the paying financial institution or the payor to route all domestic wire transfers via FEDWIRE to the following ABA number:

TO	[***]
ROUTING & TRANSIT #	[***]
FOR CREDIT OF	[***]
ADDRESS	[***]
CREDIT ACCOUNT #	[***]

INTERNATIONAL WIRE TRANSFER

Instruct the paying financial institution to advise their U.S. correspondent to pay as follows:

PAY TO	[***]
ROUTING & TRANSIT #	[***]
SWIFT CODE	[***]
FOR CREDIT OF	[***]
ADDRESS	[***]
CREDIT ACCOUNT #	[***]

2.3 Closing Conditions.

(a) The obligations of the Company hereunder in connection with the Closing are subject to the following conditions being met:

(i) the accuracy in all material respects (or, to the extent representations or warranties are qualified by materiality or Material Adverse Effect, in all respects) on the Closing Date of the representations and warranties of the Purchaser contained herein (unless as of a specific date therein in which case they shall be accurate as of such date);

(ii) all obligations, covenants and agreements of the Purchaser required to be performed at or prior to the Closing Date shall have been performed in all material respects; and

(iii) the delivery by the Purchaser of the items set forth in Section 2.2(b) of this Agreement.

(b) The obligations of the Purchaser hereunder in connection with the Closing are subject to the following conditions being met:

(i) the accuracy in all material respects (or, to the extent representations or warranties are qualified by materiality or Material Adverse Effect, in all respects) when made and on the Closing Date of the representations and warranties of the Company contained herein (unless as of a specific date therein in which case they shall be accurate as of such date);

(ii) all obligations, covenants and agreements of the Company required to be performed at or prior to the Closing Date shall have been performed in all material respects;

(iii) the delivery by the Company of the items set forth in Section 2.2(a) of this Agreement; and

(iv) there shall have been no Material Adverse Effect with respect to the Company since the date hereof.

ARTICLE III.
REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Company. Except as set forth in the Disclosure Schedules, which Disclosure Schedules shall be deemed a part hereof and shall qualify any representation made herein, the Company hereby makes the following representations and warranties to the Purchaser:

(a) Subsidiaries. All of the direct and indirect subsidiaries of the Company are set forth Schedule 3.1(a) of the Disclosure Schedules. The Company owns, directly or indirectly, all of the capital stock or other equity interests of each Subsidiary free and clear of any Liens, and all of the issued and outstanding shares of capital stock of each Subsidiary are validly issued and are fully paid, non-assessable and free of preemptive and similar rights to subscribe for or purchase securities. If the Company has no subsidiaries, all other references to the Subsidiaries or any of them in the Transaction Documents shall be disregarded.

(b) Organization and Qualification. The Company and each of the Subsidiaries is an entity duly incorporated or otherwise organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization, with the requisite power and authority to own and use its properties and assets and to carry on its business as currently conducted. Neither the Company nor any Subsidiary is in violation nor default of any of the provisions of its respective certificate or articles of incorporation, bylaws or other organizational or charter documents. Each of the Company and the Subsidiaries is duly qualified to conduct business and is in good standing as a foreign corporation or other entity in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, could not have or reasonably be expected to result in: (i) a material adverse effect on the legality, validity or enforceability of any Transaction Document, (ii) a material adverse effect on the results of operations, assets, business, prospects or condition (financial or otherwise) of the Company and the Subsidiaries, taken as a whole, or (iii) a material adverse effect on the Company's ability to perform in any material respect on a timely basis its obligations under any Transaction Document (any of (i), (ii) or (iii), a "Material Adverse Effect") and no Proceeding has been instituted in any such jurisdiction revoking, limiting or curtailing or seeking to revoke, limit or curtail such power and authority or qualification.

(c) Authorization; Enforcement. The Company has the requisite corporate power and authority to enter into and to consummate the transactions contemplated by this Agreement and each of the other Transaction Documents and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of this Agreement and each of the other

Transaction Documents by the Company and the consummation by it of the transactions contemplated hereby and thereby have been duly authorized by all necessary action on the part of the Company and no further action is required by the Company, the Board of Directors or the Company's stockholders in connection herewith or therewith other than in connection with the Required Approvals. This Agreement and each other Transaction Document to which it is a party has been (or upon delivery will have been) duly executed by the Company and, when delivered in accordance with the terms hereof and thereof, will constitute the valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

(d) No Conflicts. The execution, delivery and performance by the Company of this Agreement and the other Transaction Documents to which it is a party, the issuance and sale of the Shares and the consummation by it of the transactions contemplated hereby and thereby do not and will not (i) conflict with or violate any provision of the Company's or any Subsidiary's certificate or articles of incorporation, bylaws or other organizational or charter documents, or (ii) conflict with, or constitute a default (or an event that with notice or lapse of time or both would become a default) under, result in the creation of any Lien upon any of the properties or assets of the Company or any Subsidiary, or give to others any rights of termination, amendment, anti-dilution or similar adjustments, acceleration or cancellation (with or without notice, lapse of time or both) of, any agreement, credit facility, debt or other instrument (evidencing a Company or Subsidiary debt or otherwise) or other understanding to which the Company or any Subsidiary is a party or by which any property or asset of the Company or any Subsidiary is bound or affected, or (iii) subject to the Required Approvals, conflict with or result in a violation of any law, rule, regulation, order, judgment, injunction, decree or other restriction of any court or governmental authority to which the Company or a Subsidiary is subject (including federal and state securities laws and regulations), or by which any property or asset of the Company or a Subsidiary is bound or affected; except in the case of each of clauses (ii) and (iii), such as could not have or reasonably be expected to result in a Material Adverse Effect.

(e) Filings, Consents and Approvals. The Company is not required to obtain any consent, waiver, authorization or order of, give any notice to, or make any filing or registration with, any court or other federal, state, local or other governmental authority or other Person in connection with the execution, delivery and performance by the Company of the Transaction Documents, other than the filing of Form D with the Commission and such filings as are required to be made under applicable state securities laws (collectively, the "Required Approvals").

(f) Issuance of the Shares. The Shares are duly authorized and, when issued and paid for in accordance with the applicable Transaction Documents, will be duly and validly issued, fully paid and nonassessable, free and clear of all Liens imposed by the Company other than restrictions on transfer provided for in the Transaction Documents.

(g) Capitalization. The capitalization of the Company as of the date hereof is as set forth on Schedule 3.1(g) of the Disclosure Schedules. No Person has any right of first refusal, preemptive right, right of participation, or any similar right to participate in the transactions contemplated by the Transaction Documents. Except as set forth on Schedule 3.1(g) of the Disclosure Schedules: (i) there are no outstanding options, warrants, scrip rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities, rights or obligations convertible into or exercisable or exchangeable for, or giving any Person any right to subscribe for or acquire, any shares of Common Stock or the capital stock of any Subsidiary, or contracts, commitments, understandings or arrangements by which the Company or any Subsidiary is or may become bound to issue additional shares of Common Stock or Common Stock Equivalents or capital stock of any Subsidiary; (ii) the issuance and sale of the Shares will not obligate the Company or any Subsidiary to issue shares of Common Stock or other securities to any Person (other than the Purchaser); (iii) there are no outstanding securities or instruments of the Company or any Subsidiary with any provision that adjusts the exercise, conversion, exchange or reset price of such security or instrument upon an issuance of securities by the Company or any Subsidiary; (iv) there are no outstanding securities or instruments of the Company or any Subsidiary that contain any redemption or similar provisions, and there are no contracts, commitments, understandings or arrangements by which the Company or any Subsidiary is or may become bound to redeem a security of the Company or such Subsidiary; and (v) the Company does not have any stock appreciation rights or "phantom stock" plans or agreements or any similar plan or agreement. All of the outstanding shares of capital stock of the Company are duly authorized, validly issued, fully paid and nonassessable, have been issued in compliance with all federal and state securities laws, and none of such outstanding

shares was issued in violation of any preemptive rights or similar rights to subscribe for or purchase securities. No further approval or authorization of any stockholder, the Board of Directors or others is required for the issuance and sale of the Shares. Except as set forth on Schedule 3.1(g) of the Disclosure Schedules, here are no stockholders agreements, voting agreements or other similar agreements with respect to the Company's capital stock to which the Company is a party or, to the knowledge of the Company, between or among any of the Company's stockholders.

(h) Not a Shell; Financial Statements. The Company has never been an issuer subject to Rule 144(i) under the Securities Act. The financial statements of the Company delivered to the Purchaser have been prepared in accordance with United States generally accepted accounting principles applied on a consistent basis during the periods involved ("GAAP"), except as may be otherwise specified in such financial statements or the notes thereto and except that unaudited financial statements may not contain all footnotes required by GAAP, and fairly present in all material respects the financial position of the Company and its consolidated Subsidiaries as of and for the dates thereof and the results of operations and cash flows for the periods then ended, subject, in the case of unaudited statements, to normal, immaterial, year-end audit adjustments.

(i) Material Changes; Undisclosed Events, Liabilities or Developments. Since the date of the latest audited financial statements delivered to the Purchaser, (i) there has been no event, occurrence or development that has had or that could reasonably be expected to result in a Material Adverse Effect, (ii) the Company has not incurred any liabilities (contingent or otherwise) other than (A) trade payables and accrued expenses incurred in the ordinary course of business consistent with past practice and (B) liabilities not required to be reflected in the Company's financial statements pursuant to GAAP, (iii) the Company has not altered its method of accounting, (iv) the Company has not declared or made any dividend or distribution of cash or other property to its stockholders or purchased, redeemed or made any agreements to purchase or redeem any shares of its capital stock and (v) the Company has not issued any equity securities to any officer, director or Affiliate, except pursuant to existing Company stock option plans.

(j) Litigation. There is no action, suit, inquiry, notice of violation, proceeding or investigation pending or, to the knowledge of the Company, threatened against or affecting the Company, any Subsidiary or any of their respective properties before or by any court, arbitrator, governmental or administrative agency or regulatory authority (federal, state, county, local or foreign) (collectively, an "Action") which (i) adversely affects or challenges the legality, validity or enforceability of any of the Transaction Documents or the Shares or (ii) could, if there were an unfavorable decision, have or reasonably be expected to result in a Material Adverse Effect. Neither the Company nor any Subsidiary, nor any director or officer thereof, is or has been the subject of any Action involving a claim of violation of or liability under federal or state securities laws or a claim of breach of fiduciary duty. There has not been, and to the knowledge of the Company, there is not pending or contemplated, any investigation by the Commission involving the Company or any current or former director or officer of the Company.

(k) Labor Relations. No labor dispute exists or, to the knowledge of the Company, is imminent with respect to any of the employees of the Company, which could reasonably be expected to result in a Material Adverse Effect. None of the Company's or its Subsidiaries' employees is a member of a union that relates to such employee's relationship with the Company or such Subsidiary, and neither the Company nor any of its Subsidiaries is a party to a collective bargaining agreement, and the Company and its Subsidiaries believe that their relationships with their employees are good. To the knowledge of the Company, no executive officer of the Company or any Subsidiary is, or is now expected to be, in violation of any material term of any employment contract, confidentiality, disclosure or proprietary information agreement or non-competition agreement, or any other contract or agreement or any restrictive covenant in favor of any third party, and the continued employment of each such executive officer does not subject the Company or any of its Subsidiaries to any liability with respect to any of the foregoing matters. The Company and its Subsidiaries are in compliance with all U.S. federal, state, local and foreign laws and regulations relating to employment and employment practices, terms and conditions of employment and wages and hours, except where the failure to be in compliance could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(l) Compliance. Neither the Company nor any Subsidiary: (i) is in default under or in violation of (and no event has occurred that has not been waived that, with notice or lapse of time or both, would result in a default by the Company or any Subsidiary under), nor has the Company or any Subsidiary received notice of a claim that it is in default under or that it is in violation of, any indenture, loan or credit agreement or any other agreement or instrument to which it is a party or by which it or any of its properties is bound (whether or not such default or violation has been waived), (ii) is in violation of any judgment, decree, or order of any court, arbitrator or other governmental authority or (iii) is or has been in violation of any statute, rule,

ordinance or regulation of any governmental authority, including without limitation all foreign, federal, state and local laws relating to taxes, environmental protection, occupational health and safety, product quality and safety and employment and labor matters, except in each case as could not have or reasonably be expected to result in a Material Adverse Effect.

(m) Environmental Laws. The Company and its Subsidiaries (i) are in compliance with all federal, state, local and foreign laws relating to pollution or protection of human health or the environment (including ambient air, surface water, groundwater, land surface or subsurface strata), including laws relating to emissions, discharges, releases or threatened releases of chemicals, pollutants, contaminants, or toxic or hazardous substances or wastes (collectively, "Hazardous Materials") into the environment, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials, as well as all authorizations, codes, decrees, demands, or demand letters, injunctions, judgments, licenses, notices or notice letters, orders, permits, plans or regulations, issued, entered, promulgated or approved thereunder ("Environmental Laws"); (ii) have received all permits licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses; and (iii) are in compliance with all terms and conditions of any such permit, license or approval where in each clause (i), (ii) and (iii), the failure to so comply could be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

(n) Regulatory Permits. The Company and the Subsidiaries possess all certificates, authorizations and permits issued by the appropriate federal, state, local or foreign regulatory authorities necessary to conduct their respective businesses as currently conducted, except where the failure to possess such permits could not reasonably be expected to result in a Material Adverse Effect ("Material Permits"), and neither the Company nor any Subsidiary has received any notice of proceedings relating to the revocation or modification of any Material Permit.

(o) Title to Assets. The Company and the Subsidiaries have good and marketable title in fee simple to all real property owned by them and good and marketable title in all personal property owned by them that is material to the business of the Company and the Subsidiaries, in each case free and clear of all Liens, except for (i) Liens as do not materially affect the value of such property and do not materially interfere with the use made and proposed to be made of such property by the Company and the Subsidiaries and (ii) Liens for the payment of federal, state or other taxes, for which appropriate reserves have been made therefor in accordance with GAAP and the payment of which is neither delinquent nor subject to penalties. Any real property and facilities held under lease by the Company and the Subsidiaries are held by them under valid, subsisting and enforceable leases with which the Company and the Subsidiaries are in compliance.

(p) Intellectual Property. The Company and the Subsidiaries have, or have rights to use, all patents, patent applications, trademarks, trademark applications, service marks, trade names, trade secrets, inventions, copyrights, licenses and other intellectual property rights and similar rights necessary or required for use in connection with their respective businesses as currently conducted and which the failure to so have could have a Material Adverse Effect (collectively, the "Intellectual Property Rights"). None of, and neither the Company nor any Subsidiary has received a notice (written or otherwise) that any of, the Intellectual Property Rights has expired, terminated or been abandoned, or is expected to expire or terminate or be abandoned, within two (2) years from the date of this Agreement. Neither the Company nor any Subsidiary has received, since the date of the latest audited financial statements delivered to the Purchaser, a written notice of a claim or otherwise has any knowledge that the Intellectual Property Rights violate or infringe upon the rights of any Person, except as could not have or reasonably be expected to not have a Material Adverse Effect. To the knowledge of the Company, all such Intellectual Property Rights are enforceable and there is no existing infringement by another Person of any of the Intellectual Property Rights. The Company and its Subsidiaries have taken reasonable security measures to protect the secrecy, confidentiality and value of all of their intellectual properties, except where failure to do so could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(q) Insurance. The Company and the Subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which the Company and the Subsidiaries are engaged, other than directors and officers insurance coverage. Neither the Company nor any Subsidiary has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business without a significant increase in cost.

(r) Transactions with Affiliates and Employees. None of the officers or directors of the Company or any Subsidiary and, to the knowledge of the Company, none of the employees of the Company or any Subsidiary is presently a party to any transaction with the Company or any Subsidiary (other than for services as employees, officers and directors), including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from, providing for the borrowing of money from or lending of money to or otherwise requiring payments to or from any officer, director or such employee or, to the knowledge of the Company, any entity in which any officer, director, or any such employee has a substantial interest or is an officer, director, trustee, stockholder, member or partner, in each case in excess of $120,000 other than for (i) payment of salary or consulting fees for services rendered, (ii) reimbursement for expenses incurred on behalf of the Company and (iii) other employee benefits, including stock option agreements under any stock option plan of the Company.

(s) Internal Accounting Controls. The Company and the Subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurance that: (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain asset accountability, (iii) access to assets is permitted only in accordance with management's general or specific authorization, and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(t) Certain Fees. Except as set forth in Schedule 3.1(t) of the Disclosure Schedules, no brokerage or finder's fees or commissions are or will be payable by the Company or any Subsidiary to any broker, financial advisor or consultant, finder, placement agent, investment banker, bank or other Person with respect to the transactions contemplated by the Transaction Documents. The Purchaser shall have no obligation with respect to any fees or with respect to any claims made by or on behalf of other Persons for fees of a type contemplated in this Section that may be due in connection with the transactions contemplated by the Transaction Documents.

(u) Private Placement. Assuming the accuracy of the Purchaser's representations and warranties set forth in Section 3.2, no registration under the Securities Act is required for the offer and sale of the Shares by the Company to the Purchaser as contemplated hereby.

(v) Investment Company. The Company is not, and is not an Affiliate of, and immediately after receipt of payment for the Shares, will not be or be an Affiliate of, an "investment company" within the meaning of the Investment Company Act of 1940, as amended. The Company shall conduct its business in a manner so that it will not become an "investment company" subject to registration under the Investment Company Act of 1940, as amended.

(w) Application of Takeover Protections. The Company and the Board of Directors have taken all necessary action, if any, in order to render inapplicable any control share acquisition, business combination, poison pill (including any distribution under a rights agreement) or other similar anti-takeover provision under the Company's certificate of incorporation (or similar charter documents) or the laws of its state of incorporation that is or could become applicable to the Purchaser as a result of the Purchaser and the Company fulfilling their obligations or exercising their rights under the Transaction Documents, including without limitation as a result of the Company's issuance of the Shares and the Purchaser's ownership of the Shares.

(x) Disclosure. Except with respect to the material terms and conditions of the transactions contemplated by the Transaction Documents, the Company confirms that neither it nor any other Person acting on its behalf has provided the Purchaser or its agents or counsel with any information that it believes constitutes or might constitute material, non-public information. The Company understands and confirms that the Purchaser will rely on the foregoing representation in effecting transactions in securities of the Company. All of the disclosure furnished by or on behalf of the Company to the Purchaser regarding the Company and its Subsidiaries, their respective businesses and the transactions contemplated hereby, including the Disclosure Schedules to this Agreement, is true and correct and does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. The press releases disseminated by the Company during the twelve (12) months preceding the date of this Agreement, taken as a whole, do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made and when made, not misleading. The Company acknowledges and agrees that no Purchaser makes or has made any representations or warranties with respect to the transactions contemplated hereby other than those specifically set forth in Section 3.2 hereof.

(y) No Integrated Offering. Assuming the accuracy of the Purchaser's representations and warranties set forth in Section 3.2, neither the Company, nor any of its Affiliates, nor any Person acting on its or their behalf has, directly or indirectly, made any offers or sales of any security or solicited any offers to buy any security, under circumstances that would cause this offering of the Shares to be integrated with prior offerings by the Company for purposes of the Securities Act which would require the registration of any such securities under the Securities Act.

(z) Solvency. Based on the consolidated financial condition of the Company as of the Closing Date, after giving effect to the receipt by the Company of the proceeds from the sale of the Shares hereunder, (i) the fair saleable value of the Company's assets exceeds the amount that will be required to be paid on or in respect of the Company's existing debts and other liabilities (including known contingent liabilities) as they mature, (ii) the Company's assets do not constitute unreasonably small capital to carry on its business as now conducted and as proposed to be conducted including its capital needs taking into account the particular capital requirements of the business conducted by the Company, consolidated and projected capital requirements and capital availability thereof, and (iii) the current cash flow of the Company, together with the proceeds the Company would receive, were it to liquidate all of its assets, after taking into account all anticipated uses of the cash, would be sufficient to pay all amounts on or in respect of its liabilities when such amounts are required to be paid. The Company does not intend to incur debts beyond its ability to pay such debts as they mature (taking into account the timing and amounts of cash to be payable on or in respect of its debt). The Company has no knowledge of any facts or circumstances which lead it to believe that it will file for reorganization or liquidation under the bankruptcy or reorganization laws of any jurisdiction within one year from the Closing Date.

(aa) Tax Status. The Company and its Subsidiaries each (i) has made or filed all United States federal, state and local income and all foreign income and franchise tax returns, reports and declarations required by any jurisdiction to which it is subject, (ii) has paid all taxes and other governmental assessments and charges that are material in amount, shown or determined to be due on such returns, reports and declarations and (iii) has set aside on its books provision reasonably adequate for the payment of all material taxes for periods subsequent to the periods to which such returns, reports or declarations apply. There are no unpaid taxes in any material amount claimed to be due by the taxing authority of any jurisdiction, and the officers of the Company or of any Subsidiary know of no basis for any such claim.

(bb) No General Solicitation. Neither the Company nor any Person acting on behalf of the Company has offered or sold any of the Shares by any form of general solicitation or general advertising. The Company has offered the Shares for sale only to the Purchaser and certain other "accredited investors" within the meaning of Rule 501 under the Securities Act.

(cc) Foreign Corrupt Practices. Neither the Company nor any Subsidiary, nor to the knowledge of the Company or any Subsidiary, any agent or other person acting on behalf of the Company or any Subsidiary, has (i) directly or indirectly, used any funds for unlawful contributions, gifts, entertainment or other unlawful expenses related to foreign or domestic political activity, (ii) made any unlawful payment to foreign or domestic government officials or employees or to any foreign or domestic political parties or campaigns from corporate funds, (iii) failed to disclose fully any contribution made by the Company or any Subsidiary (or made by any person acting on its behalf of which the Company is aware) which is in violation of law or (iv) violated in any material respect any provision of FCPA.

(dd) Accountants. The Company's accounting firm is set forth in the financial statements of the Company delivered to the Purchaser. To the knowledge and belief of the Company, such accounting firm is a public accounting firm registered with the Public Company Accounting Oversight Board (PCAOB).

(ee) No Disagreements with Accountants and Lawyers. There are no disagreements of any kind presently existing, or reasonably anticipated by the Company to arise, between the Company and the accountants and lawyers formerly or presently employed by the Company and the Company is current with respect to any fees owed to its accountants and lawyers which could affect the Company's ability to perform any of its obligations under any of the Transaction Documents.

(ff) Acknowledgment Regarding Purchaser's Purchase of Shares. The Company acknowledges and agrees that the Purchaser is acting solely in the capacity of an arm's length purchaser with respect to the Transaction Documents and the transactions contemplated thereby. The Company further acknowledges that no Purchaser is acting as a financial advisor or fiduciary of the Company (or in any similar capacity) with respect to the Transaction Documents and the transactions contemplated thereby and any advice given by the Purchaser or any of its representatives or agents in connection with the Transaction Documents and the transactions contemplated thereby is merely incidental to the Purchaser's purchase of the Shares. The Company further represents to the Purchaser that the Company's decision to enter into this Agreement and the other Transaction Documents has been based solely on the independent evaluation of the transactions contemplated hereby by the Company and its representatives.

(gg) Stock Option Plans. Each stock option granted by the Company under the Company's stock option plan was granted (i) in accordance with the terms of the Company's stock option plan and (ii) with an exercise price at least equal to the fair market value of the Common Stock on the date such stock option would be considered granted under GAAP and applicable law. No stock option granted under the Company's stock option plan has been backdated. The Company has not knowingly granted, and there is no and has been no Company policy or practice to knowingly grant, stock options prior to, or otherwise knowingly coordinate the grant of stock options with, the release or other public announcement of material information regarding the Company or its Subsidiaries or their financial results or prospects.

(hh) Office of Foreign Assets Control. Neither the Company nor any Subsidiary nor, to the Company's knowledge, any director, officer, agent, employee or affiliate of the Company or any Subsidiary is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("OFAC").

(ii) U.S. Real Property Holding Corporation. The Company is not and has never been a U.S. real property holding corporation within the meaning of Section 897 of the Internal Revenue Code of 1986, as amended, and the Company shall so certify upon Purchaser's request.

(jj) Bank Holding Company Act. Neither the Company nor any of its Subsidiaries or Affiliates is subject to the Bank Holding Company Act of 1956, as amended (the "BHCA") and to regulation by the Board of Governors of the Federal Reserve System (the "Federal Reserve"). Neither the Company nor any of its Subsidiaries or Affiliates owns or controls, directly or indirectly, five percent (5%) or more of the outstanding shares of any class of voting securities or twenty-five percent (25%) or more of the total equity of a bank or any entity that is subject to the BHCA and to regulation by the Federal Reserve. Neither the Company nor any of its Subsidiaries or Affiliates exercises a controlling influence over the management or policies of a bank or any entity that is subject to the BHCA and to regulation by the Federal Reserve.

(kk) Money Laundering. The operations of the Company and its Subsidiaries are and have been conducted at all times in compliance with applicable financial record-keeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, applicable money laundering statutes and applicable rules and regulations thereunder (collectively, the "Money Laundering Laws"), and no Action or Proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any Subsidiary with respect to the Money Laundering Laws is pending or, to the knowledge of the Company or any Subsidiary, threatened.

(ll) No Disqualification Events. With respect to the Shares to be offered and sold hereunder in reliance on Rule 506 under the Securities Act, none of the Company, any of its predecessors, any affiliated issuer, any director, executive officer, other officer of the Company participating in the offering hereunder, any beneficial owner of twenty percent (20%) or more of the Company's outstanding voting equity securities, calculated on the basis of voting power, nor any promoter (as that term is defined in Rule 405 under the Securities Act) connected with the Company in any capacity at the time of sale (each, an "Issuer Covered Person" and, together, "Issuer Covered Persons") is subject to any of the "Bad Actor" disqualifications described in Rule 506(d)(1)(i) to (viii) under the Securities Act (a "Disqualification Event"), except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3). The Company has exercised reasonable care to determine whether any Issuer Covered Person is subject to a Disqualification Event. The Company has complied, to the extent applicable, with its disclosure obligations under Rule 506(e), and has furnished to the Purchaser a copy of any disclosures provided thereunder.

(mm) Other Covered Persons. Other than as set forth in Schedule 3.1(t) of the Disclosure Schedules, the Company is not aware of any person (other than any Issuer Covered Person) that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with the sale of any Shares.

(nn) Notice of Disqualification Events. The Company will notify the Purchaser in writing, prior to the Closing Date of (i) any Disqualification Event relating to any Issuer Covered Person and (ii) any event that would, with the passage of time, become a Disqualification Event relating to any Issuer Covered Person.

3.2 Representations and Warranties of the Purchaser. The Purchaser hereby represents and warrants as of the date hereof and as of the Closing Date to the Company as follows (unless as of a specific date therein, in which case they shall be accurate as of such date):

(a) Organization; Authority. The Purchaser is either an individual or an entity duly incorporated or formed, validly existing and in good standing under the laws of the jurisdiction of its incorporation or formation with full right, corporate, partnership, limited liability company or similar power and authority to enter into and to consummate the transactions contemplated by the Transaction Documents and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of the Transaction Documents and performance by the Purchaser of the transactions contemplated by the Transaction Documents have been duly authorized by all necessary corporate, partnership, limited liability company or similar action, as applicable, on the part of the Purchaser. Each Transaction Document to which it is a party has been duly executed by the Purchaser, and when delivered by the Purchaser in accordance with the terms hereof, will constitute the valid and legally binding obligation of the Purchaser, enforceable against it in accordance with its terms, except (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

(b) Own Account. The Purchaser understands that the Shares are "restricted securities" and have not been registered under the Securities Act or any applicable state securities law and is acquiring the Shares as principal for its own account and not with a view to or for distributing or reselling such Shares or any part thereof in violation of the Securities Act or any applicable state securities law, has no present intention of distributing any of such Shares in violation of the Securities Act or any applicable state securities law and has no direct or indirect arrangement or understandings with any other persons to distribute or regarding the distribution of such Shares in violation of the Securities Act or any applicable state securities law (this representation and warranty not limiting the Purchaser's right to sell the Shares pursuant to a Registration Statement or otherwise in compliance with applicable federal and state securities laws). The Purchaser is acquiring the Shares hereunder in the ordinary course of its business.

(c) Purchaser Status. At the time the Purchaser was offered the Shares, it was an "accredited investor" as defined in Rule 501(a)(1), (a)(2), (a)(3), (a)(7) or (a)(8) under the Securities Act.

(d) Experience of the Purchaser. The Purchaser, either alone or together with its representatives, has such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in the Shares, and has so evaluated the merits and risks of such investment. The Purchaser is able to bear the economic risk of an investment in the Shares and, at the present time, is able to afford a complete loss of such investment.

(e) General Solicitation. The Purchaser is not purchasing the Shares as a result of any advertisement, article, notice or other communication regarding the Shares published in any newspaper, magazine or similar media or broadcast over television or radio or presented at any seminar or, to the knowledge of the Purchaser, any other general solicitation or general advertisement.

(f) Access to Information. The Purchaser acknowledges that it has had the opportunity to review the Transaction Documents (including all exhibits and schedules thereto) and has been afforded (i) the opportunity to ask such questions as it has deemed necessary of, and to receive answers from, representatives of the Company concerning the terms and conditions of the offering of the Shares and the merits and risks of investing in the Shares; (ii) access to information about the Company and its financial condition, results of operations, business, properties, management and prospects sufficient to enable it to evaluate its investment; and (iii) the opportunity to obtain such additional information that the Company possesses or can acquire without unreasonable effort or expense that is necessary to make an informed investment decision with respect to the investment.

(g) Certain Transactions and Confidentiality. Other than to other Persons party to this Agreement or to the Purchaser's representatives, including, without limitation, its officers, directors, partners, legal and other advisors, employees, agents and Affiliates, the Purchaser has maintained the confidentiality of all disclosures made to it in connection with this transaction (including the existence and terms of this transaction).

The Company acknowledges and agrees that the representations contained in this Section 3.2 shall not modify, amend or affect the Purchaser's right to rely on the Company's representations and warranties contained in this Agreement or any representations and warranties contained in any other Transaction Document or any other document or instrument executed and/or delivered in connection with this Agreement or the consummation of the transactions contemplated hereby. Notwithstanding the foregoing, for the avoidance of doubt, nothing contained herein shall constitute a representation or warranty, or preclude any actions, with respect to locating or borrowing shares in order to effect Short Sales or similar transactions in the future.

ARTICLE IV.
OTHER AGREEMENTS OF THE PARTIES

4.1 Transfer Restrictions.

(a) The Shares may only be disposed of in compliance with state and federal securities laws. In connection with any transfer of Shares other than pursuant to an effective Registration Statement or Rule 144, to the Company or to an Affiliate of a Purchaser or in connection with a pledge as contemplated in Section 4.1(b), the Company may require the transferor thereof to provide to the Company an opinion of counsel selected by the transferor and reasonably acceptable to the Company, the form and substance of which opinion shall be reasonably satisfactory to the Company, to the effect that such transfer does not require registration of such transferred Shares under the Securities Act. As a condition of transfer, any such transferee shall agree in writing to be bound by the terms of this Agreement and shall have the rights and obligations of a Purchaser under this Agreement.

(b) The Purchaser agrees to the imprinting, so long as is required by this Section 4.1, of a legend on any of the Shares in the following form:

THIS SECURITY HAS NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS. THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT WITH A REGISTERED BROKER-DEALER OR OTHER LOAN WITH A FINANCIAL INSTITUTION THAT IS AN "ACCREDITED INVESTOR" AS DEFINED IN RULE 501(a) UNDER THE SECURITIES ACT OR OTHER LOAN SECURED BY SUCH SECURITIES.

The Company acknowledges and agrees that a Purchaser may from time to time pledge pursuant to a bona fide margin agreement with a registered broker-dealer or grant a security interest in some or all of the Shares to a financial institution that is an "accredited investor" as defined in Rule 501(a) under the Securities Act and, if required under the terms of such arrangement, the Purchaser may transfer pledged or secured Shares to the pledgees or secured parties. Such a pledge or transfer would not be subject to approval of the Company and no legal opinion of legal counsel of the pledgee, secured party or pledgor shall be required in connection therewith. Further, no notice shall be required of such pledge. At the appropriate Purchaser's expense, the Company will execute and deliver such reasonable documentation as a pledgee or secured party of Shares may reasonably request in connection with a pledge or transfer of the Shares, including, if the Shares are subject to registration, the preparation and filing of any required prospectus supplement under Rule 424(b)(3) under the Securities Act or other applicable provision of the Securities Act to appropriately amend the list of selling stockholders thereunder.

(c) Certificates evidencing the Shares shall not contain any legend (including the legend set forth in Section 4.1(b) hereof), (i) while a Registration Statement covering the resale of such security is effective under the Securities Act, (ii) following any sale of such Shares pursuant to Rule 144, (iii) if such Shares are eligible for sale under Rule 144, or (iv) if such legend is not required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the staff of the Commission). The Company shall cause its counsel to issue a legal opinion to the Transfer Agent or the Purchaser promptly after the Effective Date if required by the Transfer Agent to effect the removal of the legend hereunder, or if requested by a Purchaser, respectively. The Company agrees that following the Effective Date or at such time as such legend is no longer required under this Section 4.1(c), it will, no later than two (2) Business Days following the delivery by a Purchaser to the Company or the Transfer Agent of a certificate representing Shares issued with a restrictive legend (such date, the "Legend Removal Date"), deliver or cause to be delivered to the Purchaser a certificate representing such shares that is free from all restrictive and other legends. The Company may not make any notation on its records or give instructions to the Transfer Agent that enlarge the restrictions on transfer set forth in this Section 4.1.

(d) The Purchaser agrees with the Company that the Purchaser will sell any Shares pursuant to either the registration requirements of the Securities Act, including any applicable prospectus delivery requirements, or an exemption therefrom, and that if Shares are sold pursuant to a Registration Statement, they will be sold in compliance with the plan of distribution set forth therein, and acknowledges that the removal of the restrictive legend from certificates representing Shares as set forth in this Section 4.1 is predicated upon the Company's reliance upon this understanding.

4.2 Integration. The Company shall not sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any security (as defined in Section 2 of the Securities Act) that would be integrated with the offer or sale of the Shares in a manner that would require the registration under the Securities Act of the sale of the Shares.

4.3 Publicity. The Company and the Purchaser shall consult with each other in issuing any press releases with respect to the transactions contemplated hereby, and neither the Company nor the Purchaser shall issue any such press release nor otherwise make any such public statement without the prior consent of the Company, with respect to any press release of the Purchaser, or without the prior consent of the Purchaser, with respect to any press release of the Company, which consent shall not unreasonably be withheld or delayed, except if such disclosure is required by law, in which case the disclosing party shall promptly provide the other party with prior notice of such public statement or communication. Notwithstanding the foregoing, the Company shall not publicly disclose the name of the Purchaser, or include the name of the Purchaser in any filing with the Commission or any regulatory agency, without the prior written consent of the Purchaser, except (a) as required by federal securities law in connection with (i) a Registration Statement and (ii) the filing of final Transaction Documents with the Commission and (b) to the extent such disclosure is required by law or applicable regulations, in which case the Company shall provide the Purchaser with prior notice of such disclosure permitted under this clause (b).

4.4 Shareholder Rights Plan. No claim will be made or enforced by the Company or, with the consent of the Company, any other Person, that the Purchaser is an "Acquiring Person" under any control share acquisition, business combination, poison pill (including any distribution under a rights agreement) or similar anti-takeover plan or arrangement in effect or hereafter adopted by the Company, or that the Purchaser could be deemed to trigger the provisions of any such plan or arrangement, by virtue of receiving Shares under the Transaction Documents or under any other agreement between the Company and the Purchaser.

4.5 Non-Public Information. Except with respect to the material terms and conditions of the transactions contemplated by the Transaction Documents, the Company covenants and agrees that neither it, nor any other Person acting on its behalf will provide the Purchaser or its agents or counsel with any information that constitutes, or the Company reasonably believes constitutes, material non-public information, unless prior thereto the Purchaser shall have consented to the receipt of such information and agreed with the Company to keep such information confidential. The Company understands and confirms that the Purchaser shall be relying on the foregoing covenant in effecting transactions in securities of the Company. To the extent that the Company delivers any material, non-public information to a Purchaser without the Purchaser's consent, the Company hereby covenants and agrees that the Purchaser shall not have any duty of confidentiality to the Company, any of its Subsidiaries, or any of their respective officers, directors, agents, employees or Affiliates, or a duty to the Company, any of its Subsidiaries or any of their respective officers, directors, agents, employees or Affiliates not to trade on the basis of, such material, non-public information, provided that the Purchaser shall remain subject to applicable law. The Company understands and confirms that the Purchaser shall be relying on the foregoing covenant in effecting transactions in securities of the Company.

4.6 Use of Proceeds. The Company shall use the net proceeds from the sale of the Shares hereunder for working capital purposes and shall not use such proceeds: (a) for the satisfaction of any portion of the Company's debt (other than payment of trade payables in the ordinary course of the Company's business and prior practices), (b) for the redemption of any Common Stock or Common Stock Equivalents, (c) for the settlement of any outstanding litigation or (d) in violation of FCPA or OFAC regulations.

4.7 Indemnification of Purchaser. Subject to the provisions of this Section 4.7, the Company will indemnify and hold the Purchaser and its directors, officers, shareholders, members, partners, employees and agents (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding a lack of such title or any other title), each Person who controls the Purchaser (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), and the directors, officers, shareholders, agents, members, partners or employees (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding a lack of such title or any other title) of such controlling persons (each, a "Purchaser Party") harmless from any and all losses, liabilities, obligations, claims, contingencies, damages, costs and expenses, including all judgments, amounts paid in settlements, court costs and reasonable attorneys' fees and costs of investigation that any such Purchaser Party may suffer or incur as a result of or relating to (a) any breach of any of the representations, warranties, covenants or agreements made by the Company in this Agreement or in the other Transaction Documents or (b) any action instituted against the Purchaser Parties in any capacity, or any of them or their respective Affiliates, by any stockholder of the Company who is not an Affiliate of such Purchaser Party, with respect to any of the transactions contemplated by the Transaction Documents (unless such action is solely based upon a material breach of such Purchaser Party's representations, warranties or covenants under the Transaction Documents or any agreements or understandings such Purchaser Party may have with any such stockholder or any violations by such Purchaser Party of state or federal securities laws or any conduct by such Purchaser Party which is finally judicially determined to constitute fraud, gross negligence or willful misconduct). If any action shall be brought against any Purchaser Party in respect of which indemnity may be sought pursuant to this Agreement, such Purchaser Party shall promptly notify the Company in writing, and the Company shall have the right to assume the defense thereof with counsel of its own choosing reasonably acceptable to the Purchaser Party. Any Purchaser Party shall have the right to employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Purchaser Party except to the extent that (i) the employment thereof has been specifically authorized by the Company in writing, (ii) the Company has failed after a reasonable period of time to assume such defense and to employ counsel or (iii) in such action there is, in the reasonable opinion of counsel, a material conflict on any material issue between the position of the Company and the position of such Purchaser Party, in which case the Company shall be responsible for the reasonable fees and expenses of no more than one such separate counsel. The Company will not be liable to any Purchaser Party under this Agreement (y) for any settlement by a Purchaser Party effected without the Company's prior written consent, which shall not be unreasonably withheld or delayed; or (z) to the extent, but only to the extent that a loss, claim, damage or liability is attributable to any Purchaser Party's breach of any of the representations, warranties, covenants or agreements made by such Purchaser Party in this Agreement or in the other Transaction Documents. The indemnification required by this Section 4.7 shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or are incurred. The indemnity agreements contained herein shall be in addition to any cause of action or similar right of any Purchaser Party against the Company or others and any liabilities the Company may be subject to pursuant to law.

4.8 Confidentiality. The Purchaser covenants that until such time as the transactions contemplated by this Agreement are publicly disclosed by the Company, the Purchaser will maintain the confidentiality of the existence and terms of this transaction and the information included in the Disclosure Schedules.

4.9 Form D; Blue Sky Filings. The Company agrees to timely file a Form D with respect to the Shares as required under Regulation D and to provide a copy thereof, promptly upon request of the Purchaser. The Company shall take such action as the Company shall reasonably determine is necessary in order to obtain an exemption for, or to qualify the Shares for, sale to the Purchaser at the Closing under applicable securities or "Blue Sky" laws of the states of the United States, and shall provide evidence of such actions promptly upon request of the Purchaser.

4.10 Acknowledgment of Dilution. The Company acknowledges that the issuance of the Shares may result in dilution of the outstanding shares of Common Stock, which dilution may be substantial under certain conditions. The Company further acknowledges that its obligations under the Transaction Documents are unconditional and absolute and not subject to any right of set off, counterclaim, delay or reduction, regardless of the effect of any such dilution or any claim the Company may have against the Purchaser and regardless of the dilutive effect that such issuance may have on the ownership of the other stockholders of the Company.

4.11 Adjustment Due to Price Based Dilution. If, at any time during the 12 months following the sale of the Shares, the Company issues or sells shares of Common Stock or Common Stock Equivalents other than an Exempt Issuance, for no consideration or for a consideration per share (before deduction of reasonable expenses or commissions or underwriting discounts or allowances in connection therewith) (the "Dilutive Issuance Price") less than the Per Share Purchase Price (a "Dilutive Issuance"), then immediately upon the Dilutive Issuance, the Company will deliver to the Purchaser that number of restricted shares of Common Stock equal to the difference between the number of Shares purchased by the Purchaser pursuant to this Agreement and the number of shares of Common Stock the Purchaser would have received for the Purchaser's Subscription Amount at the Dilutive Issuance Price. By way of example only, if the Purchaser purchased 500,000 shares at $3.25 per share for a Subscription Amount of $1,625,000, and the Company subsequently issued shares of Common Stock (other than in an Exempt Issuance) at $2.00 per share, then the Company would deliver to the Purchaser an additional 312,500 shares of Common Stock, without restrictive legend. "Exempt Issuance" means the issuance of (a) shares of Common Stock or options or other equity awards to employees, officers or directors of the Company pursuant to any stock or option plan duly adopted for such purpose, by a majority of the non-employee members of the Board of Directors or a majority of the members of a committee of non-employee directors established for such purpose for services rendered to the Company, (b) securities upon the exercise or exchange of or conversion of any securities exercisable or exchangeable for or convertible into shares of Common Stock issued and outstanding on the date of this Agreement, provided that such securities have not been amended since the date of this Agreement to increase the number of such securities or to decrease the exercise price, exchange price or conversion price of such securities (other than in connection with stock splits or combinations) or to extend the term of such securities, (c) shares of Common Stock or Common Stock Equivalents issued directly to vendors or suppliers of the Company in satisfaction of amounts owed to such vendors or suppliers (provided, however, that such vendors or suppliers shall represent that they do not have an arrangement to transfer, sell or assign such securities prior to the issuance of such securities) and (d) securities issued pursuant to acquisitions or strategic transactions approved by a majority of the disinterested directors of the Company, provided that such securities are issued as "restricted securities" (as defined in Rule 144) and carry no registration rights that require or permit the filing of any registration statement in connection therewith during the period set forth in the first sentence of this Section), and provided that any such issuance shall only be to a Person (or to the equityholders of a Person) which is, itself or through its subsidiaries, an operating company or an owner of an asset in a business synergistic with the business of the Company and shall provide to the Company additional benefits in addition to the investment of funds, but shall not include a transaction in which the Company is issuing securities primarily for the purpose of raising capital or to an entity whose primary business is investing in securities.

4.12 "Most Favored Nation." Subject to the next sentence, from the Closing Date until the earlier of (i) twelve (12) months after the Closing Date, (ii) the day after the date on which the Company's Common Stock is listed on a U.S. national securities exchange, or (iii) the date on which the Purchaser no longer holds any of the Shares acquired by it hereunder, the Company shall not consummate any unregistered private offering or an initial (but not any subsequent) public offering for cash consideration of its capital stock (or securities convertible into shares of capital stock) (the "Other Securities") to any individual or entity (an "Other Investor") that provides such Other Investor with any right, benefit, term or condition relating to the Shares that is more favorable in any material respect to the Other Investor than the rights, benefits, terms and conditions relating to the Shares established in favor of the Purchaser pursuant to this Agreement and the other Transaction Documents, unless, in any such case, (i) the Company notifies the Purchaser of such more favorable right, benefit, term or condition within two (2) Business Days prior to the issuance of the Other Securities, and (ii) Purchaser has been provided with the opportunity to execute a definitive written agreement or agreements between the Company and the Purchaser (which may be an amendment to this Agreement or another Transaction Document), duly executed by the Company, providing the Purchaser such right, benefit, term or condition, solely with respect to the Shares then held by the Purchaser, not later than the date of issuance of the Other Securities. Notwithstanding anything in the preceding sentence to the contrary, the foregoing shall not apply to (i) the price of the other Securities (but without prejudice to Section 4.11) or the number thereof, (ii) any provision that is solely related to any regulation imposed on, or tax provisions applicable to, the Other Investor (unless the Purchaser is subject to the same or similar regulations or requirements), (iii) any provision that is personal to the Other Investor solely based on the place of organization or headquarters, or organizational form of or governing documents of (or regulations applicable to) the Other Investor (unless the Purchaser has the same or similar place of organization or headquarters, or organizational form, or regulations applicable to the investor), or (iv) any provision that relates to commercial rights that primarily involve or are ancillary to the provision of services, the purchase or sale of goods or other assets, or the grant or receipt of rights under a license.

ARTICLE V.
MISCELLANEOUS

5.1 Termination. This Agreement may be terminated by the Purchaser by written notice to the other parties, if the Closing has not been consummated on or before August 15, 2021; provided, however, that no such termination will affect the right of any party to sue for any breach by any other party (or parties).

5.2 Fees and Expenses. Except as expressly set forth in the Transaction Documents to the contrary, each party shall pay the fees and expenses of its advisers, counsel, accountants and other experts, if any, and all other expenses incurred by such party incident to the negotiation, preparation, execution, delivery and performance of this Agreement. The Company shall pay all Transfer Agent fees (including, without limitation, any fees required for same-day processing of any instruction letter delivered by the Company and any exercise notice delivered by a Purchaser), stamp taxes and other taxes and duties levied in connection with the delivery of any Shares to the Purchaser.

5.3 Entire Agreement. The Transaction Documents, together with the exhibits and schedules thereto, contain the entire understanding of the parties with respect to the subject matter hereof and thereof and supersede all prior agreements and understandings, oral or written, with respect to such matters, which the parties acknowledge have been merged into such documents, exhibits and schedules.

5.4 Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on the earliest of: (a) the time of transmission, if such notice or communication is delivered via facsimile at the facsimile number or email attachment at the email address as set forth on the signature pages attached hereto at or prior to 5:30 p.m. (New York City time) on a Business Day, (b) the next Business Day after the time of transmission, if such notice or communication is delivered via facsimile at the facsimile number or email attachment at the email address as set forth on the signature pages attached hereto on a day that is not a Business Day or later than 5:30 p.m. (New York City time) on any Business Day, (c) the second (2^{nd}) Business Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service or (d) upon actual receipt by the party to whom such notice is required to be given. The address for such notices and communications shall be as set forth on the signature pages attached hereto.

5.5 Amendments; Waivers. No provision of this Agreement may be waived, modified, supplemented or amended except in a written instrument signed, in the case of an amendment, by the Company and the Purchaser or, in the case of a waiver, by the party against whom enforcement of any such waived provision is sought. No waiver of any default with respect to any provision, condition or requirement of this Agreement shall be deemed to be a continuing waiver in the future or a waiver of any subsequent default or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of any party to exercise any right hereunder in any manner impair the exercise of any such right. Any amendment effected in accordance with this Section 5.5 shall be binding upon the Purchaser and holder of Shares and the Company.

5.6 Headings. The headings herein are for convenience only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof.

5.7 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their successors and permitted assigns. The Company may not assign this Agreement or any rights or obligations hereunder without the prior written consent of the Purchaser (other than by merger). The Purchaser may assign any or all of its rights under this Agreement to any Person to whom the Purchaser assigns or transfers any Shares in a manner permitted hereunder, provided that such transferee agrees in writing to be bound, with respect to the transferred Shares, by the provisions of the Transaction Documents that apply to the "Purchaser."

5.8 No Third-Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective successors and permitted assigns and is not for the benefit of, nor may any provision hereof be enforced by, any other Person, except as otherwise set forth in Section 4.7 and this Section 5.8.

5.9 Governing Law. All questions concerning the construction, validity, enforcement and interpretation of the Transaction Documents shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflicts of law thereof. Each party agrees that all legal Proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Agreement and any other Transaction Documents (whether brought against a party hereto or its respective affiliates, directors, officers, shareholders, partners, members, employees or agents) shall be

commenced exclusively in the state and federal courts sitting in the City of New York. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the City of New York, Borough of Manhattan for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of any of the Transaction Documents), and hereby irrevocably waives, and agrees not to assert in any Action or Proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such Action or Proceeding is improper or is an inconvenient venue for such Proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such Action or Proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law. If any party shall commence an Action or Proceeding to enforce any provisions of the Transaction Documents, then, in addition to the obligations of the Company under Section 4.7, the prevailing party in such Action or Proceeding shall be reimbursed by the non-prevailing party for its reasonable attorneys' fees and other costs and expenses incurred with the investigation, preparation and prosecution of such Action or Proceeding.

5.10 Survival. The representations and warranties contained herein shall survive the Closing and the delivery of the Shares.

5.11 Execution. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to each other party, it being understood that the parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature page were an original thereof.

5.12 Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their commercially reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

5.13 Rescission and Withdrawal Right. Notwithstanding anything to the contrary contained in (and without limiting any similar provisions of) any of the other Transaction Documents, whenever the Purchaser exercises a right, election, demand or option under a Transaction Document and the Company does not timely perform its related obligations within the periods therein provided, then the Purchaser may rescind or withdraw, in its sole discretion from time to time upon written notice to the Company, any relevant notice, demand or election in whole or in part without prejudice to its future actions and rights.

5.14 Replacement of Shares. If any certificate or instrument evidencing any Shares is mutilated, lost, stolen or destroyed, the Company shall issue or cause to be issued in exchange and substitution for and upon cancellation thereof (in the case of mutilation), or in lieu of and substitution therefor, a new certificate or instrument, but only upon receipt of evidence reasonably satisfactory to the Company of such loss, theft or destruction. The applicant for a new certificate or instrument under such circumstances shall also pay any reasonable third-party costs (including customary indemnity) associated with the issuance of such replacement Shares.

5.15 Remedies. In addition to being entitled to exercise all rights provided herein or granted by law, including recovery of damages, the Purchaser and the Company will be entitled to specific performance under the Transaction Documents. The parties agree that monetary damages may not be adequate compensation for any loss incurred by reason of any breach of obligations contained in the Transaction Documents and hereby agree to waive and not to assert in any Action for specific performance of any such obligation the defense that a remedy at law would be adequate.

5.16 Payment Set Aside. To the extent that the Company makes a payment or payments to the Purchaser pursuant to any Transaction Document or a Purchaser enforces or exercises its rights thereunder, and such payment or payments or the proceeds of such enforcement or exercise or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside, recovered from, disgorged by or are required to be refunded, repaid or otherwise restored to the Company, a trustee, receiver or any other Person

under any law (including, without limitation, any bankruptcy law, state or federal law, common law or equitable cause of action), then to the extent of any such restoration the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such enforcement or setoff had not occurred.

5.17 [RESERVED]

5.18 Liquidated Damages. The Company's obligations to pay any partial liquidated damages or other amounts owing under the Transaction Documents is a continuing obligation of the Company and shall not terminate until all unpaid partial liquidated damages and other amounts have been paid notwithstanding the fact that the instrument or security pursuant to which such partial liquidated damages or other amounts are due and payable shall have been canceled.

5.19 Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then such action may be taken or such right may be exercised on the next succeeding Business Day.

5.20 Construction. The parties agree that each of them and/or their respective counsel have reviewed and had an opportunity to revise the Transaction Documents and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of the Transaction Documents or any amendments thereto. In addition, each and every reference to share prices and shares of Common Stock in any Transaction Document shall be subject to adjustment for reverse and forward stock splits, stock dividends, stock combinations and other similar transactions of the Common Stock that occur after the date of this Agreement.

5.21 **WAIVER OF JURY TRIAL. IN ANY ACTION, SUIT, OR PROCEEDING IN ANY JURISDICTION BROUGHT BY ANY PARTY AGAINST ANY OTHER PARTY, THE PARTIES EACH KNOWINGLY AND INTENTIONALLY, TO THE GREATEST EXTENT PERMITTED BY APPLICABLE LAW, HEREBY ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY AND EXPRESSLY WAIVES FOREVER TRIAL BY JURY.**

(Signature Pages Follow)

IN WITNESS WHEREOF, the parties hereto have caused this Shares Purchase Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

GAMING TECHNOLOGIES, INC.

Address for Notice:

By:_____

Name:

Title:

Email:

Fax:

With a copy to (which shall not constitute notice):

[***]

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK
SIGNATURE PAGE FOR PURCHASER FOLLOWS]

[PURCHASER SIGNATURE PAGES TO SECURITIES PURCHASE AGREEMENT]

IN WITNESS WHEREOF, the undersigned has caused this Shares Purchase Agreement to be duly executed by its authorized signatory as of the date first indicated above.

Name of Purchaser: _____

Signature of Authorized Signatory of Purchaser: _____

Name of Authorized Signatory: _____

Title of Authorized Signatory: _____

Email Address of Authorized Signatory: _____

Facsimile Number of Authorized Signatory: _____

Address for Notice to Purchaser:

Address for Delivery of Shares to Purchaser (if not same as address for notice):

Subscription Amount: $_____

Shares: _____

EIN Number: _____

EXHIBIT A

Form of Registration Rights Agreement

Exhibit 10.2

REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement (this "Agreement") is made and entered into as of August ___, 2021, between **Gaming Technologies, Inc.**, a Delaware corporation (the "Company"), and each of the several purchasers signatory hereto (each such purchaser, a "Purchaser" and, collectively, the "Purchasers").

This Agreement is made pursuant to the several Securities Purchase Agreements, dated as of the date hereof, between the Company and each Purchaser (with respect to each Purchaser, the "Purchase Agreements").

The Company and each Purchaser hereby agrees as follows:

1. Definitions.

Capitalized terms used and not otherwise defined herein that are defined in the Purchase Agreement shall have the meanings given such terms in the Purchase Agreement. As used in this Agreement, the following terms shall have the following meanings:

"Advice" shall have the meaning set forth in Section 6(b).

"Effectiveness Date" means, with respect to the Initial Registration Statement required to be filed hereunder, the 120th calendar day following the Filing Date (or, in the event of a "full review" by the Commission, the 150th calendar day following the Filing Date) and with respect to any additional Registration Statements which may be required pursuant to Section 2(c), the 120th calendar day following the date on which an additional Registration Statement is required to be filed hereunder (or, in the event of a "full review" by the Commission, the 150th calendar day following the date such additional Registration Statement is required to be filed hereunder); provided, however, that in the event the Company is notified by the Commission that one or more of the above Registration Statements will not be reviewed or is no longer subject to further review and comments, the Effectiveness Date as to such Registration Statement shall be the fifth Trading Day following the date on which the Company is so notified if such date precedes the dates otherwise required above, provided, further, if such Effectiveness Date falls on a day that is not a Trading Day, then the Effectiveness Date shall be the next succeeding Trading Day.

"Effectiveness Period" shall have the meaning set forth in Section 2(a).

"Filing Date" means, with respect to the Initial Registration Statement required hereunder, August 31, 2021, and, with respect to any additional Registration Statements which may be required pursuant to Section 2(c), the earliest practical date on which the Company is permitted by SEC Guidance to file such additional Registration Statement related to the Registrable Securities, in each case as may be extended pursuant to Section 3(a).

"Holder" or "Holders" means the holder or holders, as the case may be, from time to time of Registrable Securities.

"Indemnified Party" shall have the meaning set forth in Section 5(c).

"Indemnifying Party" shall have the meaning set forth in Section 5(c).

"Initial Registration Statement" means the initial Registration Statement filed pursuant to this Agreement.

"Losses" shall have the meaning set forth in Section 5(a).

"Plan of Distribution" shall have the meaning set forth in Section 2(a).

"Prospectus" means the prospectus included in a Registration Statement (including, without limitation, a prospectus that includes any information previously omitted from a prospectus filed as part of an effective registration statement in reliance upon Rule 430A promulgated by the Commission pursuant to the Securities Act), as amended or supplemented by any prospectus supplement, with respect to the terms of the offering of any portion of the Registrable Securities covered by a Registration Statement, and all other amendments and supplements to the Prospectus, including post-effective amendments, and all material incorporated by reference or deemed to be incorporated by reference in such Prospectus.

"Registrable Securities" means, as of any date of determination, (a) all shares of Common Stock sold to each Purchaser pursuant to the Purchase Agreement (the "Shares") and (b) any securities issued or then issuable upon any stock split, dividend or other distribution, recapitalization or similar event with respect to the foregoing; provided, however, that any such Registrable Securities shall cease to be Registrable Securities (and the Company shall not be required to maintain the effectiveness of any, or file another, Registration Statement hereunder with respect thereto) for so long as (a) a Registration Statement with respect to the sale of such Registrable Securities is declared effective by the Commission under the Securities Act and such Registrable Securities have been disposed of by the Holder in accordance with such effective Registration Statement, (b) such Registrable Securities have been previously sold in accordance with Rule 144, or (c) such securities become eligible for resale without volume or manner-of-sale restrictions and without current public information pursuant to Rule 144 as set forth in a written opinion letter to such effect, addressed, delivered and acceptable to the Transfer Agent and the affected Holders (assuming that such securities and any securities issuable as a dividend upon which, such securities were issued or are issuable, were at no time held by any Affiliate of the Company""), as reasonably determined by the Company, upon the advice of counsel to the Company.

"Registration Statement" means any registration statement required to be filed hereunder pursuant to Section 2(a) and any additional registration statements contemplated by Section 2(c), including (in each case) the Prospectus, amendments and supplements to any such registration statement or Prospectus, including pre- and post-effective amendments, all exhibits thereto, and all material incorporated by reference or deemed to be incorporated by reference in any such registration statement.

"Rule 415" means Rule 415 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same purpose and effect as such Rule.

"Rule 424" means Rule 424 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same purpose and effect as such Rule.

"Selling Stockholder Questionnaire" shall have the meaning set forth in Section 3(a).

"SEC Guidance" means (i) any publicly-available written or oral guidance of the Commission staff, or any comments, requirements or requests of the Commission staff and (ii) the Securities Act.

2. Registration.

(a) On or prior to each Filing Date, the Company shall prepare and file with the Commission a Registration Statement covering the resale of all of the Registrable Securities that are not then registered on an effective Registration Statement for an offering to be made on a continuous basis pursuant to Rule 415. Each Registration Statement filed hereunder shall be on Form S-1 and shall contain (unless otherwise directed by at least 85% in interest of the Holders) substantially the "Plan of Distribution" attached hereto as Annex A and substantially the "Selling Stockholder" section attached hereto as Annex B; provided, however, that no Holder shall be required to be named as an "underwriter" without such Holder's express prior written consent. Subject to the terms of this Agreement, the Company shall use its commercially reasonable efforts to cause a Registration Statement filed under this Agreement to be declared effective under the Securities Act as promptly as possible after the filing thereof, but in any event no later than the applicable Effectiveness Date, and shall use its commercially reasonable efforts to keep such Registration Statement continuously effective under the Securities Act until the date that all Registrable Securities covered by such Registration Statement (i) have been sold, thereunder or pursuant to Rule 144, or (ii) may be sold without volume or manner-of-sale restrictions pursuant to Rule 144 and without the requirement for the Company to be in compliance with the current public information requirement under Rule 144, as determined by the counsel to the Company

pursuant to a written opinion letter to such effect, addressed and acceptable to the Transfer Agent and the affected Holders (the "Effectiveness Period"). The Company shall telephonically request effectiveness of a Registration Statement as of 5:00 p.m. Eastern Time on a Trading Day. The Company shall immediately notify the Holders via facsimile or by e-mail of the effectiveness of a Registration Statement on the same Trading Day that the Company telephonically confirms effectiveness with the Commission, which shall be the date requested for effectiveness of such Registration Statement. The Company shall, by 9:30 a.m. Eastern Time on the Trading Day after the effective date of such Registration Statement, subject to extension pursuant to Section 3(a), file a final Prospectus with the Commission as required by Rule 424.

(b) Notwithstanding the registration obligations set forth in Section 2(a), if the Commission informs the Company that all of the Registrable Securities cannot, as a result of the application of Rule 415, be registered for resale as a secondary offering on a single registration statement, the Company agrees to promptly inform each of the Holders thereof and use its commercially reasonable efforts to file amendments to the Initial Registration Statement as required by the Commission, covering the maximum number of Registrable Securities permitted to be registered by the Commission.

(c) Notwithstanding any other provision of this Agreement, if the Commission or any SEC Guidance sets forth a limitation on the number of Registrable Securities permitted to be registered on a particular Registration Statement as a secondary offering, unless otherwise directed in writing by a Holder as to its Registrable Securities, the number of Registrable Securities to be registered on such Registration Statement will be reduced as follows:

a. First, the Company shall reduce or eliminate any securities to be included other than Registrable Securities; and

b. Second, the Company shall reduce Registrable Securities represented by Shares (applied, in the case that some Shares may be registered, to the Holders on a pro rata basis based on the total number of unregistered Shares held by such Holders).

In the event of a cutback hereunder, the Company shall give the Holder at least five (5) Trading Days prior written notice along with the calculations as to such Holder's allotment. In the event the Company amends the Initial Registration Statement in accordance with the foregoing, the Company will use its commercially reasonable efforts to file with the Commission, as promptly as allowed by Commission or SEC Guidance provided to the Company or to registrants of securities in general, one or more registration statements to register for resale those Registrable Securities that were not registered for resale on the Initial Registration Statement, as amended.

(d) Notwithstanding anything to the contrary contained herein, in no event shall the Company be permitted to name any Holder or affiliate of a Holder as any Underwriter without the prior written consent of such Holder.

3. Registration Procedures.

In connection with the Company's registration obligations hereunder, the Company shall:

(a) Not less than five (5) Trading Days prior to the initial filing of each Registration Statement and not less than one (1) Trading Day prior to the filing of any related Prospectus or any amendment or supplement thereto (including any document that would be incorporated or deemed to be incorporated therein by reference), the Company shall furnish to each Holder copies of (or a link to) all such documents proposed to be filed,, and shall duly consider in good faith any comments received from the Holders (or from legal counsel to such Holders, as applicable).. Each Holder agrees to furnish to the Company a completed questionnaire in the form attached to this Agreement as Annex B (a "Selling Stockholder Questionnaire") on a date that is not less than five (5) Trading Days prior to the Filing Date.

(b) (i) Prepare and file with the Commission such amendments, including post-effective amendments, to a Registration Statement and the Prospectus used in connection therewith as may be necessary to keep a Registration Statement continuously effective as to the applicable Registrable Securities for the Effectiveness Period (provided that it shall not be a violation of this covenant if the Registration Statement ceases for any reason to remain continuously effective as to any Registrable Securities included in such Registration Statement, or the Holders are otherwise not permitted to utilize the Prospectus therein to resell such Registrable Securities, for more than sixty (60) calendar days (which need not be consecutive

calendar days) during any 12-month period), (ii) cause the related Prospectus to be amended or supplemented by any required Prospectus supplement (subject to the terms of this Agreement), and, as so supplemented or amended, to be filed pursuant to Rule 424, and (iii) respond as promptly as reasonably possible to any comments received from the Commission with respect to a Registration Statement or any amendment thereto and provide as promptly as reasonably possible to the Holders true and complete copies of all correspondence from and to the Commission relating to a Registration Statement (provided that, the Company shall excise any information contained therein which would constitute material non-public information regarding the Company or any of its Subsidiaries).

(c) [RESERVED]

(d) Notify the Holders of Registrable Securities to be sold (which notice shall, pursuant to clauses (ii) through (v) hereof, be accompanied by an instruction to suspend the use of the Prospectus until the requisite changes have been made) as promptly as reasonably possible and (if requested by any such Person) confirm such notice in writing no later than one (1) Trading Day following the day (i) (A) when the Commission notifies the Company whether there will be a "review" of such Registration Statement and whenever the Commission comments in writing on such Registration Statement, and (B) with respect to a Registration Statement or any post-effective amendment, when the same has become effective, (ii) of the issuance by the Commission or any other federal or state governmental authority of any stop order suspending the effectiveness of a Registration Statement covering any or all of the Registrable Securities or the initiation of any Proceedings for that purpose, (iv) of the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Registrable Securities for sale in any jurisdiction, or the initiation or threatening of any Proceeding for such purpose, (v) of the occurrence of any event or passage of time that makes the financial statements included in a Registration Statement ineligible for inclusion therein or any statement made in a Registration Statement or Prospectus or any document incorporated or deemed to be incorporated therein by reference untrue in any material respect or that requires any revisions to a Registration Statement, Prospectus or other documents so that, in the case of a Registration Statement or the Prospectus, as the case may be, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and (vi) of the occurrence or existence of any pending corporate development with respect to the Company that the Company believes may be material and that, in the determination of the Company, makes it not in the best interest of the Company to allow continued availability of a Registration Statement or Prospectus, provided, however, in no event shall any such notice contain any information which would constitute material, non-public information regarding the Company or any of its Subsidiaries.

(e) Use its commercially reasonable efforts to avoid the issuance of, or, if issued, obtain the withdrawal of (i) any order stopping or suspending the effectiveness of a Registration Statement, or (ii) any suspension of the qualification (or exemption from qualification) of any of the Registrable Securities for sale in any jurisdiction, at the earliest practicable moment.

(f) Subject to the terms of this Agreement, the Company hereby consents to the use of such Prospectus and each amendment or supplement thereto by each of the selling Holders in connection with the offering and sale of the Registrable Securities covered by such Prospectus and any amendment or supplement thereto, except after the giving of any notice pursuant to Section 3(d).

(g) Prior to any resale of Registrable Securities by a Holder, use its commercially reasonable efforts to register or qualify or cooperate with the selling Holders in connection with the registration or qualification (or exemption from the Registration or qualification) of such Registrable Securities for the resale by the Holder under the securities or Blue Sky laws of such jurisdictions within the United States as any Holder reasonably requests in writing, to keep each registration or qualification (or exemption therefrom) effective during the Effectiveness Period and to do any and all other acts or things reasonably necessary to enable the disposition in such jurisdictions of the Registrable Securities covered by each Registration Statement; provided, that, the Company shall not be required to qualify generally to do business in any jurisdiction where it is not then so qualified, subject the Company to any material tax in any such jurisdiction where it is not then so subject or file a general consent to service of process in any such jurisdiction.

(h) If requested by a Holder, cooperate with such Holder to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be delivered to a transferee pursuant to a Registration Statement, which

certificates shall be free, to the extent permitted by the Purchase Agreement, of all restrictive legends, and to enable such Registrable Securities to be in such denominations and registered in such names as any such Holder may request.

(i) Upon the occurrence of any event contemplated by Section 3(d), as promptly as reasonably possible under the circumstances taking into account the Company's good faith assessment of any adverse consequences to the Company and its stockholders of the premature disclosure of such event, prepare a supplement or amendment, including a post-effective amendment, to a Registration Statement or a supplement to the related Prospectus or any document incorporated or deemed to be incorporated therein by reference, and file any other required document so that, as thereafter delivered, neither a Registration Statement nor such Prospectus will contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. If the Company notifies the Holders in accordance with clauses (iii) through (vi) of Section 3(d) above to suspend the use of any Prospectus until the requisite changes to such Prospectus have been made, then the Holders shall suspend use of such Prospectus. The Company will use its commercially reasonable efforts to ensure that the use of the Prospectus may be resumed as promptly as is practicable. The Company shall be entitled to exercise its right under this Section 3(i) to suspend the availability of a Registration Statement and Prospectus for a period not to exceed (sixty) 60 calendar days (which need not be consecutive days) in any 12-month period.

(j) Otherwise use commercially reasonable efforts to comply with all applicable rules and regulations of the Commission under the Securities Act and the Exchange Act, including, without limitation, Rule 172 under the Securities Act, file any final Prospectus, including any supplement or amendment thereof, with the Commission pursuant to Rule 424 under the Securities Act, promptly inform the Holders in writing if, at any time during the Effectiveness Period, the Company does not satisfy the conditions specified in Rule 172 and, as a result thereof, the Holders are required to deliver a Prospectus in connection with any disposition of Registrable Securities and take such other actions as may be reasonably necessary to facilitate the registration of the Registrable Securities hereunder.

(k) The Company may require each selling Holder to furnish to the Company a certified statement as to the number of shares of Common Stock beneficially owned by such Holder and, if required by the Commission, the natural persons thereof that have voting and dispositive control over the shares. During any periods that the Company is unable to meet its obligations hereunder with respect to the registration of the Registrable Securities solely because any Holder fails to furnish such information within three Trading Days of the Company's request, the Company's obligations hereunder to include such Holder's Registrable Securities in the Registration Statement shall be suspended as to such Holder only, until such information is delivered to the Company.

4. Registration Expenses. All fees and expenses incident to the performance of or compliance with, this Agreement by the Company shall be borne by the Company whether or not any Registrable Securities are sold pursuant to a Registration Statement. The fees and expenses referred to in the foregoing sentence shall include, without limitation, (i) all registration and filing fees (including, without limitation, fees and expenses of the Company's counsel and independent registered public accountants) (A) with respect to filings made with the Commission, (B) with respect to filings required to be made with any Trading Market on which the Common Stock is then listed for trading, and (C) in compliance with applicable state securities or Blue Sky laws reasonably agreed to by the Company in writing (including, without limitation, fees and disbursements of counsel for the Company in connection with Blue Sky qualifications or exemptions of the Registrable Securities), (ii) printing expenses (including, without limitation, expenses of printing certificates for Registrable Securities), (iii) messenger, telephone and delivery expenses, (iv) fees and disbursements of counsel for the Company, (v) Securities Act liability insurance, if the Company so desires such insurance, and (vi) fees and expenses of all other Persons retained by the Company in connection with the consummation of the transactions contemplated by this Agreement. In addition, the Company shall be responsible for all of its internal expenses incurred in connection with the consummation of the transactions contemplated by this Agreement (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), the expense of any annual audit and the fees and expenses incurred in connection with the listing of the Registrable Securities on any securities exchange as required hereunder. In no event shall the Company be responsible for any broker or similar commissions or fees or transfer taxes of any Holder or, except to the extent provided for in the Transaction Documents, any legal fees or other costs of the Holders.

5. Indemnification.

(a) Indemnification by the Company. The Company shall, notwithstanding any termination of this Agreement, indemnify and hold harmless each Holder, the officers, directors, members, partners, agents, brokers (including brokers who offer and sell Registrable Securities as principal as a result of a pledge or any failure to perform under a margin call of Common Stock), investment advisors and employees (and any other Persons with a functionally equivalent role of a Person holding such titles, notwithstanding a lack of such title or any other title) of each of them, each Person who controls any such Holder (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) and the officers, directors, members, stockholders, partners, agents and employees (and any other Persons with a functionally equivalent role of a Person holding such titles, notwithstanding a lack of such title or any other title) of each such controlling Person, to the fullest extent permitted by applicable law, from and against any and all losses, claims, damages, liabilities, costs (including, without limitation, reasonable attorneys' fees) and expenses (collectively, "Losses"), as incurred, arising out of or relating to (1) any untrue or alleged untrue statement of a material fact contained in a Registration Statement, any Prospectus or any form of prospectus or in any amendment or supplement thereto or in any preliminary prospectus, or arising out of or relating to any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus or supplement thereto, in light of the circumstances under which they were made) not misleading or (2) any violation or alleged violation by the Company of the Securities Act, the Exchange Act or any state securities law, or any rule or regulation thereunder, in connection with the performance of its obligations under this Agreement, except to the extent, but only to the extent, that (i) such untrue statements or omissions are based solely upon information regarding such Holder furnished in writing to the Company by such Holder expressly for use therein, or to the extent that such information relates to such Holder or such Holder's proposed method of distribution of Registrable Securities and was reviewed and expressly approved in writing by such Holder expressly for use in a Registration Statement, such Prospectus or in any amendment or supplement thereto (it being understood that the Holder has approved Annex A hereto for this purpose), (ii) failure of such Holder to comply with its obligations set forth in this Agreement, or (iii) in the case of an occurrence of an event of the type specified in Section 3(d)(iii)-(vi), the use by such Holder of an outdated, defective or otherwise unavailable Prospectus after the Company has notified such Holder in writing that the Prospectus is outdated, defective or otherwise unavailable for use by such Holder and prior to the receipt by such Holder of the Advice contemplated in Section 6(b). The Company shall notify the Holders promptly of the institution, threat or assertion of any Proceeding arising from or in connection with the transactions contemplated by this Agreement of which the Company is aware. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such indemnified person and shall survive the transfer of any Registrable Securities by any of the Holders in accordance with Section 6(f); provided, however, that no future transferee, other than a Permitted Assignee, shall be considered as a third-party beneficiary of this Agreement or the indemnification provided for herein.

(b) Indemnification by Holders. Each Holder shall, severally and not jointly, indemnify and hold harmless the Company, its directors, officers, agents and employees, each Person who controls the Company (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), and the directors, officers, agents or employees of such controlling Persons, to the fullest extent permitted by applicable law, from and against all Losses, as incurred, to the extent arising out of or based upon: (i) any untrue or alleged untrue statement of a material fact contained in any Registration Statement, any Prospectus, or in any amendment or supplement thereto or in any preliminary prospectus, or arising out of or relating to any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus or supplement thereto, in light of the circumstances under which they were made) not misleading (A) to the extent, but only to the extent, that such untrue statement or omission is contained in any information so furnished in writing by such Holder to the Company expressly for inclusion in such Registration Statement or such Prospectus or (B) to the extent, but only to the extent, that such information relates to such Holder's information provided in the Selling Stockholder Questionnaire or the proposed method of distribution of Registrable Securities and was reviewed and expressly approved in writing by such Holder expressly for use in a Registration Statement (it being understood that the Holder has approved Annex A hereto for this purpose), such Prospectus or in any amendment or supplement thereto; or (ii) any violation or alleged violation by the Holder of the Securities Act, the Exchange Act or any state securities law, or any rule or regulation thereunder, in connection with the the sale or other disposition of the Registrable Securities; or (iii) failure of the Holder to comply with its obligations set forth in this Agreement. In no event shall the liability of a selling Holder be greater in amount than the dollar amount of the proceeds (net of all expenses paid by such Holder in connection with any claim relating to this Section 5 and the amount of any damages such Holder has otherwise been required to pay by reason of such untrue statement or omission) received by such Holder upon the sale of the Registrable Securities included in the Registration Statement giving rise to such indemnification obligation.

(c) Conduct of Indemnification Proceedings. If any Proceeding shall be brought or asserted against any Person entitled to indemnity hereunder (an "Indemnified Party"), such Indemnified Party shall promptly notify the Person from whom indemnity is sought (the "Indemnifying Party") in writing, and the Indemnifying Party shall have the right to assume the defense thereof, including the employment of counsel reasonably satisfactory to the Indemnified Party and the payment of all fees and expenses incurred in connection with defense thereof; provided, that, the failure of any Indemnified Party to give such notice shall not relieve the Indemnifying Party of its obligations or liabilities pursuant to this Agreement, except (and only) to the extent that it shall be finally determined by a court of competent jurisdiction (which determination is not subject to appeal or further review) that such failure shall have materially and adversely prejudiced the Indemnifying Party.

An Indemnified Party shall have the right to employ separate counsel in any such Proceeding and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party or Parties unless: (1) the Indemnifying Party has agreed in writing to pay such fees and expenses, (2) the Indemnifying Party shall have failed promptly to assume the defense of such Proceeding and to employ counsel reasonably satisfactory to such Indemnified Party in any such Proceeding, or (3) the named parties to any such Proceeding (including any impleaded parties) include both such Indemnified Party and the Indemnifying Party, and counsel to the Indemnified Party shall reasonably believe that a material conflict of interest is likely to exist if the same counsel were to represent such Indemnified Party and the Indemnifying Party (in which case, if such Indemnified Party notifies the Indemnifying Party in writing that it elects to employ separate counsel at the expense of the Indemnifying Party, the Indemnifying Party shall not have the right to assume the defense thereof and the reasonable fees and expenses of no more than one separate counsel shall be at the expense of the Indemnifying Party). The Indemnifying Party shall not be liable for any settlement of any such Proceeding effected without its written consent, which consent shall not be unreasonably withheld or delayed. No Indemnifying Party shall, without the prior written consent of the Indemnified Party, effect any settlement of any pending Proceeding in respect of which any Indemnified Party is a party, unless such settlement includes an unconditional release of such Indemnified Party from all liability on claims that are the subject matter of such Proceeding.

Subject to the terms of this Agreement, all reasonable fees and expenses of the Indemnified Party (including reasonable fees and expenses to the extent incurred in connection with investigating or preparing to defend such Proceeding in a manner not inconsistent with this Section) shall be paid to the Indemnified Party, as incurred, within ten Trading Days of written notice thereof to the Indemnifying Party; provided, that, the Indemnified Party shall promptly reimburse the Indemnifying Party for that portion of such fees and expenses applicable to such actions for which such Indemnified Party is finally determined by a court of competent jurisdiction (which determination is not subject to appeal or further review) not to be entitled to indemnification hereunder.

(d) Contribution. If the indemnification under Section 5(a) or 5(b) is unavailable to an Indemnified Party or insufficient to hold an Indemnified Party harmless for any Losses, then each Indemnifying Party shall contribute to the amount paid or payable by such Indemnified Party, in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party and Indemnified Party in connection with the actions, statements or omissions that resulted in such Losses as well as any other relevant equitable considerations. The relative fault of such Indemnifying Party and Indemnified Party shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission of a material fact, has been taken or made by, or relates to information supplied by, such Indemnifying Party or Indemnified Party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action, statement or omission. The amount paid or payable by a party as a result of any Losses shall be deemed to include, subject to the limitations set forth in this Agreement, any reasonable attorneys' or other fees or expenses incurred by such party in connection with any Proceeding to the extent such party would have been indemnified for such fees or expenses if the indemnification provided for in this Section was available to such party in accordance with its terms.

The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 5(d) were determined by pro rata allocation or by any other method of allocation that does not take into account the equitable considerations referred to in the immediately preceding paragraph. In no event shall the contribution obligation of a Holder of Registrable Securities be greater in amount than the dollar amount of the proceeds (net of all expenses paid by such Holder in connection with any claim relating to this Section 5 and the amount of any damages such Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission) received by it upon the sale of the Registrable Securities giving rise to such contribution obligation.

The indemnity and contribution agreements contained in this Section are in addition to any liability that the Indemnifying Parties may have to the Indemnified Parties.

6. Miscellaneous.

(a) Remedies. In the event of a breach by the Company or by a Holder of any of their respective obligations under this Agreement, each Holder or the Company, as the case may be, in addition to being entitled to exercise all rights granted by law and under this Agreement, including recovery of damages, shall be entitled to specific performance of its rights under this Agreement. Each of the Company and each Holder agrees that monetary damages would not provide adequate compensation for any losses incurred by reason of a breach by it of any of the provisions of this Agreement and hereby further agrees that, in the event of any action for specific performance in respect of such breach, it shall not assert or shall waive the defense that a remedy at law would be adequate.

(b) Discontinued Disposition. By its acquisition of Registrable Securities, each Holder agrees that, upon receipt of a notice from the Company of the occurrence of any event of the kind described in Section 3(d)(iii) through (vi), such Holder will forthwith discontinue disposition of such Registrable Securities under a Registration Statement until it is advised in writing (the "Advice") by the Company that the use of the applicable Prospectus (as it may have been supplemented or amended) may be resumed. The Company will use its commercially reasonable efforts to ensure that the use of the Prospectus may be resumed as promptly as is practicable.

(c) Piggy-Back Registrations. If, at any time during the Effectiveness Period, there is not an effective Registration Statement covering all of the Registrable Securities and the Company shall determine to prepare and file with the Commission a registration statement relating to an offering for its own account or the account of others under the Securities Act of any of its equity securities, other than any underwritten offering by the Company for its own account or on a registration statement on Form S-4 or Form S-8 (each as promulgated under the Securities Act) or their then equivalents relating to equity securities to be issued solely in connection with any acquisition of any entity or business or equity securities issuable in connection with the Company's stock option or other employee benefit plans, then the Company shall deliver to each Holder a written notice of such determination and, if within fifteen days after the date of the delivery of such notice, any such Holder shall so request in writing, the Company shall include in such registration statement all or any part of such Registrable Securities such Holder requests to be registered (a "Piggyback Registration"); provided, however, that the Company shall not be required to register any Registrable Securities pursuant to this Section 6(c) that are eligible for resale pursuant to Rule 144 (without volume restrictions or current public information requirements) promulgated by the Commission pursuant to the Securities Act or that are the subject of a then effective Registration Statement that is available for resales or other dispositions by such Holder.

If a Piggyback Registration is an underwritten secondary registration on behalf of holders of the Company's securities, and the managing underwriters advise the Company in writing that in their opinion the number of securities requested to be included in such registration exceeds the number which can be sold in such offering without adversely affecting the marketability of the offering, the Company will include in such registration a pro rata share of such Registrable Securities requested to be included in such Piggyback Registration as calculated by dividing the number of such Registrable Securities requested to be included in such Piggyback Registration by the number of the Company's securities requested to be included in such Piggyback Registration by all selling security holders.

Notwithstanding the foregoing, if, at any time after giving a notice of Piggyback Registration and prior to the effective date of the registration statement filed in connection with such Piggyback Registration, the Company shall determine for any reason not to register or to delay registration of such securities, the Company may, at its election, give written notice of such determination to each Holder of Registrable Securities and, following such notice, (i) in the case of a determination not to register, shall be relieved of its obligation to register any such Registrable Securities in connection with such Piggyback Registration, and (ii) in the case of a determination to delay registering, shall be permitted to delay registering any such Registrable Securities for the same period as the delay in registering such other securities.

(d) Amendments and Waivers. The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, unless the same shall be in writing and signed by the Company and the Holders of 51% or more of the then outstanding Registrable Securities, provided that, if any amendment, modification or waiver disproportionately and adversely impacts a Holder (or group of Holders), the consent of such disproportionately impacted Holder (or group of Holders) shall be required. If a Registration Statement does not register all of the

Registrable Securities pursuant to a waiver or amendment done in compliance with the previous sentence, then the number of Registrable Securities to be registered for each Holder shall be reduced pro rata among all Holders and each Holder shall have the right to designate which of its Registrable Securities shall be omitted from such Registration Statement. Notwithstanding the foregoing, a waiver or consent to depart from the provisions hereof with respect to a matter that relates exclusively to the rights of a Holder or some Holders and that does not directly or indirectly affect the rights of other Holders may be given only by such Holder or Holders of all of the Registrable Securities to which such waiver or consent relates; provided, however, that the provisions of this sentence may not be amended, modified, or supplemented except in accordance with the provisions of the first sentence of this Section 6(d). No consideration shall be offered or paid to any Person to amend or consent to a waiver or modification of any provision of this Agreement unless the same consideration also is offered to all of the parties to this Agreement.

(e) Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be delivered as set forth in the Purchase Agreement.

(f) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of each of the parties and shall inure to the benefit of each Holder. The Company may not assign (except by merger) its rights or obligations hereunder without the prior written consent of all of the Holders of the then outstanding Registrable Securities. Each Holder may assign their respective rights hereunder in the manner and to the Persons as permitted under Section 5.7 of the Purchase Agreement.

(g) No Inconsistent Agreements. Neither the Company nor any of its Subsidiaries has entered, as of the date hereof, nor shall the Company or any of its Subsidiaries, on or after the date of this Agreement, enter into any agreement with respect to its securities, that would have the effect of impairing the rights granted to the Holders in this Agreement or otherwise conflicts with the provisions hereof.

(h) Execution and Counterparts. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party, it being understood that both parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature page were an original thereof.

(i) Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be determined in accordance with the provisions of the Purchase Agreement.

(j) Cumulative Remedies. The remedies provided herein are cumulative and not exclusive of any other remedies provided by law.

(k) Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their commercially reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

(l) Headings. The headings in this Agreement are for convenience only, do not constitute a part of the Agreement and shall not be deemed to limit or affect any of the provisions hereof.

(m) Independent Nature of Holders' Obligations and Rights. The obligations of each Holder hereunder are several and not joint with the obligations of any other Holder hereunder, and no Holder shall be responsible in any way for the performance of the obligations of any other Holder hereunder. Nothing contained herein or in any other agreement or document delivered at any closing, and no action taken by any Holder pursuant hereto or thereto, shall be deemed to constitute the Holders as a partnership, an association, a joint venture or any other kind of group or entity, or create a presumption that the Holders are in any way acting in concert or as a group

or entity with respect to such obligations or the transactions contemplated by this Agreement or any other matters, and the Company acknowledges that the Holders are not acting in concert or as a group, and the Company shall not assert any such claim, with respect to such obligations or transactions. Each Holder shall be entitled to protect and enforce its rights, including without limitation the rights arising out of this Agreement, and it shall not be necessary for any other Holder to be joined as an additional party in any proceeding for such purpose. The use of a single agreement with respect to the obligations of the Company contained was solely in the control of the Company, not the action or decision of any Holder, and was done solely for the convenience of the Company and not because it was required or requested to do so by any Holder. It is expressly understood and agreed that each provision contained in this Agreement is between the Company and a Holder, solely, and not between the Company and the Holders collectively and not between and among Holders.

****

(Signature Pages Follow)

IN WITNESS WHEREOF, the parties have executed this Registration Rights Agreement as of the date first written above.

GAMING TECHNOLOGIES, INC.

By: _____
Name: Jason Drummond
Title: Chief Executive Officer

[SIGNATURE PAGE OF HOLDERS FOLLOWS]

[SIGNATURE PAGE OF HOLDERS TO GAMING TECHNOLOGIES RRA]

Name of Holder: _____

Signature of Authorized Signatory of Holder: _____

Name of Authorized Signatory: _____

Title of Authorized Signatory: _____

[SIGNATURE PAGES CONTINUE]

Annex A

Plan of Distribution

Each Selling Stockholder (the "Selling Stockholders") of the securities and any of their pledgees, assignees and successors-in-interest may, from time to time, sell any or all of their securities covered hereby on the principal Trading Market or any other stock exchange, market or trading facility on which the securities are traded or in private transactions. These sales may be at fixed or negotiated prices. A Selling Stockholder may use any one or more of the following methods when selling securities:

- ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- block trades in which the broker-dealer will attempt to sell the securities as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
- an exchange distribution in accordance with the rules of the applicable exchange;
- privately negotiated transactions;
- settlement of short sales;
- in transactions through broker-dealers that agree with the Selling Stockholders to sell a specified number of such securities at a stipulated price per security;
- through the writing or settlement of options or other hedging transactions, whether through an options exchange or otherwise;
- a combination of any such methods of sale; or
- any other method permitted pursuant to applicable law.

The Selling Stockholders may also sell securities under Rule 144 or any other exemption from registration under the Securities Act of 1933, as amended (the "Securities Act"), if available, rather than under this prospectus.

Broker-dealers engaged by the Selling Stockholders may arrange for other brokers-dealers to participate in sales. Broker-dealers may receive commissions or discounts from the Selling Stockholders (or, if any broker-dealer acts as agent for the purchaser of securities, from the purchaser) in amounts to be negotiated, but, except as set forth in a supplement to this Prospectus, in the case of an agency transaction not in excess of a customary brokerage commission in compliance with FINRA Rule 2440; and in the case of a principal transaction a markup or markdown in compliance with FINRA IM-2440.

In connection with the sale of the securities or interests therein, the Selling Stockholders may enter into hedging transactions with broker-dealers or other financial institutions, which may in turn engage in short sales of the securities in the course of hedging the positions they assume. The Selling Stockholders may also sell securities short and deliver these securities to close out their short positions, or loan or pledge the securities to broker-dealers that in turn may sell these securities. The Selling Stockholders may also enter into option or other transactions with broker-dealers or other financial institutions or create one or more derivative securities which require the delivery to such broker-dealer or other financial institution of securities offered by this prospectus, which securities such broker-dealer or other financial institution may resell pursuant to this prospectus (as supplemented or amended to reflect such transaction).

The Selling Stockholders and any broker-dealers or agents that are involved in selling the securities may be deemed to be "underwriters" within the meaning of the Securities Act in connection with such sales. In such event, any commissions received by such broker-dealers or agents and any profit on the resale of the securities purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act. Each Selling Stockholder has informed the Company that it does not have any written or oral agreement or understanding, directly or indirectly, with any person to distribute the securities.

The Company is required to pay certain fees and expenses incurred by the Company incident to the registration of the securities. The Company has agreed to indemnify the Selling Stockholders against certain losses, claims, damages and liabilities, including liabilities under the Securities Act.

We agreed to keep this prospectus effective until the earlier of (i) the date on which the securities may be resold by the Selling Stockholders without registration and without regard to any volume or manner-of-sale limitations by reason of Rule 144, without the requirement for the Company to be in compliance with the current public information under Rule 144 under the Securities Act or any other rule of similar effect or (ii) all of the securities have been sold pursuant to this prospectus or Rule 144 under the Securities Act or any other rule of similar effect. The resale securities will be sold only through registered or licensed brokers or dealers if required under applicable state securities laws. In addition, in certain states, the resale securities covered hereby may not be sold unless they have been registered or qualified for sale in the applicable state or an exemption from the registration or qualification requirement is available and is complied with.

Under applicable rules and regulations under the Exchange Act, any person engaged in the distribution of the resale securities may not simultaneously engage in market making activities with respect to the common stock for the applicable restricted period, as defined in Regulation M, prior to the commencement of the distribution. In addition, the Selling Stockholders will be subject to applicable provisions of the Exchange Act and the rules and regulations thereunder, including Regulation M, which may limit the timing of purchases and sales of the common stock by the Selling Stockholders or any other person. We will make copies of this prospectus available to the Selling Stockholders and have informed them of the need to deliver a copy of this prospectus to each purchaser at or prior to the time of the sale (including by compliance with Rule 172 under the Securities Act).

SELLING SHAREHOLDERS

The common stock being offered by the selling shareholders are those previously issued to the selling shareholders. For additional information regarding the issuances of those shares of common stock see "[Private Placement of Securities]" above. We are registering the shares of common stock in order to permit the selling shareholders to offer the shares for resale from time to time. Except for the ownership of the shares of common stock, the selling shareholders have not had any material relationship with us within the past three years.

The table below lists the selling shareholders and other information regarding the beneficial ownership of the shares of common stock by each of the selling shareholders. The second column lists the number of shares of common stock beneficially owned by each selling shareholder, based on its ownership of the shares of common stock.

The third column lists the shares of common stock being offered by this prospectus by the selling shareholders.

In accordance with the terms of a registration rights agreement with the selling shareholders, this prospectus generally covers the resale of the number of shares of common stock issued to the selling shareholders pursuant to the Purchase Agreement as of the trading day immediately preceding the applicable date of determination and all subject to adjustment as provided in the registration right agreement. The fourth column assumes the sale of all of the shares offered by the selling shareholders pursuant to this prospectus.

The selling shareholders may sell all, some or none of their shares in this offering. See "Plan of Distribution."

Name of Selling Shareholder	Number of shares of Common Stock Owned Prior to Offering	Maximum Number of shares of Common Stock to be Sold Pursuant to this Prospectus	Number of shares of Common Stock Owned After Offering

Annex C

Selling Stockholder Notice and Questionnaire

The undersigned beneficial owner of common stock (the "Registrable Securities") of Gaming Technologies, Inc., a Delaware corporation (the "Company"), understands that the Company has filed or intends to file with the Securities and Exchange Commission (the "Commission") a registration statement (the "Registration Statement") for the registration and resale under Rule 415 of the Securities Act of 1933, as amended (the "Securities Act"), of the Registrable Securities, in accordance with the terms of the Registration Rights Agreement (the "Registration Rights Agreement") to which this document is annexed. A copy of the Registration Rights Agreement is available from the Company upon request at the address set forth below. All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Registration Rights Agreement.

Certain legal consequences arise from being named as a selling stockholder in the Registration Statement and the related prospectus. Accordingly, holders and beneficial owners of Registrable Securities are advised to consult their own securities law counsel regarding the consequences of being named or not being named as a selling stockholder in the Registration Statement and the related prospectus.

NOTICE

The undersigned beneficial owner (the "Selling Stockholder") of Registrable Securities hereby elects to include the Registrable Securities owned by it in the Registration Statement.

The undersigned hereby provides the following information to the Company and represents and warrants that such information is accurate:

QUESTIONNAIRE

1. Name.

(a) Full Legal Name of Selling Stockholder

_____

(b) Full Legal Name of Registered Holder (if not the same as (a) above) through which Registrable Securities are held:

_____

(c) Full Legal Name of Natural Control Person (which means a natural person who directly or indirectly alone or with others has power to vote or dispose of the securities covered by this Questionnaire):

_____

2. Address for Notices to Selling Stockholder:

_____

_____

_____

3. Broker-Dealer Status:

(a) Are you a broker-dealer?

Yes ☐ No ☐

(b) If "yes" to Section 3(a), did you receive your Registrable Securities as compensation for investment banking services to the Company?

Yes ☐ No ☐

Note: If "no" to Section 3(b), the Commission's staff has indicated that you should be identified as an underwriter in the Registration Statement.

(c) Are you an affiliate of a broker-dealer?

Yes ☐ No ☐

(d) If you are an affiliate of a broker-dealer, do you certify that you purchased the Registrable Securities in the ordinary course of business, and at the time of the purchase of the Registrable Securities to be resold, you had no agreements or understandings, directly or indirectly, with any person to distribute the Registrable Securities?

Yes ☐ No ☐

Note: If "no" to Section 3(d), the Commission's staff has indicated that you should be identified as an underwriter in the Registration Statement.

4. Beneficial Ownership of Securities of the Company Owned by the Selling Stockholder.

Except as set forth below in this Item 4, the undersigned is not the beneficial or registered owner of any securities of the Company other than the securities issuable pursuant to the Purchase Agreement.

(a) Type and Amount of other securities beneficially owned by the Selling Stockholder:

_____

_____

5. Relationships with the Company:

Except as set forth below, neither the undersigned nor any of its affiliates, officers, directors or principal equity holders (owners of 5% of more of the equity securities of the undersigned) has held any position or office or has had any other material relationship with the Company (or its predecessors or affiliates) during the past three years.

State any exceptions here:

_____

_____

The undersigned agrees to promptly notify the Company of any material inaccuracies or changes in the information provided herein that may occur subsequent to the date hereof at any time while the Registration Statement remains effective; provided, that the undersigned shall not be required to notify the Company of any changes to the number of securities held or owned by the undersigned or its affiliates.

By signing below, the undersigned consents to the disclosure of the information contained herein in its answers to Items 1 through 5 and the inclusion of such information in the Registration Statement and the related prospectus and any amendments or supplements thereto. The undersigned understands that such information will be relied upon by the Company in connection with the preparation or amendment of the Registration Statement and the related prospectus and any amendments or supplements thereto.

IN WITNESS WHEREOF the undersigned, by authority duly given, has caused this Notice and Questionnaire to be executed and delivered either in person or by its duly authorized agent.

Date: _____

Beneficial Owner: _____

By:_____

Name:
Title:

PLEASE FAX A COPY (OR EMAIL A .PDF COPY) OF THE COMPLETED AND EXECUTED NOTICE AND QUESTIONNAIRE TO:

Exhibit 10.4

Certain information identified by [***] has been omitted from this exhibit because it is both not material and is the type that the registrant treats as private or confidential.

LICENSE AGREEMENT

This License Agreement ("Agreement") is made and entered into as of the date of last signature below ("**Effective Date**") by and between:

(1) Playboy Enterprises International, Inc., a Delaware corporation, with its principal place of business at 10960 Wilshire Blvd, Suite 2200, Los Angeles, CA 90024 ("**Licensor**"); and

(2) Gaming Technologies, Inc., a Delaware corporation, with its principal place of business at 413 West 14th Street, New York, New York 10014 ("**Licensee**").

Licensor and Licensee are collectively referred to herein as the "**Parties**", and at times, each is individually referred to herein as a "**Party**."

WHEREAS:

A. Licensor is the owner of or authorized licensee of certain copyrights, trademarks, trade names, artwork, logos, and designs; and

B. Licensee is the developer of certain skill-based mobile games; and

C. Licensor and Licensee have agreed that Licensee shall be granted certain rights to create and distribute certain games incorporating the Licensed Property (as defined below) upon the terms and conditions set forth herein.

In consideration of the above premises and the mutual covenants contained herein, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

DEFINITIONS

In this Agreement the following expressions shall have the meanings set out against them:

a. **"Branded Game"** has the meaning set forth in Exhibit A, attached hereto and hereby incorporated by reference, which bear the Licensed Property or are marketed in conjunction with the Licensed Property and/or any advertising, promotional, marketing, or associated materials bearing one or more of the Licensed Property.

b. "**Distribution Channels**" shall mean the channels through which the Branded Games may be offered and distributed to End Users for End User play, and through which the Branded Games may generally be made available, used, promoted, and distributed, as more fully described in Exhibit A.

c. **"End User(s)"** means individual players (or prospective players) of the Branded Games within the Territory.

d. **"Gross Gaming Revenue"** shall mean the settled cash handle (excluding wagers from Player Incentives (as defined below)) received from End Users of a Branded Game.

e. **"Law"** means any statute, law, ordinance, regulation, rule, code, order, license, permit, constitution, treaty, common law, judgment, award, decree, other requirement, or rule of law of any federal, state, local or foreign government, or political subdivision thereof, including any authority, department, administrative body, or inspectorate of any government, or any court or tribunal of competent jurisdiction, or of any stock exchange or over-the-counter market having jurisdiction over a Party.

f. **"License Year"** means each twelve (12) consecutive calendar month period commencing on each January 1 of the Term and ending at 11:59 p.m., Los Angeles time, on each following December 31 of the Term, except that the first License Year shall commence on the Effective Date and end at 11:59 p.m., PST, on December 31, 2021. If the termination of this

Agreement is effective other than at the end of any such period, then the final period ending on the effective date of such termination shall be deemed to be a License Year.

g. **"Licensed Property"** means collectively, certain of Licensor's Trademarks, copyrights, images, designs, patterns, graphics from Licensor's art and photo archives and style guides, trade dress, and symbols as provided by Licensor to Licensee hereunder. Notwithstanding the foregoing, Licensee shall not have the right to use or permit others to use any Licensed Property in any manner whatsoever unless it has first been specifically provided by and/or approved in writing by Licensor.

h. **"Net Gaming Revenue"** means Gross Gaming Revenue, less the following documented, out of pocket expenses actually paid by Licensee to unaffiliated third parties in connection with the Branded Games: (i) any gaming-specific taxes which may be payable in a jurisdiction in the Territory where such taxes are required and (ii) Transaction Costs. Any additional costs to be deducted from revenue must be mutually agreed upon in advance in writing (email shall be sufficient) by Licensor and Licensee. Computation of Net Gaming Revenue (including the computation of the Gross Gaming Revenue) shall not include deductions for cash discounts, or costs incurred by Licensee in the manufacture, distribution, operation, maintenance, advertising, promotion, or exploitation of the Branded Games, or any indirect or overhead expense of any kind whatsoever. Similarly, such deductions and costs shall not be deducted from Royalties.

i. "**Player Incentives**" means sign-up bonuses, retention bonuses, cash credits, tournament entry tickets or dollars, odds or profit boosts, or other monetary inducements awarded to and used by an End User of the Branded Games at no cost to such End User.

j. **"Prohibited Jurisdiction"** means any country, state, province, region or other political subdivision, as applicable, in which the availability, operation, distribution, download, offer for download, offer for sale, sale, use, advertising, promotion or other disposition or exploitation of the Branded Games is prohibited by applicable Laws or similar governing order.

k. **"Territory"** means the countries listed in Exhibit A.

l. **"Trademarks"** means those trademarks, service marks, as identified in Exhibit B, attached hereto and hereby incorporated by reference, to the extent registered in the Territory or as otherwise authorized for use.

m. **"Transaction Costs"** means (i) platform fees actually paid by Licensee to the Distribution Channels in connection with distribution of the Branded Games, (ii) winnings and Player Incentives paid to End Users; and (iii) refunds, credits, chargebacks, and charges for credit card or other payment processing related to payments made by End Users in and/or in connection with the Branded Games..

STANDARD TERMS AND CONDITIONS

1. GRANT OF RIGHTS.

1.1 Subject to the terms herein, Licensor grants to Licensee an exclusive (subject to Section 1.3 and Exhibit A), limited, revocable (on the terms set forth herein), non-transferable license, to use the Licensed Property on and in connection with the design, creation, promotion, marketing, advertisement, sales, operation, maintenance, and distribution of the Branded Games solely within the Territory via the Distribution Channels during the Term. Licensee may submit to Licensor a request to use certain of Licensor's intellectual property to be added to this Agreement, but such request will be granted in Licensor's sole discretion in writing and based on appropriateness for the Branded Games, Licensor's current strategic or business plans and availability of rights. For the avoidance of doubt, any use of the Licensed Property by any third party for promotion or other purposes shall require Licensor's prior written consent.

1.2 Third Party Manufacturers. Subject to all terms of this Agreement, Licensee has the limited right to authorize third party designers and software engineers to use the Licensed Property in the creation of the Branded Games; provided that such authorization is limited to producing the Branded Games solely on behalf of Licensee. Licensee shall require all designers and software

engineers to sign the Subcontractor Agreement set forth in Exhibit C, attached hereto and hereby incorporated by reference, or to sign an agreement which incorporates the terms contained in the Subcontractor Agreement which has been pre-approved in writing by Licensor. Licensee shall be responsible for ensuring that its designers' and software engineers' use of the Licensed Property and the design and creation of the Branded Games and Branded Games satisfy all the requirements of this Agreement. Licensee assumes all responsibility for any actions and/or omissions by such designers and software engineers relating to the use of the Licensed Property and the design, creation, or distribution of the Branded Games.

1.3 Licensor's Use of Intellectual Property. Nothing contained in this Agreement shall be deemed to restrict or prohibit Licensor's right to use, or to license others to use, the Licensed Property for any purpose, including without limitation, in connection with products similar to the Branded Games, except such use as would violate Licensee's exclusive rights set forth in Exhibit A.

1.4 Reservation of Rights. Licensee acknowledges and agrees that it has no rights in the Licensed Property except such rights granted by this Agreement, and Licensee irrevocably waives and releases any claim to title and ownership rights (including, without limitation, copyright and trademark ownership) in the Licensed Property. Licensee acknowledges and agrees that there is valuable goodwill associated with the Licensed Property and that the Licensed Property has a secondary meaning in the mind of the public. Licensee further acknowledges and agrees that the Licensed Property (including all rights therein and goodwill associated therewith) shall be and remain insofar as the Licensee is concerned the exclusive property of Licensor and its designees. Licensee shall not use nor authorize nor permit the use of the Licensed Property in any manner at any time nor at any place not specifically licensed herein and all right and interest of whatsoever nature with respect to the Licensed Property, which are not specifically granted to Licensee herein, shall be and are specifically reserved by Licensor and/or its designees without limitation. Licensee shall exercise the rights granted under this Agreement strictly in accordance with the terms, conditions, restrictions, and limitations contained herein. Licensee acknowledges and agrees that its use of the Licensed Property shall not create in Licensee's favor any right title or interest in the same and that all uses of the Licensed Property by Licensee (as are permitted under this Agreement) shall inure to the benefit of Licensor.

1.5 Withdrawal Right. Notwithstanding anything to the contrary contained herein, Licensor may withdraw or modify any or all elements of the Licensed Property, or replace such Licensed Property with alternative materials, in all or any portion of the Territory upon written notice to Licensee in the event Licensor determines in its sole discretion that:

(a) the exploitation thereof would or would likely (i) violate or infringe trademark or other proprietary rights of any third party; (ii) subject Licensor to liability or litigation; or (iii) violate any Law, court order, government regulation or other ruling of any governmental agency; or

(b) it cannot adequately protect its rights in the Licensed Property under the trademark or other Laws of any jurisdiction in the Territory.

(c) For the avoidance of doubt, a withdrawal and/or modification in accordance with this Section shall not be deemed a breach of this Agreement, and Licensee shall promptly comply with any such withdrawal and/or modification in accordance with Licensor's written instructions.

1.6 Upon expiration or termination of this Agreement, Licensee shall have no right to design, create, advertise, distribute, sell, promote, make available or otherwise deal in any manner with the Branded Games or otherwise use the Branded Games, and Licensee shall not itself (and shall not permit any affiliate of Licensee or any third party to) engage in any such activity, other than as set forth in Section 10.5.

2. TERM

2.1 Initial Term. This Agreement shall be effective and expire as of the date specified in Exhibit A, unless earlier terminated under operation of Law or in accordance with the terms and conditions herein, or renewed as provided herein (the "Initial Term").

2.2 Renewal. This Agreement may be renewed on the terms and conditions specified in Exhibit A, if any, or as otherwise mutually agreed in an amendment hereto signed by the Parties (each a "Renewal Term"). Except as otherwise modified, all terms of this

Agreement, shall remain in full force and effect throughout all renewal periods. The Initial Term and all Renewal Terms (if any) are referred to collectively herein as the "Term."

3. ROYALTIES; STATEMENTS AND PAYMENTS

3.1 Royalties. Licensee shall pay to Licensor the royalty specified in Exhibit A ("Royalties").

3.2 Statements. Within twenty (20) days following the last day of each calendar quarter, Licensee shall furnish to Licensor or its designee a complete and accurate statement ("Statement;" in a format to be agreed upon by the Parties) detailing for such calendar quarter and the License Year through such period or for the Sell-Off Period: (a) a listing of Licensee's distribution data for each Distribution Channel; (b) detailed computation of Gross Gaming Revenue and Net Gaming Revenue, and the amount of Royalties due and payable for each Branded Game; and (c) the Minimum Advertising Spend made by Licensee pursuant to Section 5.1 hereof and the details of all such expenditures, supported by copies of vouchers and copies of all advertising for or relating to the period covered by such Statement. Acceptance by Licensor of any payment and/or Statement (as applicable) for any calendar quarter shall not preclude Licensor from questioning their accuracy at any time during the Term or for three (3) years after the expiration of the Term. Each such Statement shall be certified by an officer of Licensee as being true and accurate.

3.3 Payment Requirements. Within thirty (30) days following the last day of the applicable calendar quarter, Licensee shall remit the Royalty payment due during such quarter.

3.4 No Deduction. All sums payable hereunder by Licensee to Licensor shall be made without deduction or offset for any taxes, except as specifically permitted in this Agreement. The purpose of this subsection is to preserve the payments to Licensor from being reduced in connection with income tax, withholding taxes, duties and other taxes and assessments which may be imposed by a jurisdiction in which Licensee operates or is subject to taxation, payment of duties or assessments. In the event that Licensee is compelled to make any deduction by Law, Licensee shall provide Licensor with evidence that such tax has been paid in the proper amount. Licensee shall give due notice to Licensor of any such proposed deductions. Licensee shall make no further deductions without prior approval from Licensor based on satisfactory documentation present by Licensee to Licensor.

3.5 Exchange Rate. Licensee shall calculate Royalties on a quarterly basis in local currency (with each such calendar quarter considered to be a separate accounting period for the purpose of computing Royalties. Licensee shall compute a conversion of each monthly total during a quarter into United States currency utilizing the average rate of exchange for buying United States dollars as quoted in the currency table published by OANDA Corporation located at https://www,oanda.com/currency/table for the relevant calendar month. If there are two rates for a currency, Licensee shall use the most favorable rate to Licensor. The converted amounts (in U.S. currency) shall be added together on a cumulative basis and will be reflected in the Statement required pursuant to Section 3.2. All costs of conversion and wire transfer shall be the sole expense of Licensee.

3.6 Late Payments. Royalties that are not paid on the due date by Licensee shall bear interest from such due date until the date on which such amount is paid in full at an amount equal to four percent (4%), or the maximum rate allowable by law, over the prime rate of interest as established by JP Morgan Chase on the date such sums should have been paid. In addition, should any payment due to Licensor from Licensee hereunder be more than fifteen (15) days overdue, Licensor may add an additional fifteen percent (15%) one-time charge to the amount due. Should any such payment (including the interest payment due thereon) remain outstanding for thirty (30) days from the original due date, Licensor may treat such failure as an incurable default hereunder.

3.7 Inspection of Records. Licensee shall: (a) keep complete and accurate books of account and records covering all transactions relating to or arising out of the License and this Agreement (which books and records shall be maintained separately from Licensee's documentation relating to other items manufactured or sold by Licensee); and (b) upon not less than forty-eight (48) hours written notice from Licensor, permit Licensor or its nominees, employees, agents or representatives to have full access to such books and records in order to inspect such books and records during regular business hours, to conduct an examination of and to copy (at Licensor's expense), all such books and records. Licensee shall maintain in good order and condition all such books and records for a period of two (2) years after the expiration or termination of the License and this Agreement or, in the event of a dispute between the Parties hereto, until such dispute is resolved, whichever date is later, and such books and records shall be kept at the address stated in Exhibit A, as the same may be updated in accordance with this Agreement. Receipt or acceptance by Licensor of any Statement furnished pursuant hereto or any sums paid by Licensee hereunder shall not preclude Licensor from questioning the correctness thereof

at any time, and if one or more inconsistencies or mistakes are discovered by Licensor in such Statement, it or they shall be rectified in an amended Statement to be provided to Licensor no later than ten (10) days after the date of receipt by Licensee of notice of such inconsistencies or mistakes.

3.8 Discrepancy. If any inspection or examination referred to in Section 3.7 discloses, or Licensor or Licensee otherwise discovers, an underpayment of Royalties or other royalty required hereunder, the amount of such underpayment shall be paid by Licensee to Licensor no later than thirty (30) days after receipt of notice or knowledge thereof by Licensee. In the event of such an underpayment by Licensee in excess of nine percent (9%) in any License Year, then Licensor may elect to treat such occurrence as an incurable default by Licensee under this Agreement. If such inspection or examination: (a) discloses or Licensor or Licensee otherwise discovers an overpayment of earned Royalties, the amount of such overpayment shall be credited against future payment of any or all of the earned Royalties or, in the event of the expiration or termination of the License and this Agreement and there is or are no such future payments, such amount shall be paid by Licensor to Licensee not later than thirty (30) days after the discovery thereof by Licensor, subject to Licensor's rights of setoff, recoupment and counterclaim; or (b) reveals that for the period covered by such inspection or examination there is an underpayment of five percent (5%) or more in the earned Royalties previously reported on the Statement(s) as being due from Licensee, all expenses involved in the conducting of such inspection or examination shall be borne by Licensee. Licensee shall pay to Licensor the amount of such expenses no later than ten (10) days after Licensee's receipt of Licensor's invoice therefor. If such error is less than five percent (5%), such expenses shall be borne by Licensor.

4. TERRITORY & PROHIBITED JURISDICTIONS.

4.1 Territory. The Territory shall be as set forth in Exhibit A, and Licensee shall not exploit the rights granted hereunder outside of such Territory without the prior written approval of Licensor. In the event that Licensee desires to exploit the License and distribute any Branded Game in any jurisdiction outside of the Territory, Licensee shall provide Licensor with an exploitation plan in writing, specifying, among other things, the jurisdictions where Licensee desires to exploit the License and make available and distribute Branded Games, and Licensor shall determine, in its sole discretion, whether the Territory can be expanded into the requested jurisdictions. Licensor may remove any country of the Territory upon not less than thirty (30) days notice to Licensee.

4.2 Prohibited Jurisdictions. In addition to Licensor's other rights and remedies hereunder, in the event Licensee or any Distribution Channel has reasonably commenced distribution or exploitation of any Branded Game into or within a jurisdiction which is a legal gaming jurisdiction, and due to a change in applicable Laws, the jurisdiction becomes a Prohibited Jurisdiction, then such Prohibited Jurisdiction shall be automatically excluded from the Territory, and Licensee shall cease and shall cause any applicable Distribution Channels to cease, distribution and exploitation of the Branded Games therein no later than the effective date of such jurisdiction becoming a Prohibited Jurisdiction. Without limiting the foregoing and for the avoidance of doubt, the Territory shall exclude any country or so-called state that is then-subject to United States embargo. Licensee shall notify Licensor in writing of any change(s) to the Prohibited Jurisdictions of which it becomes aware. Without limiting the foregoing, and for the avoidance of doubt, Licensee alone bears the responsibility to determine the legal and regulatory risk for Licensee and Licensor associated with the operation, use or distribution of the Branded Games and/or Licensed Property in any state, region or other geographic and/or government area within the Territory. Licensee shall not, and shall ensure that no Distribution Channel shall (directly or indirectly), (a) permit any person located or resident in any Prohibited Jurisdiction to participate in or otherwise use or play any Branded Game; (b) accept any payments from persons located in a Prohibited Jurisdiction in relation to any Branded Game; (c) undertake any promotional or marketing activity that could reasonably be considered to be attempting to attract persons in a Prohibited Jurisdiction to any Branded Game; or (d) otherwise use, operate or distribute any Branded Game in any Prohibited Jurisdiction.

5. ADVERTISING AND MARKETING

5.1 Minimum Advertising Commitment. Each calendar quarter, Licensee shall submit a report, identifying the advertising and promotion activities during the preceding calendar quarter. In addition to any other amounts or payments to be made by Licensee under this Agreement, and not to be credited to or offset against any Royalties payable hereunder, Licensee agrees to expend within each License Year for advertising and promoting the Branded Games in media directed to the consumer not less than the Minimum Advertising Commitment, as set forth in Exhibit A to this Agreement. If the Statement for the immediately preceding quarter of a License Year shows that such amount has not been spent as set forth herein, the difference between the amount actually spent and the amount required to be spent must be remitted to Licensor along with such Statement for use in Licensor's advertising and promotion pool.

5.2 Any marketing or other promotions by Licensee in connection with the Branded Games must be approved in advance in writing by Licensor.

5.3 Licensee shall provide Licensor with samples of all promotional materials, marketing materials, and advertisements associated with the Branded Games, and any other materials containing, displaying, or used in conjunction with the Licensed Property ("Collateral Materials"), for Licensor's inspection and written approval prior to any use.

5.4 Licensee will include such marketing within the Branded Games as may be directed by Licensor. Licensee may not include any marketing or promotion of any other game or product within any Branded Game.

6. OWNERSHIP, GOODWILL AND PROTECTION OF RIGHTS

6.1 Ownership. Licensee acknowledges that Licensor is and shall remain the owner of all right, title and interest in and to the Licensed Property; in all copyrights, Trademarks, and other rights associated with the Licensed Property; in all artwork, packaging, copy, literary text, advertising and promotional material of any sort which utilize the Licensed Property, including all such materials developed by or for Licensee (collectively, the "Copyrighted Materials"); and the goodwill pertaining to all of the foregoing, and to the extent that Licensee acquires any right, title and/or interest in and to the Copyrighted Materials, Licensee hereby irrevocably and unconditionally assigns to Licensor all such right, title and interest, including without limitation any copyrights, throughout the universe in perpetuity in and to the Copyrighted Materials and, if applicable and to the fullest extent permissible by Law, irrevocably and unconditionally waives in perpetuity any moral rights, droît morale or similar rights that Licensee may have under the Laws of any jurisdiction with respect to the Copyrighted Materials. Licensee acknowledges that Licensor shall be entitled to invoke the foregoing assignment and waiver. All individuals who prepare any Copyrighted Materials for or on behalf of Licensee shall either (a) be full-time, salaried employees of Licensee; or (b) assign in writing to Licensor any and all rights, of any kind or nature whatsoever, in and to all Copyrighted Materials, and if applicable and to the fullest extent permissible by Law, such individual shall irrevocably and unconditionally waive in perpetuity any moral rights, droît morale or similar rights under the Laws of any jurisdiction that the individual may have with respect to the Copyrighted Materials.

6.2 Licensee Intellectual Property. Notwithstanding anything to the contrary contained herein, Licensee shall retain all right, title and interest in and to: (a) all code (including the underlying source code, object code and back-end software) incorporated in the Branded Games; (b) Licensee's proprietary software, development tools, software libraries, game engines, rendering engines and subroutines used in or used to develop and create the Branded Games; and (c) all future games or products developed by Licensee which are not developed specifically for Licensor or governed by a separate agreement (collectively, the "Licensee IP").

6.3 Trademark Notices. Licensee shall include on or in connection with the distribution of the Branded Games, and any associated materials by means of a tag, imprint or other device approved in advance in writing by Licensor, such copyright, trademark or service mark notices as Licensor may designate. Specific trademark notices may be identified on Exhibit A or designated from time to time in writing by Licensor. Licensee shall not use alternate notices without the prior written consent by Licensor. In addition to the notices required under the Exhibit, all Licensed Property and Copyrighted Materials shall fully comply with (a) the notice provisions of the Universal Copyright Convention, the Berne Convention, and any other related Laws in the Territory, and (b) any other legal notice requirements established by Licensor from time to time.

6.4 Goodwill. Licensee acknowledges the great value of the publicity and goodwill associated with the Licensed Property and the worldwide recognition thereof, acknowledges that the Licensed Property are inherently distinctive or have acquired secondary meaning, and that all related rights and goodwill belong exclusively to Licensor. All additional goodwill associated with the Trademarks created through the use of such Trademarks by Licensee shall inure to the sole benefit of Licensor. During and after the Term, Licensee shall not:

(a) conduct any activity or produce goods, which in any way question Licensor's ethics or lawful practices, nor shall Licensee do anything that damages or reflects adversely upon Licensor, the Branded Games, or the Licensed Property;

(b) attack or question the validity of, or assist any individual or entity in attacking or questioning, the title or any rights of or claimed by Licensor, its subsidiaries and affiliates and their respective licensees and sublicensees in and to the Licensed Properties or any other trademarks, copyrights or such other intellectual or intangible property associated or connected with any or all of Licensor, its subsidiaries and affiliates, their publications, published material, activities, licensees and sublicensees;

(c) directly or indirectly seek for itself, or assist any third party or parties to use or acquire, any rights, proprietary or otherwise, in any patent, trademark, copyright or such other intellectual or intangible property associated or connected with the Licensed Property (including without limitation URLs and domain names), without the prior written approval of Licensor;

(d) in any way seek to avoid Licensee's duties or obligations under this Agreement because of the assertion or allegation by any individual(s), entity or entities that any or all of the Licensed Property are invalid or by reason of any contest concerning the rights of or claimed by Licensor; or

(e) file or prosecute one or more trademark applications regarding the Licensed Property, unless first requested to do so in writing by Licensor. (Licensee will cooperate with Licensor in connection with any and all such filings.)

6.5 User Data. Subject to applicable Laws related to user data, including, but not limited to, collection, sharing, and use thereof, Licensor and Licensee shall co-own all data collected from End Users in connection with the distribution and operation of the Branded Games. Licensee shall implement a privacy policy ("Privacy Policy") applicable to End Users of the Branded Games that is no less protective of user privacy than is required under the Laws of or otherwise applicable in the Territory. Such Privacy Policy shall be prominently displayed to End Users and shall otherwise be accessible within each Branded Game. Licensee shall not take any action, and the Branded Games shall not be operated, in contravention of such Privacy Policy or of any applicable Law, including, but not limited to, data protection provisions imposed by the Territory and other applicable laws. Subject to applicable Law, the Privacy Policy shall contain a provision that states that Licensee has the right to transfer the User Data to Licensor and shall provide appropriate mechanisms within the Licensed Properties (*e.g.*, opt-ins) in order to permit and effectuate such transfer.

6.6 Opt-In Opportunities. Licensee agrees that it will use commercially reasonable efforts to provide opportunities to its End Users of the Branded Games, in consultation with Licensor, in order to obtain the permission of such End Users to receive communications directly from Licensor. Such opportunities may include but will not be limited to, providing opt-in opportunities where Licensee gives End Users the opportunity to receive communications from Licensee

7. PROTECTION OF LICENSED PROPERTY

7.1 Protection of Copyrights, Trademarks and Goodwill. Licensee agrees to assist Licensor, at Licensor's request and expense, in procuring and maintaining Licensor's rights in the Licensed Property (including copyright and trademark rights). In connection therewith, Licensee agrees to execute and/or deliver to Licensor, in such form as Licensor may reasonably request, all instruments necessary to effectuate copyright and trademark protection for, or to establish or confirm Licensor as owner of all intellectual property rights in and to, the Licensed Property, the Branded Games and the Copyrighted Materials, or to record Licensee as a registered user of any trademarks, or to cancel such registration. If Licensee fails to deliver any such instrument within ten (10) days from Licensor's request, Licensor shall be deemed appointed as Licensee's attorney in fact for purposes of executing and filing or registering any such instruments, which appointment is a power coupled with an interest. Licensor shall solely control all infringement litigation or disputes brought against third parties involving or affecting the Licensed Property. Licensee shall provide all assistance requested by Licensor in connection with such litigation or disputes, at Licensor's expense.

7.2 Unauthorized Use. If Licensee uses the Licensed Property without Licensor's prior written approval as required herein, Licensor may, at its sole option, elect to immediately terminate Licensee's right to continue using any of the Licensed Property, without any right to cure. Licensee also acknowledges that irreparable injury to Licensor shall occur if the use continues, and that Licensor shall be entitled to injunctive relief, and applicable damages, costs and reasonable attorneys' fees, arising from any such unauthorized use.

7.3 Use of Other Marks. Licensee shall not use any trademark, service mark, trade name, logo, symbol or devices other than its own in combination with the Licensed Property without the prior written consent of Licensor. Licensee shall not affix a copyright notice other than Licensor's copyright notice or attempt to obtain copyright or trademark in any artwork which contains or is derived from the Licensed Property without the prior written consent of Licensor. Promptly upon Licensor's request, Licensee shall remove from any Branded Game or associated materials bearing the Licensed Property and under Licensee's control or access, any element which Licensor reasonably believes will harm the Licensed Property or Licensor's reputation.

7.4 During and after the Term, Licensee shall not use, cause or authorize to be used any word, device, design, slogan or symbol confusingly similar, in whole or in part, to any or all of the Licensed Property, or any permutation of the Licensed Property. During the Term and the Sell-Off Period, none of the following shall be used on or in connection with any Branded Game or the Collateral Materials without Licensor's prior written consent: (i) portions or permutations of any or all of the Licensed Properties; (ii) secondary marks; or (iii) new words, devices, designs, slogans or symbols. In the event that Licensor grants such authorization, any use by Licensee of a portion, permutation, secondary mark, word, device, design, slogan and/or symbol shall inure to the benefit of the Licensor, shall be the property of Licensor and shall be included as one of the Licensed Properties, subject to the terms of this Agreement. Should Licensee create or develop any advertising, promotion, packaging or trade dress unique to any Branded Game, all such advertising, promotion, packaging or trade dress shall be the property of Licensor and shall not be used by Licensee on or in connection with any other product or merchandise during and after the Term. No later than ten (10) days after expiration or termination of this Agreement or at any other time upon Licensor's request, Licensee will assign to Licensor, without charge, all of Licensee's right, title and interest (including without limitation all goodwill associated therewith and all copyrights) in and to such advertising, promotion, packaging or trade dress and shall cooperate fully with Licensor in preparing and recording whatever documentation may be necessary or desirable or requested by Licensor to effect such assignment.

7.5 Works Made For Hire. Any art work or other materials developed or created by Licensee or on Licensee's behalf for any Branded Game, including, but not limited to, copyrighted materials, artwork, Trademarks, trade names, trade dress, and service marks ("Work") are or shall become the exclusive property of Licensor. Licensor shall be free to use the Work without restriction from Licensee and without further consideration. Licensee agrees to transfer to Licensor all rights, title and interest in the Work. Such Work shall be considered a "Work Made for Hire" for purposes of the 1976 Copyright Act, as amended. In no event shall the Work be considered a joint work. To the extent the Work does not fit within the definition of "Work Made for Hire" under the Copyright Act of 1976, or any successor Law, all intellectual property rights in the Work, including all copyright and trademark rights, are by this Agreement assigned to Licensor. Licensee shall not claim any right, title or interest in any Work created pursuant to this Agreement and shall not use any Work created pursuant to this Agreement without Licensor's prior written consent, which may be given or withheld in Licensor's sole discretion. Licensee agrees to obtain the proper and necessary written releases or other agreements from its employees and/or independent contractors who develop such Work and provide Licensor with copies of such releases or other agreements.

7.6 Unauthorized Activities. Licensee shall promptly notify Licensor in writing of any: (a) infringing or unlawful use or proposed use by another person or entity of any part of the Licensed Property or any Branded Game in violation of the rights granted under this Agreement; (b) claim by a third party that Licensor's or Licensee's activities hereunder or the distribution or operation of any Branded Game infringes the rights of a third party, regardless of whether such claim has become the subject of a legal proceeding; or (c) distribution or use of any Branded Game outside the Territory other than, to the extent expressly permitted in this Agreement, of which Licensee may become aware. Licensor shall have the sole right to determine whether or not any action shall be taken on account of any such infringement or unauthorized distribution described in (a) and (c) above. In addition, Licensee shall not, without Licensor's prior written consent, design, manufacture, advertise, promote, distribute, or deal with in any way in the Territory any product or material that is or are in Licensor's sole and absolute judgment competitive with or confusingly similar to any elements of the Branded Games and the Collateral Materials.

8. QUALITY CONTROL AND APPROVALS

8.1 Quality Standards. Licensee warrants that the Branded Games, and the distribution methods thereof, including any mobile app(s) and/or website(s), and all promotional and advertising material shall be of high quality and suitable for the purpose

intended, meet Licensor's quality standards and requirements, including but not limited to those standards set forth in Exhibit D, attached hereto and hereby incorporated by reference, and be of a quality equal to or higher than the samples provided to Licensor for review and approval in accordance with this Agreement. Licensee shall design, make available, distribute, promote, advertise, market, and sell the Branded Games in an ethical manner and in accordance with the provisions and the intent of this Agreement, and shall not engage in unfair or anti-competitive business practices. Moreover, the Branded Games shall be designed, made available, distributed, promoted, advertised, marketed and sold according to Licensee's approved standard quality control and manufacturing procedures and requirements and all applicable international, national, federal, state and local Laws, treaties and governmental orders and regulations, and shall meet (or exceed) all applicable government and industry standards, regulations, guidelines, rules, Laws, and the like regarding such product(s). Approval of a particular product pursuant to this Agreement shall not be deemed a waiver of any of the quality and standard requirements set forth in Exhibit D. Licensee shall not offer for use, advertise, promote, or distribute for any purpose any Branded Games that are damaged, defective, contain malware, or that otherwise fail to meet the specifications or quality requirements set forth in this Agreement or deviate in type or quality from the products which have been approved in writing by Licensor.

8.2 Product Sample Approval. Licensee agrees to submit initial samples of the Branded Games (including each variation of thereof), for Licensor's inspection, testing, analysis and written approval prior to any marketing, advertisement, or distribution of any such Branded Games.

8.3 Approval of Collateral Materials. Licensee shall provide Licensor with samples of all promotional materials, marketing materials, and advertisements associated with the Branded Games and any other materials containing, displaying, or used in conjunction with the Licensed Property ("Collateral Materials") for Licensor's inspection and written approval prior to any use.

8.4 Quality Maintenance. Licensee warrants that all Branded Games it distributes, makes available, and operates hereunder, shall be substantially identical to and of no lesser quality than the final samples approved by Licensor. Once a Branded Game has been approved by Licensor in writing, additional approvals will not be required for general app version updates; provided however, that Licensee shall submit to Licensor for written approval any proposed change from the final samples approved involving any alteration in the design or quality of the Branded Games, or any change in the use of the Licensed Property or any change that would materially affect End User experience in a Branded Game, prior to Licensee's distribution of such Branded Game.

8.5 Disposal of Unapproved Products. Licensee shall destroy and certify the destruction of all unapproved Branded Games.

8.6 Approval Suspension. If Licensee has been notified in the manner set forth in Section 10 that it is in breach of one or more of the provisions of this Agreement, then Licensor may, in its sole discretion, suspend the review and approval of additional Branded Games and/or Collateral Material submissions until such time as Licensee has cured all such breach(es).

8.7 Reasonable Approvals. Approvals required from Licensor under this Agreement shall not be unreasonably delayed by Licensor.

9. INSURANCE

9.1 Licensee shall acquire and maintain at its sole cost and expense throughout the Term and any renewal of this Agreement, and for a period of two (2) years following the termination or expiration of this Agreement, the following insurance policies, in each case, reasonably satisfactory to Licensor and with limits no less than Three Million U.S. Dollars (U.S.$3,000,000) per occurrence and Three Million U.S. Dollars (U.S.$3,000,000) in the aggregate: (a) a general commercial liability policy; (b) an errors and omissions liability policy. The Parties acknowledge and agree that any of the foregoing coverages can be achieved through a combination of primary and umbrella policies. Each policy shall be through an insurer with a Best's rating of "A" (or better), and qualified to transact business in the Territory (and each such insurance policy shall name Licensor as an additional insured and shall evidence the insurer's agreement that such insurance shall not be amended, cancelled, terminated or permitted to lapse without thirty (30) days' prior written notice to Licensor). Licensee shall provide Licensor with a certificate of such insurance upon the Effective Date and on each anniversary date of the grant or issuance of each such policy, evidencing that each such policy has not been altered with respect to Licensor in any way whatsoever nor permitted to lapse for any reason, and evidencing the payment of the premium for each such policy. Without limiting the foregoing, Licensee shall cause each such policy to be in full force and effect prior to the commencement of any design, distribution of or dealing with the Branded Games whatsoever. Failure by Licensee to obtain the required insurance prior to such commencement or failure by Licensee to adequately maintain such insurance shall be a default by Licensee under this Agreement and such default must be cured within ten (10) days following notice by Licensor.

10. TERMINATION AND EXPIRATION

10.1 Expiration. Except as otherwise provided herein, the Term of this Agreement shall expire in accordance with Section 2.

10.2 Licensor's Immediate Right of Termination. Unless otherwise provided herein, Licensor shall have the right and option to terminate this Agreement immediately upon written notice to Licensee if Licensee does any of the following, and no penalties, break fees, termination charges or Sell-Off Period shall apply:

(a) Manufactures, distributes, operates, promotes, distributes or uses, in any way, any Branded Game or Licensed Property without having the prior written approval of Licensor, or continues to manufacture, promote, distribute, operate, or use, in any way, any Branded Game after receipt or notice from Licensor disapproving or withdrawing approval of the same; or

(b) Any Branded Game is deemed illegal for any reason and Licensee continues to distribute or otherwise operate such Branded Game displaying Licensed Property without correcting the condition or defect in a manner reasonably acceptable to Licensor; or

(c) Except under federal bankruptcy Laws, files a petition in bankruptcy, is adjudicated as bankrupt or insolvent, makes an assignment for the benefit of creditors or an arrangement pursuant to any bankruptcy Law, discontinues all or a significant portion of its business, or its business is appointed a receiver; or

(d) Breaches any of the material conditions or provisions of this Agreement and fails to cure (if capable of curing) within thirty (30) days after receiving written notice from Licensor, or within ten (10) days for a failure to make any payment when due; or

(e) Breaches any material provision of this Agreement twice in any eighteen (18) month period; or

(f) (i) a substantial portion of the assets or controlling stock in Licensee's business is sold or transferred; or (ii) there is a substantial change in the controlling interest in Licensee's business, or a merger or consolidation of Licensee's business with any other entity, or a substantial change in the character or reputation of Licensee or its business or in the management of Licensee; or (iii) Licensee's business is or becomes, in Licensor's reasonable judgment, inconsistent with the image or reputation of Licensor or is likely to tarnish the goodwill associated with Licensor's brand or the Licensed Property; or (iv) any Licensee IP is expropriated, confiscated or nationalized by any government; or (v) any government assumes de facto control of Licensee's business, in whole or in part;

(g) Any breach of Licensee's confidentiality obligations as provided in Section 12 hereof; or

(h) Failure by Licensee to launch a Branded Game to the public in the Territory on a Distribution Channel by its Launch Date, or to meet the Minimum Net Gaming Revenue requirement in any License Year, as set forth in Exhibit A.

10.3 Licensee's Immediate Right of Termination. Except as otherwise provided herein, Licensee shall have the right to terminate this Agreement immediately upon written notice to Licensor if Licensor does any of the following:

(a) Breaches any of the material conditions or provisions of this Agreement and fails to cure such breach within thirty (30) days after receiving written notice from Licensee; or

(b) Except under federal bankruptcy Laws, files a petition in bankruptcy, is adjudicated as bankrupt or insolvent, makes an assignment for the benefit of creditors or an arrangement pursuant to any bankruptcy Law, discontinues all or a significant portion of its business, or its business is appointed a receiver; or

(c) Any breach of Licensor's confidentiality obligations as provided in Section 12, hereof.

10.4 Duties Upon Termination. Termination of the Agreement shall be without prejudice to any rights that the terminating Party may otherwise have against the other Party. Subject to any Sell-off Period pursuant to Section 10.5, upon any expiration or termination of this Agreement: (a) all money owed or accrued shall become immediately due and payable; (b) Licensee shall immediately discontinue the updating, availability, distribution, and operation of all Branded Games, and the use of the Licensed Property; (c) Licensee shall destroy any advertising/promotional materials using the Licensed Property; (d) notify all Distribution Channels that they must promptly remove the Branded Games within a period not longer than the Sell-Off Period, if any; and (e) notify all End Users that their accounts will be closed and all money must be used by the End Users or refunded to them.

10.5 Continued Operation After Expiration or Termination. Provided that upon expiration of this Agreement, Licensee is not in arrears in the payment of any amounts due to Licensor and that Licensee is in compliance with all of the terms and conditions of this Agreement, or if this Agreement is terminated then only upon Licensor's prior written approval (which may be withheld at Licensor's discretion), Licensee may, during the Sell-Off Period, permit Distribution Channels to continue to make available the Branded Games through the existing platforms. No new or additional Distribution Channels may be added during the Sell-Off Period. If a Sell-Off Period is permitted, End Users may continue to play games and use currency stored in connection each such End User's account associated with the Branded Games, and Licensee shall pay Royalties and furnish Statements with respect to the Sell-Off Period in accordance with the terms and conditions of this Agreement as though the License and this Agreement were still in effect. It is expressly understood and agreed by Licensee that the Sell-Off Period shall be non-exclusive and considered a separate accounting period for the purpose of computing Royalties due to Licensor for amounts generated during such period. Licensee acknowledges that during the Sell-Off Period the Branded Games may be distributed only in the normal course of business via the approved Distribution Channels and at regular prices (unless otherwise agreed by the Licensor in writing). The Trademarks may not be removed, hidden or altered in any way.

10.6 It is agreed that all accounting and payments required herein shall survive and continue beyond the expiration or earlier termination of this Agreement. Wherever the obligations of Licensee hereunder are expressed to be subject to a limit of time it shall be deemed that time shall be of the essence of this Agreement.

11. INJUNCTIVE RELIEF/DAMAGES

11.1 Injunctive Relief. It is expressly agreed that Licensor would suffer irreparable harm from a breach or threatened breach by Licensee of any of its covenants contained in this Agreement, and that remedies other than injunctive relief may not fully compensate or adequately protect Licensor for such a violation. Therefore, without limiting the right of Licensor to pursue all other legal and equitable remedies available for violation of this Agreement, in the event of actual or threatened breach by Licensee of any of the provisions of this Agreement, Licensee consents that Licensor shall be entitled seek to injunctive or other relief in order to enforce or prevent any such violation or continuing violation thereof without necessity of posting bond or other security, any requirements therefor being expressly waived by Licensee. Licensee agrees not to raise the defense of an adequate remedy at Law in any such proceeding. Licensee acknowledges and agrees that the provisions of this Section are reasonably necessary and commensurate with the need to protect Licensor against irreparable harm and to protect its legitimate and proprietary business interests and property. Licensor shall also be entitled to recover from Licensee, in addition to any other remedies in the event of default, reasonable attorney's fees, costs and expenses, including collection agency fees incurred by Licensor in the enforcement of the provisions hereof.

11.2 Limitation of Liability. EXCEPT IN THE EVENT OF ANY BREACH OF SECTION 12 (CONFIDENTIALITY), LIABILITY PURSUANT TO SECTION 14 (INDEMNIFICATION), OR ANY CLAIMS BASED ON A PARTY'S WILLFUL MISCONDUCT, INTENTIONAL OR RECKLESS ACTS OR GROSS NEGLIGENCE, IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY SPECIAL, INCIDENTAL, INDIRECT, OR CONSEQUENTIAL DAMAGES WHATSOEVER (INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF BUSINESS PROFITS, BUSINESS INTERRUPTION, LOSS OF BUSINESS INFORMATION, OR ANY OTHER PECUNIARY LOSS) ARISING OUT OF OR RELATING TO A BREACH OR FAILURE TO PERFORM ITS OBLIGATIONS UNDER THIS AGREEMENT, EVEN IF THE BREACHING PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

12. CONFIDENTIALITY

12.1 Confidentiality. Each party (the "Receiving Party") acknowledges that in connection with this Agreement it will gain access to the proprietary information of the other Party (the "Disclosing Party"), including information about its business operations and strategies, goods and services, technology, customers, pricing, marketing, style guides, and other sensitive and proprietary information (collectively, the "Confidential Information"). Confidential Information shall not include information that: (a) is or becomes generally available to and known by the public other than as a result of, directly or indirectly, any breach of this Section 12 by the Receiving Party; (b) is or becomes available to the Receiving Party on a non-confidential basis from another person or entity, provided that such person or entity is not and was not prohibited from disclosing such Confidential Information; (c) was known by or in the possession of the Receiving Party prior to being disclosed by or on behalf of the Disclosing Party; or (d) is required to be disclosed by Law, including disclosure made pursuant to the terms of a court order; provided, that the Receiving Party has given the Disclosing Party prior written notice of such disclosure and an opportunity to contest such disclosure and to seek a protective order or other remedy. The Receiving Party shall: (x) protect and safeguard the confidentiality of the Disclosing Party's Confidential Information with at least the same degree of care as the Receiving Party would protect its own Confidential Information, but in no event with less than a commercially reasonable degree of care; (y) not use the Disclosing Party's Confidential Information, or permit it to be accessed or used, for any purpose other than to exercise its rights or perform its obligations under this Agreement; and (z) not disclose any such Confidential Information to any person or entity, except to the Receiving Party's officers, employees, consultants, accountants and legal advisors who are bound by written confidentiality obligations and have a need to know the Confidential Information to assist the Receiving Party (or act on its behalf) or to exercise its rights or perform its obligations under this Agreement.

12.2 Confidentiality of Terms and Conditions of Agreement. Neither Party shall (nor shall it permit or cause its employees or agents to) divulge, disseminate or publicize information relating to this Agreement or the financial or other terms of this Agreement (including any information on the specifications or methods of reproduction of the Licensed Property) to any third party (other than its agents, attorneys, financial sources, auditors, or accountants), except as may be required by Law or to fulfill the terms of this Agreement. In the event Licensee is required by Law to publicly disclose any of the terms of this Agreement, Licensee must use best efforts to request confidential treatment from the applicable government agency to the extent permitted by applicable Law.

13. REPRESENTATIONS AND WARRANTIES

13.1 Mutual Representations and Warranties: Each Party represents and warrants to the other Party that:

(a) it is validly existing and in good standing as a corporation or other entity as represented herein under the Laws of its jurisdiction of incorporation or organization;

(b) it has the full right, power and authority to enter into this Agreement and to perform its obligations hereunder; and

(c) when executed and delivered by a Party, this Agreement shall constitute a legal, valid and binding obligation of such Party, enforceable against each such Party in accordance with its terms.

13.2 Licensee's Representations and Warranties: Licensee represents, warrants and covenants that:

(a) all Branded Games shall be designed, developed, manufactured, advertised, promoted, marketed, conducted and distributed (as applicable) in compliance with all Laws, including, without limitation, all Laws relating to gambling, gaming, and gaming-related activities, all applicable privacy Laws and Laws applicable to personally identifiable information and all Laws relating to product safety, labor and anti-money laundering compliance;

(b) Licensee shall comply with any and all regulatory agencies which have jurisdiction over the Branded Games and will procure and maintain in full force and effect any and all permissions, approvals, permits, certifications and/or other authorizations from governmental and/or other official authorities that may be required in connection with the exercise of the License;

(c) The Branded Games will comply at all times with all rules and requirements of the Distribution Channels;

(d) Licensee will not take any action, directly or indirectly, in violation of, (i) the U.S. Foreign Corrupt Practices Act, 15 U.S.C. Section 78dd-1 and 78dd-2 or other applicable anti-corruption Laws; (ii) any applicable Laws with respect to export, re-export, sale, supply or distribution, directly or indirectly, to any government, nation, person or entity that is identified in the U.S. Treasury Department's Office of Foreign Assets Control's list of Specially Designated Nationals or otherwise subject to an OFAC embargo or sanctions program; (iii) OFAC's sanctions program regulations; or (iv) any other applicable antiterrorism Laws, rules or regulations;

(e) Licensee shall not pledge, grant a lien or security interest in, or otherwise encumber, any rights in and to the Licensed Property;

(f) Licensee owns or controls the rights necessary, including without limitation with regard to the Licensee IP, to produce and operate the Branded Games and no materials furnished or created by Licensee hereunder (or otherwise used in connection with any Branded Game) shall violate the rights of any third party;

(g) Licensee shall ensure that all Collateral Materials created by Licensee in connection with this Agreement will be wholly original or fully cleared by Licensee (*i.e.*, Licensee shall obtain all required authorizations, consents and releases and shall pay all required compensation to third parties) and that no such materials will infringe upon any copyright, patent, trademark, right of publicity or privacy, or any other right of any third party; and

(h) Licensee shall only use the Licensed Property as and to the extent authorized by this Agreement and in accordance with the terms and intent of this Agreement.

13.3 Commercialization by Licensee. Licensee agrees that during the Term of this Agreement it will diligently develop or have developed, distribute, operate, maintain, promote, and sell the Branded Games, and that it will make and maintain adequate arrangements for the distribution of the Branded Games. Any determination that Licensee has failed to diligently develop, or have developed, distribute, promote, or sell any Branded Game at any given time during the Term or Renewal Term shall permit Licensor to remove such country from the Territory unless Licensee remedies the failure within thirty (30) days of Licensee's receipt of written notice from Licensor of its intended action.

14. INDEMNIFICATION

14.1 By Licensor. Licensor agrees to indemnify, defend and hold harmless Licensee and affiliates, officers, directors, employees, agents, sublicensees, successors and assigns from and against all losses, penalties, damages, liabilities, suits and expenses (including without limitation reasonable outside attorneys' fees) (collectively, "Losses") arising out of or in connection with any third party claim (each a "Claim") relating to (a) an allegation that the Licensed Property, used as permitted hereunder, infringes upon or otherwise violates any third party proprietary rights; or (b) any breach or alleged breach by Licensor of any of its representations, warranties or covenants under this Agreement.

14.2 By Licensee. Licensee shall indemnify, defend and hold harmless Licensor and its affiliates, officers, directors, employees, agents, sublicensees, successors and assigns from and against all Losses arising out of or in connection with any Claim relating to: (a) any breach or alleged breach by Licensee of any of its representations, warranties or covenants under this Agreement; (b) infringement, dilution or other violation of any Intellectual Property or other personal or proprietary rights of any person or entity resulting from the production or use of any Branded Game or Collateral Materials (other than to the extent based solely on the authorized use of the Licensed Property in compliance with the terms of this Agreement); (c) any use of the Licensed Property in any manner not permitted hereunder; (d) the design, development, manufacture, advertisement, promotion, marketing, conduct, operation or distribution of any Branded Game or Collateral Materials (including, without limitation, any defect in the Branded Game (whether obvious or hidden and whether or not present in any sample approved by Licensor) or any personal injury or death to any third party by the use of any Branded Game); (e) Claims brought by End Users; or (f) Licensee's failure to comply with all applicable Laws, regulations and standards or any of its obligations under this Agreement, including, but not limited to, Licensee's determination of whether any Branded Game and/or the distribution thereof is legal or otherwise not prohibited in any jurisdiction, country, state, province or region.

14.3 Procedure. If an indemnifiable Claim is made against an indemnified Party, such Party will promptly notify the indemnifying party of such Claim. Failure to so notify the indemnifying Party will not relieve the indemnifying Party of any liability which the indemnifying Party might have, except to the extent that such failure materially prejudices the indemnifying Party's legal rights. The indemnifying Party shall assume control of the defense of such Claim, and the indemnified Party shall cooperate with the indemnifying Party in the defense and/or settlement of the Claims at the indemnifying Party's expense. The indemnified Party may participate in the defense of the Claim at its own cost. Notwithstanding anything contained herein, (a) the indemnified Party shall not enter into any settlement or compromise that provides for any remedy of the Claim without the prior written approval of the indemnifying Party, which approval will not be unreasonably withheld; and (b) Licensee may not enter into any settlement or compromise that involves or affects any Licensed Property without Licensor's prior written approval.

15. MISCELLANEOUS

15.1 Notices, Statements, and Payments. All notices, statements or payments to be made hereunder shall be in writing and shall be given to or made at the respective addresses of the Parties as set forth in Exhibit A, unless written notification of a change of address is given to the other Party. To be effective, all communications and notices relating to this Agreement are to be in writing and delivered personally, or sent by first class mail postage prepaid (effective three (3) business days after postmark date), by a national overnight courier service (e.g., FedEx), or via email (with a copy also sent by first class mail or overnight courier for confirmation), to the respective addresses set forth in Exhibit A, or to such other addresses as either Party shall designate by notice given as set forth herein.

15.2 No Joint Venture. This Agreement does not create, is not intended to create, and shall not be interpreted or construed as creating a franchise, partnership, joint venture, agency, employment, or similar relationship between Licensor, on the one hand, and Licensee, on the other hand. Neither Party shall have the power to obligate or bind the other or its subsidiaries or affiliates in any manner whatsoever. Licensor will have no fiduciary duty or fiduciary obligation to Licensee under this Agreement.

15.3 Force Majeure. Neither Party shall be deemed in default or otherwise liable hereunder due to its inability to perform by reason of any fire, earthquake, flood, epidemic, accident, explosion, casualty, strike, lockout, pandemic, labor controversy, riot, civil disturbance, act of public enemy, embargo, war, act of God, or any municipal, county, state, national or international ordinance or Law or any executive, administrative, judicial or similar order (which order is not the result of any act or omission to act which would constitute a default under this Agreement), or any failure or delay of any transportation, power, or other essential thing required, or similar causes beyond the Party's reasonable control. In such case, the Party affected by the force majeure event shall promptly notify the other Party in writing of its inability to perform. Any delay in performance shall be no greater than the event of force majeure causing the delay. If force majeure event continues uninterrupted for a period exceeding three (3) calendar months, either Party may elect to terminate this Agreement upon written notice to the other, but such right of termination, if not exercised, shall expire immediately upon the discontinuance of the force majeure event. Notwithstanding anything to the contrary in this Section 15.3, the exercise of such right of termination shall not affect Licensee's obligation to pay Royalties which accrued prior to and including the termination date of this Agreement.

15.4 Assignment. Licensor, in entering into this Agreement, is relying entirely upon Licensee's skills, reputation and personnel, including without limitation its officers, managers, directors, owners and/or shareholders. This Agreement and all rights, duties and obligations hereunder are personal to Licensee and shall not, without the prior written consent of Licensor (which may be given or withheld in the sole discretion of Licensor), be assigned, delegated, sold, transferred, leased, mortgaged or otherwise encumbered by Licensee or by operation of Law. Any attempt to do so without such consent shall be void and shall constitute an incurable default under this Agreement. The consent of Licensor to any such assignment, delegation, sale, transfer, lease, mortgage, other encumbrance or change shall not be deemed to be consent to any subsequent assignment, delegation, sale, transfer, lease, mortgage, other encumbrance or change.

15.5 Compliance with Applicable Laws. Licensor is granting this license solely for the lawful use of the Licensed Property in connection with the Branded Games. By granting this License, or by approving any Branded Game, Licensor makes no representation or takes any position on the legality of any Branded Game in any jurisdiction, state, country or territory. Licensor is relying entirely on Licensee to ensure that the Branded Games comply with all applicable Laws and regulations in the Territory (or applicable portion thereof) and Licensee shall be solely responsible for such compliance. Therefore, Licensee shall at all times be primarily liable for complying with all applicable Laws. For clarity, Licensee shall be responsible and primarily liable for all activities, obligations and liabilities, if any, of its affiliates with respect to this Agreement. Any breach of the terms of this Agreement by Licensee's Affiliates shall be deemed a breach of the Agreement by Licensee.

15.6 Governing Law and Jurisdiction: This Agreement shall be construed in accordance with the laws of the State of California without regard to its conflicts of law principles. Any claim arising under this Agreement shall be prosecuted in a federal or state court of competent jurisdiction located within Los Angeles County, California and selected by Licensor, and Licensee consents to the jurisdiction of such court and to the service of process by mail.

15.7 Interpretation and Construction. The word "or" shall be interpreted to have both its conjunctive and disjunctive meaning whenever possible. The section headings are intended solely for convenience and shall not affect the construction or interpretation of any of the provisions of this Agreement. No provision of this Agreement shall be construed in favor of or against any Party on the ground that such Party or its counsel drafted the provision. The language used herein, unless defined specifically, shall be construed according to its reasonable and customary meaning in the United States. Terms of art used in this Agreement which are not defined herein shall be defined as commonly understood in the United States licensing industry for similar products. In the event of a breach, this Agreement may be specifically enforced. This Agreement shall at all times be construed so as to carry out its stated purposes.

15.8 Integration. This Agreement, including without limitation any attached schedules and exhibits, constitutes the entire agreement between the Parties pertaining to the subject matter contained herein and supersedes all prior and contemporaneous agreements, representations, and understandings of the Parties.

15.9 Survival and Severability: Notwithstanding anything to the contrary herein, all provisions hereof are hereby limited to the extent mandated by any applicable Law or decisions. If any one or more paragraphs, clauses or other portions hereof should ever be determined to be illegal, invalid or otherwise unenforceable by a court of competent jurisdiction, or be illegal, invalid or unenforceable within any jurisdiction by reason of any existing Law or statute, then, to that extent and within the jurisdiction in which it is illegal, invalid or unenforceable, it shall be limited, construed or severed and deleted herefrom, and the remaining extent and/or remaining portions hereof shall survive, remain in full force and effect and continue to be binding, and shall not be affected except insofar as may be necessary to make sense hereof, and shall be interpreted so as to give effect to the intention of the parties insofar as that is possible.

15.10 Waiver, Amendment, Modification: The terms of this Agreement may not be waived, amended or modified except by an agreement in writing executed by the Parties hereto. No waiver by either Party shall be deemed to be a waiver of any prior or succeeding breach.

15.11 Electronic Transmission/Counterparts. This Agreement may be executed by written signature or digital signature (*e.g.*, AdobeSign, DocuSign) and delivered in multiple counterparts, including by facsimile, PDF, or other electronic counterparts, all of which will constitute one and the same agreement. A signed copy of this Agreement delivered by means of electronic transmission is deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

IN WITNESS WHEREOF, the Parties hereto, intending this Agreement to be effective as of the Effective Date, have caused this Agreement to be executed by the authorized representative of each.

LICENSOR:	**LICENSEE:**
PLAYBOY ENTERPRISES INTERNATIONAL, INC.	**GAMING TECHNOLOGIES, INC.**
By: _____ (Signature)	By: _____ (Signature)
Name: _____ (Print)	Name: _____ (Print)
Title: _____	Title: _____
Date: _____	Date: _____

EXHIBIT A

BRANDED GAMES:

Playboy-branded real-money game mobile apps, specifically: rummy, poker, fantasy sports and other games of skill, to the extent approved in advance, in writing by Playboy

SCOPE OF LICENSE:

Exclusive solely to the extent that, during the Term hereof, Licensee will not license third parties the right to distribute in India, PLAYBOY-branded, skill-based, real-money mobile gaming apps

TERRITORY:

India, but solely to the extent that in such country, state, province or region, online and/or mobile games involving cash gaming is affirmatively permitted, or are otherwise not prohibited, by law.

DISTRIBUTION CHANNELS:

Via iOS app stores (such as the Apple App Store) and Android app stores (such as the GooglePlay App Store), and such other stores as approved in advance in writing by Licensor.

INITIAL TERM/LICENSE YEARS:

LY1: Effective Date – 12/31/2021
LY2: 1/1/2022 – 12/31/2022
LY3: 1/1/2023 – 12/31/2023
LY4: 1/1/2024 – 12/31/2024
LY5: 1/1/2025 – 12/31/2025

LAUNCH DATE:

April 2021

ROYALTY RATE:

Fourteen percent (14%) of Net Gaming Revenue

ROYALTY PAYMENTS & REPORTING:

Reporting is due on a calendar quarterly basis within twenty (20) days after the end of the applicable quarter, and payment is due within thirty (30) days after the end of the applicable quarter.

MINIMUM NET GAMING REVENUE:

LY1: US$261,409
LY2: US$705,072
LY3: US$1,098,397
LY4 & LY5: To be mutually determined by the Parties within thirty (30) days of the 2nd anniversary of the Launch Date, and memorialized in a written amendment to this Agreement signed by the Parties.

RENEWAL TERM

Assuming Licensee is not otherwise in breach of the agreement, not less than sixty (60) days prior to the end of the Initial Term, the Parties agree to discuss the possible renewal of the Agreement for an additional period (the "Renewal Term") based on mutually agreed upon performance milestones as set forth in the Agreement.

SELL-OFF PERIOD:

Thirty (30) days after expiration of the Term or notice of termination together with Licensor's consent (pursuant to Section 10.5) of the Agreement).

MINIMUM ADVERTISING COMMITMENT:

For each License Year, two percent (2%) of Net Gaming Revenue or Minimum Net Gaming Revenue for such License Year, whichever is greater.

ADDRESS FOR PAYMENTS, ROYALTY STATEMENTS AND PRODUCT SUBMISSIONS:

All reports, Statements and Branded Game submissions required be given and all payments to be made hereunder, shall be given or made in writing by email or via reputable courier, as applicable, charges prepaid, to the addresses set forth below, unless notification of a change of address is given in writing. The effective date of receipt shall be deemed the date such notice, report, Statement or Branded Game submission is received by the intended recipient, provided that the sending of a notice by courier shall constitute notice hereunder even in the event of refusal to accept same by the intended recipient.

LICENSOR:	**LICENSEE:**
10960 Wilshire Blvd., Suite 2200 Los Angeles, CA 90024	184 Shepherds Bush Road London, UK
Contact: [***] Email: [***] Phone: [***]	Contact: [***] Email: [***] Phone: [***]
w/ copy to: [***]	**w/ copy to:** [***]

ELECTRONIC TRANSFER INSTRUCTIONS:

All payments made hereunder shall be made by electronic bank transfer and paid to:

Account Name:	[***]
Bank Name:	[***]
Bank Address:	[***]
	[***]
Account Number:	[***]
ABA/Routing #:	[***]
Swift Code:	[***]
ACH:	[***]

EXHIBIT B

TRADEMARKS

PLAYBOY

(word mark)

(Rabbit Head Design)

EXHIBIT C
SUBCONTRACTOR AGREEMENT

This Agreement is between _____ ("Licensee"), a licensee of Playboy Enterprises International, Inc., ("Licensor"), and _____ ("Subcontractor"), Licensee's independent contractor, with a principal place of business located at _____, who is to design, create, or produce mobile gaming apps which will bear or otherwise incorporate the trademarks owned by Licensor ("Trademarks"). Hereinafter such products shall be referred to as "Branded Games".

Subject to the terms and conditions of the License Agreement between Licensee and Licensor ("License"), Subcontractor may produce Branded Games for sale and/or distribution only to Licensee. Any other use, production, distribution, and/or sale of the Branded Games may not be made unless with the express written authorization from Licensor.

Subcontractor acknowledges that the Trademarks are owned by Licensor and agrees not to contest the validity or distinctiveness of any trademark or assert ownership in any of the Trademarks or anything confusingly similar. Subcontractor recognizes the goodwill associated with the Trademarks and agrees that any use of such Trademarks shall inure to the benefit of Licensor. Subcontractor agrees that any materials or information it receives relating to Licensor or the Trademarks shall be deemed confidential and shall be protected as such.

All Branded Games, and all elements thereof, created, designed, or produced by Subcontractor for Licensee shall be subject to all of the terms and conditions of the License.

Subcontractor shall maintain separate, accurate records of all transactions arising out of the creation, design, distribution, and/or sale of the Branded Games ("Records"). Such Records shall be made available for inspection and audit by Licensor or its designee during normal business hours to verify Subcontractor's records and to ensure that there have been no unauthorized uses of the Trademarks.

Subcontractor acknowledges and agrees that if it violates any term or condition of this Agreement, its right to continue using any Trademark shall cease immediately and permanently, that irreparable injury to Licensor shall occur if Subcontractor's use continues, and that Licensor shall be entitled to temporary, preliminary and permanent injunctive relief, plus an award for damages, costs and reasonable attorneys' fees arising from any such violation.

This Agreement shall continue during the term of the License unless sooner terminated by Licensee or Licensor upon written notice to Subcontractor.

SUBCONTRACTOR:	**LICENSEE:**
_____	_____
By: _____	By: _____
Name: _____	Name: _____

Title:	_____	Title:	_____
Date:	_____	Date:	_____

EXHIBIT D
QUALITY AND STANDARD REQUIREMENTS

1. The Branded Games are to be designed, created, sold and otherwise distributed by Licensee pursuant to this Agreement and in strict compliance with all applicable federal, regional, state and local laws and regulations, and all industry standards and regulations. On a periodic basis, Licensor may require Licensee to provide documentation of such compliance, including but not limited to, evidence of certifications, copies of test results, copies of applicable approvals, legal analyses, and copies of design review documents if applicable. If Licensee intends to re-badge existing product to create the Branded Games, or will concurrently distribute games otherwise identical to the Branded Games except for the Licensed Property, Licensor may also request information concerning the brand names under which Licensee is marketing the other games, the territories in which Licensee is marketing the other games, and the differences if any between the other games and the Branded Games.

2. The Branded Games shall be of high quality in design, material, technology, and workmanship and suitable for the purpose intended.

3. Words, shapes, or devices that are obscene or scandalous are unacceptable.

4. When included within or in connection with Branded Games, the Licensed Property shall be clear and legible without bleeding of line or color.

5. The Branded Games will not cause harm when used as instructed.

6. The Branded Games will provide use instructions that are understandable and accurate.

7. Forced Labor: Licensee, on its own behalf and on behalf of its subcontractors, will not do business with third parties that use forced labor, prison labor, indentured labor or bonded labor, or permit their suppliers or subcontractors to do so.

8. Child Labor: Licensee, on its own behalf and on behalf of its subcontractors, will not purchase, distribute, or utilize in any other manner products or components thereof manufactured by persons younger than 15 years of age or younger than the age of completing compulsory education in the country of manufacture where such age is higher than 15.

9. Harassment or Abuse: Licensee and its subcontractors must treat their employees with respect and dignity. No employee shall be subject to physical, sexual or psychological harassment or abuse.

10. Nondiscrimination: Licensee and its subcontractors shall not subject any person to discrimination in employment, including hiring, salary, benefits, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, or social or ethnic origin.

11. Health and Safety: Licensee and its subcontractors shall provide a safe and healthy working environment to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of employer facilities. Licensee and its subcontractors must fully comply with all applicable workplace conditions, safety and environmental laws.

12. Freedom of Association: Licensee and its subcontractors shall recognize and respect the right of employees to freely associate in accordance with the laws of the countries in which they are employed.

13. Wages and Benefits: Licensee and its subcontractors recognize that wages are essential to meeting employees' basic needs. Licensee and its subcontractors shall pay employees at least the minimum wage required by local law regardless of whether they pay by the piece or by the hour and shall provide legally mandated benefits.

14. Work Hours: Licensee and its subcontractors shall not require their employees to work more than the limits on regular and overtime hours allowed by the law of the country of manufacture. Except under extraordinary business circumstances, such employees shall be entitled to no less than one day off in every seven-day period. Licensee and its subcontractors must inform their workers at the time of their hiring if mandatory overtime is a condition of their employment. Licensee and its subcontractors shall not compel their workers to work excessive overtime hours.

15. Overtime Compensation: Licensee's and its subcontractors' employees shall be compensated for overtime hours and such premium rate as is legally required in the country of manufacture or, in countries where such laws do not exist, at a rate at least equal to their regular hourly compensation rate.

16. Legal and Ethical Business Practices: Licensee and its subcontractors must fully comply with all applicable local, state, federal, national and international laws, rules and regulations including, but not limited to, those relating to wages, hours, labor, health and safety, and immigration. Licensee and its subcontractors must be ethical in their business practices.

17. Penalties: Licensor reserves the right to terminate its business relationship with Licensee and or any of its subcontractors who violates these Quality And Standard Requirements or whose suppliers or subcontractors violate these Quality And Standard Requirements. Licensor reserves the right to terminate this Agreement if Licensee or its subcontractors fail to provide written confirmation to Licensor that Licensee and/or its subcontractors have a program in place to monitor Licensee's and its subcontractors' suppliers and subcontractors for compliance with these Quality and Standard Requirements.

Exhibit 10.5

Certain information identified by [***] has been omitted from this exhibit because it is both not material and is the type that the registrant treats as private or confidential.

SPONSORSHIP AGREEMENT

BETWEEN:

SA HOLIDAY, INC, owner of **Saul Alvarez Barragan or Canelo ("TALENT")**'s personality rights**,** having its principal place of business at [***], USA **(the "COMPANY ")** AND **Gaming Technologies, Inc.** owner of VALE **("BRAND")**´s rights**,** having its registered office at 413W 14TH ST, New York, NY 10014, USA. **("CLIENT"),** (the COMPANY, TALENT , BRAND and CLIENT together the "**Parties**" and each a "**Party**").

WITNESSETH:

1. **WHEREAS** the CLIENT is well known as a U.S. company to develop games, license third-party games for distribution, and operates a proprietary gaming platform that enables B2B partners to establish online gambling presence.

2. **WHEREAS** the BRAND is well known as VALE. BRAND is 100% owned by the CLIENT and is licensed to offer online casino and sports betting.

3. **WHEREAS** the COMPANY is the exclusive owner of TALENT's personality rights and shall provide the services of the TALENT and grant, on his behalf, the rights set out in this Agreement.

4. **WHEREAS** the CLIENT and the COMPANY wish to set forth in this Agreement the terms and conditions upon which the COMPANY agrees to endorse the BRAND's products and the conditions governing CLIENT´S right to use the name, photographs, images and other items identifying the TALENT to promote the BRAND

5. **WHEREAS** the TALENT is a famous multiple world champion boxer of Mexican nationality.

6. **WHEREAS** the CLIENT wishes to get TALENT's cooperation in relation to its promotion for the BRAND

NOW, THEREFORE, in consideration of their mutual covenants hereinafter, the Parties agree as follows:

1. Term of Agreement:

1.1. Initial Term.. The term of this Agreement will commence as of the date of this Agreement ("Effective Date") and continue in full force and effect for a period of one (1) year ("Initial Term").

2. Services:

2.1. During the Term of the Agreement, the COMPANY shall furnish the following services:

2.1.1. Use TALENT´**s** image (including but not limited to images obtained pursuant to 2.1.2 and 2.1.3 below) in BRAND's (or any of its subsidiaries') advertising campaigns, within the territory, for 12 months;

2.1.2. 1 photoshoot with TALENT (to occur no earlier than June 1, 2021);

2.1.3. A television commercial or spot featuring TALENT for broadcast, pay TV, internet (e.g., BRANDS's web site(s), YouTube, etc.) and social networks;

2.1.4. BRAND's logo on TALENT´**s** shorts position: back under the belt for 1 fight between TALENT Alvarez vs. Billy Joe Saunders on May 8th 2021 (or any date to which the fight may be postponed) **(the "FIGHT")** (exhibit A);

2.1.5. 6 VIP tickets for fight night MAY 8th 2021;

2.1.6. TALENT to publish 24 total social media posts per year in collaboration with the BRAND (including both "stories" and "feed") on TALENT's Facebook, Instagram and Twitter accounts;

2.1.7. Placement of the BRAND logo on TALENT's official page www.caneloteam.com;

2.1.8. 12 pairs of boxing gloves signed by the TALENT;

2.1.9. Press release with TALENT to present the TALENT and BRAND alliance;

2.1.10. A video from TALENT giving the welcome to the BRAND prior to the FIGHT; and

2.1.11. The opportunity to negotiate a separate agreement for TALENT to wear BRAND logo on TALENT's boxing trunks for his other bouts occurring within the Initial Term.

3. <u>Campaign Materials</u>:

3.1. During the Term, BRAND shall have the right to produce and publicize the following materials, subject to Talent's reasonable final approval (collectively, the "Campaign Materials"):

3.1.1. An unlimited number of advertising, promotional, publicity and other materials of any kind and in any format for use in the "Media" (as defined below).

3.1.2. Print advertisements: billboards, newspapers, and magazines (covers excluded).

3.1.3. Digital materials to be distributed/used on the internet, in new media, in interactive media, or in any combination of the foregoing website and social media channels (covers of digital magazines or newspapers excluded).

3.1.4. Social media posts, updates and content (collectively, the "**Social Media Posts**").

3.1.5. The use of TALENT´s image on the BRAND's website.

3.2. CLIENT shall have no right to use the Campaign Materials or TALENTS's name, image, likeness, or any intellectual property of TALENT or COMPANY for any purpose other than promotion of BRAND.

3.3. <u>Promotional rights of the CLIENT:</u>

3.3.1. All press releases, photographs, videos and final images shall be subject to TALENT's prior written approval (not to be unreasonably withheld), either directly or through the COMPANY.

3.3.2. TALENT shall have three (3) calendar days from receipt of CLIENTS's requests for approval (as described in 3.2.1), either directly or through the COMPANY, for approval of the photographs, videos or any other images to examine and two (2) days for approval of press releases and either approve or disapprove such submission. The COMPANY shall procure that TALENT shall notify the CLIENT of his decision via email a designated representative of the CLIENT. In the event that TALENT has not made his determination as to approval or disapproval within three (3) calendar days of receipt of CLIENT's request for approval, either directly or through the COMPANY, TALENT's approval shall be deemed granted.

3.3.3. If any submission is disapproved, the COMPANY shall procure that TALENT shall advise the CLIENT of the specific reasons for such disapproval, and, without limiting TALENT's approval rights hereunder, the CLIENT shall be permitted to make a new submission taking into account TALENT's concerns.

3.3.4. Talent shall be entitled to a meaningful right of consultation with respect to:

3.3.4.1. The scripts for any Commercials;

3.3.4.2. Any Still Photos of Talent;

3.3.4.3. Talent's wardrobe; and

3.3.4.4. Talent's hair and make-up.

3.4. Work Session:

3.4.1. Scheduling. Production Days, photo shoots, be referred to herein as a "**Work Session**." The CLIENT will have 1 work session, not exceeding 10 consecutive hours, with the TALENT to shoot all the Campaign Materials. The Work Session shall occur on a dates, at times, and at locations to be determined by CLIENT, subject to TALENT's availability and reasonable discretion. COMPANY agrees to use its best efforts to respond promptly to CLIENT's inquiries regarding Talent's availability. COMPANY also agrees to provide Client with thirty (30) days' written notice if TALENT will be unavailable to render services hereunder for any consecutive four (4) week period during the Term. If TALENT is unavailable on a date requested by CLIENT (for permitted reasons hereunder), TALENT shall promptly provide CLIENT with two (2) alternate dates wherein TALENT will be available to provide his services. The PARTIES agree that the Work Session will not occur prior to June 1, 2021.

3.5. Travel:

3.5.1. In the event that TALENT shall be required by CLIENT to travel to specifically attend a work session outside Mexico City or San Diego, the entire costs of travel, accommodation and meals for TALENT and two (2) persons of his staff will be paid by the CLIENT. Travel shall be at no less than business class flights for TALENT and his companions, with VIP transfers provided on-site and accommodations of one suite for TALENT and deluxe rooms for his companions.

4. Promotion and Communication:

4.1. During the INITIAL TERM, the PARTIES shall, at all times, cooperate and collaborate closely in respect of any promotion and/or communication regarding TALENT's Endorsement and the performance of the Services.

4.2. Furthermore, the Parties agree and the COMPANY shall procure TALENT's agreement that whenever they or their representatives are interviewed or discussing the other Party, they will do so in a positive manner and shall refrain from making any negative or detrimental comments which would affect their image or Products either during or following the term of this Agreement.

5. Territory:

5.1. The "Territory" shall consist of: Mexico, the United States, Guatemala, Honduras, El Salvador, Nicaragua, Costa Rica and Panama in Central America; Colombia, Venezuela, Ecuador, Peru, Bolivia, Brazil, French Guiana, Paraguay, Chile, Argentina, Uruguay, Cuba, Haiti, the Dominican Republic and Puerto Rico.

6. Media/Usage of Campaign Materials:

6.1. During the Initial Term, CLIENT shall have the right to use the Campaign Materials in the Territory in/for the applicable "Media/Usage" set forth below as follows: Commercials, (all forms of television), radio, digital videos, Print, digital, internet, promotional and social media.

6.2. Post-Term Uses: All Campaign Materials which were distributed or placed during the Term of the Agreement that remain in distribution/circulation or on display/exhibition following the expiration of the Term of the Agreement will require to be removal or cessation of any such distribution, circulation, display or exhibition. Social media posts placed during the Term shall not be required **to be removed from Client's platforms.**

7. Exclusivity:

7.1. COMPANY and TALENT agree that, during the Initial Term and any further term that might be agreed upon thereafter, TALENT will not enter into any other personal services or endorsement contract with any other casino or gambling website or application ("**Gambling Platform**"). However, CLIENT and BRAND understand and acknowledge that TALENT will likely engage in boxing matches that occur in venues owned by or associated with other gambling platforms, that those matches themselves might be sponsored by other gambling platforms, and that those matches may be broadcast by entities sponsored by still other gambling platforms.

8. Compensation:

8.1. In consideration for the Services and rights granted by the COMPANY and TALENT to the CLIENT and BRAND under this Agreement, CLIENT shall pay to the COMPANY a compensation in the form of an endorsement sum (the "Endorsement Fees") as follows:

8.1.1. CLIENT shall pay the COMPANY the **sum of One million and six hundred thousand U.S. Dollars ($1,600,000)** which shall be paid in full within 5 days after the effective date of the present agreement.

8.1.2. The above stated payment shall be wired to: Bank: Citibank, New York

ABA: [***]
Account Number: [***]
Bank Account Name: [***]For Credit to: [***]

8.1.3. The COMPANY shall be responsible for, and shall pay, any and all corporate and individual taxes that are measured by net income or profit, or any other direct or indirect taxes, imposed by any governmental authority of any country on COMPANY and/or TALENT and their employees due to the execution of this Agreement.

8.2. Any additional services that may be requested by Client shall be negotiated in good faith between the Parties. No additional services shall be due, unless and until a written agreement is executed by the Parties.

9. Term and Termination:

9.1. This Agreement shall become effective on 16 April 2021 and shall, unless previously terminated run for TWELVE (12) months. It will conclude on 15 April 2022.

9.2. CLIENT shall have a right of first negotiation for an extension of this Agreement. If CLIENT makes a bona fide offer prior to one hundred twenty (120) days prior to the termination of this Agreement, COMPANY and TALENT shall refrain from negotiation of any other potential personal services agreement with any other Gambling Platform for sixty (60) days thereafter.

9.3. The aforementioned term notwithstanding, any PARTY may terminate this Agreement in the event of a material breach of the Agreement by another PARTY. Prior to such termination, however, the breaching party must be given written notice of the breach and seven (7) days to cure.

10. Intellectual Property Rights:

10.1. Any intellectual property, including, but not limited to logos, trademarks, tradenames, or tradedress owned by any Party shall remain the property of that Party. This Agreement does not transfer, assign, or provide any license to any intellectual property for any Party.

11. Defense and Indemnity:

11.1. CLIENT guarantees and covets that it complies with all applicable rules, regulations, and laws in the jurisdiction(s) where it operates. CLIENT agrees to defend, indemnify and hold harmless COMPANY and TALENT and its officers, directors, members, and employees, agents, affiliates and successors and assigns from and against any and all losses, damages, claims, suits, proceedings, liabilities, costs, and expenses (including, without limitation, settlement costs, interest, penalties, and reasonable attorneys' fees and any reasonable legal or other expenses for investigation or defense of any actions or threatened actions) (collectively "Damages") which may be imposed on, sustained, incurred or suffered by COMPANY or TALENT. as a result of, relating to, arising out of, or in connection with (a) any negligence or willful misconduct of CLIENT; or (b) any breach of any term or provision of this agreement by CLIENT; or (c) CLIENT's
violation of any rule, regulation, requirement or law of any federal, state or local governmental authority.

12. Confidentiality:

12.1. Parties agree that the provisions of this Agreement shall be kept strictly confidential at all times, with the exception of their respective financial and professional advisors and representatives or as may be required by law or any legal or regulatory authority. This Clause shall survive the expiry or termination of this Agreement.

13. Representations and Warranties:

13.1. The Parties represent, warrant and covenant that:

13.1.1. Each Party hereto has the right(s) to grant the rights granted herein and to fully perform all of their respective obligations under this Agreement;

13.1.2. Any material supplied by any Party under this Agreement will be original to that Party (except for material in the public domain) and will not infringe upon the copyright or any other right or interest of any third party;

13.1.3. Each Party will be in compliance with all federal, state and local laws, statutes, regulations and ordinances affecting or relating to activities under this Agreement;

13.1.4. The services performed by any Party will be rendered using sound, professional practices and in accordance with the highest industry standards; and

13.1.5. There are no claims, litigation or other proceedings pending or threatened against any Party that impacts that Party's ability to perform hereunder.

14. Notices:

14.1 For purposes of this Agreement, notices and all other communications provided for herein shall be in writing and shall be deemed to have been duly given:

14.1.1 When personally delivered; or

14.1.2 One business day after being sent by Federal Express (or other nationally recognized overnight express delivery service); or

14.1.3 Three (3) business days after being sent by United States registered or certified mail, return receipt requested, postage prepaid, addressed as first set forth above. Any notices to Agency and Client should be sent with a copy to Attn:

14.2 Any notices to COMPANY and Talent shall be sent with a copy to:

[***]
[***]
[***]

15. Applicable Law and Arbitration:

15.1. This Agreement will be construed and enforced under and subject to the laws of the State of California.

15.2. In the event that any dispute arises out of this Agreement, the Parties hereto agree to meet in good faith in order to resolve the dispute amicably.

15.3. As the exclusive means of resolving through adversarial dispute resolution any disputes arising out of this agreement – including, but not limited to, including the validity, invalidity, performance, breach, expiry or termination thereof – a party may demand that any such dispute be resolved by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, and each party hereby consents to any such disputes being so resolved. Judgment on the award rendered in any such arbitration may be entered in any court having jurisdiction.

15.3.1. The arbitration shall take place in Los Angeles, California, U.S.A and the language of the procedure shall be English. The arbitral tribunal will be composed of one (1) arbitrator who will be designated in accordance with the Rules.

16. Final Provisions:

16.1. The Parties shall not be entitled to transfer any rights and/or obligations under this Agreement, without the prior written approval of the other Party. CLIENT shall nonetheless be entitled to assign its rights and obligations hereunder to any company belonging to the CLIENT, such as but not limited to in the event of a corporate restructuring. Such transfer shall under no circumstances operate so as to change the BRAND which TALENT is endorsing.

16.2. Nothing in this Agreement shall be construed as establishing a partnership or joint venture between the Parties and neither Party shall have the authority to bind or obligate the other in any manner outside the scope of this Agreement.

16.3. In case of contradictions and/or discrepancies between this Agreement and any appendices, the Parties agree that the terms of the Agreement shall prevail.

16.4. **Drafting Acknowledgment.** By executing the Agreement, the Parties agree that any construction of the intent of the Parties, or language hereof, to be made by a court of law shall be neutral, and that no ambiguity as to any of the terms or provisions of the Agreement shall be construed against any of the Parties hereto as drafter.

16.5. **Integration and Amendment.** No other understanding not specifically referred to herein, oral or otherwise, shall be deemed to exist or bind the Parties, and any such
understandings, oral or otherwise, not specifically referred to herein shall be merged into this Agreement and superseded by the provisions hereof. This Agreement may be amended only by a subsequent agreement in writing signed by the Parties.

16.6. **Severability.** If any provision of this Agreement shall be held by a court or other tribunal of competent jurisdiction to be unenforceable, then such provision shall be excised here from and the remaining provisions of this Agreement and parts thereof shall remain in full force and effect.

16.7. **No Waiver.** No waiver of a provision by one Party shall inhibit that Party's ability to later reasonably enforce said provision.

SIGNED on 14 April 2021 for the Parties by the persons below, each duly authorized.

ACCEPTED AND AGREED:

SA HOLIDAY, INC,		**GAMING TECHNOLOGIES, INC.**	
By:	/s/ [***]	By:	/s/ Jason Drummond
Name:	[***]	Name:	JASON DRUMMOND
Title:	SECRETARY	Title:	CEO

EXHIBIT A

FRONT

BACK

LOGO NAME: VALE.NET
POSITION: BACK/ BELOW BELT

Exhibit 31.1

CERTIFICATION

I, Jason Drummond, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Gaming Technologies, 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 15-d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

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

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

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

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

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

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

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

Date: August 16, 2021

By: /s/ Jason Drummond
Name: Jason Drummond
Title: President, Chief Executive Officer,
Chief Financial Officer and Secretary

Exhibit 32.1

CERTIFICATION

In connection with the quarterly report of Gaming Technologies, Inc. (the "Company") on Form 10-Q for the quarter ended June 30, 2021, as filed with the Securities and Exchange Commission (the "Report"), I, Jason Drummond, Chief Executive Officer and President (Principal Executive Officer) and Chief Financial Officer (Principal Financial Officer) of the Company, hereby certify as of the date hereof, solely for purposes of Title 18, Chapter 63, Section 1350 of the United States Code, that to the best of my 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.

Date: August 16, 2021

By: /s/ Jason Drummond
Name: Jason Drummond
Title: President, Chief Executive Officer,
Chief Financial Officer and Secretary

This certification is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of the Company. under the Securities Act of 1933, as amended, or the Exchange Act (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing. A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Cover - shares	6 Months Ended Jun. 30, 2021	Aug. 16, 2021
Entity Addresses [Line Items]		
Document Type	10-Q	
Amendment Flag	false	
Document Quarterly Report	true	
Document Transition Report	false	
Document Period End Date	Jun. 30, 2021	
Document Fiscal Period Focus	Q2	
Document Fiscal Year Focus	2021	
Current Fiscal Year End Date	--12-31	
Entity File Number	333-249998	
Entity Registrant Name	Gaming Technologies, Inc.	
Entity Central Index Key	0001816906	
Entity Tax Identification Number	35-2675083	
Entity Incorporation, State or Country Code	DE	
Entity Address, Address Line One	Two Summerlin	
Entity Address, City or Town	Las Vegas	
Entity Address, State or Province	NV	
Entity Address, Postal Zip Code	89135	
City Area Code	833	
Local Phone Number	888-4648	
Entity Current Reporting Status	Yes	
Entity Interactive Data Current	Yes	
Entity Filer Category	Non-accelerated Filer	
Entity Small Business	true	
Entity Emerging Growth Company	true	
Elected Not To Use the Extended Transition Period	false	
Entity Shell Company	false	
Entity Common Stock, Shares Outstanding		30,986,674
Former Address [Member]		
Entity Addresses [Line Items]		
Entity Address, Address Line One	413 West 14th Street	
Entity Address, City or Town	New York	
Entity Address, State or Province	NY	
Entity Address, Postal Zip Code	10014	

CONDENSED CONSOLIDATED BALANCE SHEETS Unaudited - USD ($)	Jun. 30, 2021	Dec. 31, 2020
Current assets:		
Cash	$ 306,719	$ 1,946,232
Deposits and other current assets	162,839	37,917
Total current assets	469,558	1,984,149
Property and equipment, net	8,321	8,503
Operating lease right of use asset, net	0	11,968
Intellectual property, net	190,241	50,967
Total assets	668,120	2,055,587
Current liabilities:		
Accounts payable and accrued expenses	476,056	368,784
Due to related parties	12,588	14,918
Current portion of note payable, bank	13,990	2,241
Current portion of operating lease liability	0	11,968
Total current liabilities	502,634	397,911
Note payable, bank	50,992	62,741
Total liabilities	553,626	460,652
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $0.001 par value; authorized -5,000,000 shares; issued - none	0	0
Common stock, $0.001 par value; authorized - 45,000,000 shares; issued and outstanding - 30,521,059 shares and 28,367,525 shares at June 30, 2021 and December 31, 2020, respectively	30,521	28,367
Additional paid-in capital	14,698,188	9,551,507
Accumulated other comprehensive income	(40,410)	(18,746)
Accumulated deficit	(14,573,805)	(7,966,193)
Total stockholders' equity	114,494	1,594,935
Total liabilities and stockholders' equity	$ 668,120	$ 2,055,587

CONDENSED CONSOLIDATED BALANCE SHEETS Unaudited (Parenthetical) - $ / shares	Jun. 30, 2021	Dec. 31, 2020
Statement of Financial Position [Abstract]		
Preferred stock, par value	$ 0.001	$ 0.001
Preferred stock, shares authorized	5,000,000	
Preferred stock, shares issued	0	0
Preferred stock, shares outstanding	0	0
Common stock, par value	$ 0.001	$ 0.001
Common stock, shares authorized	45,000,000	45,000,000
Common stock, shares issued	30,521,059	28,367,525
Common stock, shares outstanding	30,521,059	28,367,525

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS (UNAUDITED) - USD ($)	3 Months Ended		6 Months Ended	
	Jun. 30, 2021	Jun. 30, 2020	Jun. 30, 2021	Jun. 30, 2020
Income Statement [Abstract]				
Revenue	$ 23,321	$ 0	$ 25,410	$ 0
Costs and Expenses:				
Cost of revenues	91,318	0	273,581	0
Software development, including amortization of intellectual property of $15,150 and $14,697 in the three months ended June 30, 2021 and 2020, respectively and $35,071 and $30,011 in the six months ended June 30, 2021 and 2020, respectively	114,460	14,697	132,863	34,802
General and administrative:				
Officers, directors, affiliates, and other related parties	155,727	148,914	447,582	234,423
Other (including stock compensation costs of $20,833 and $1,467,335 in the three and six months ended June 30, 2021, respectively)	3,888,605	199,942	5,778,996	327,072
Total Costs and expenses	4,250,110	363,553	6,633,022	596,297
Loss from operations	(4,226,789)	(363,553)	(6,607,612)	(596,297)
Other income (expense):				
Interest expense	0	(2,083)	0	(2,995)
Foreign currency gain or (loss)	0	(1,042)	0	(18,890)
Total other expense, net	0	(3,125)	0	(21,885)
Net loss	(4,226,789)	(366,678)	(6,607,612)	(618,182)
Foreign currency translation adjustment	(8,491)	9,976	(21,664)	9,976
Comprehensive loss	$ (4,235,280)	$ (356,702)	$ (6,629,276)	$ (608,206)
Net loss per common share - basic and diluted	$ (0.14)	$ (0.05)	$ (0.22)	$ (0.02)
Weighted average common shares outstanding - basic and diluted	30,521,059	7,518,094	30,033,705	24,689,545

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS (UNAUDITED) (Parenthetical) - USD ($)	3 Months Ended		6 Months Ended	
	Jun. 30, 2021	Jun. 30, 2020	Jun. 30, 2021	Jun. 30, 2020
Income Statement [Abstract]				
Amortization of intellectual property	$ 15,150	$ 14,697	$ 35,071	$ 30,011
Stock compensation costs	$ 20,833		$ 1,467,335	$ 0

CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIENCY) (UNAUDITED) - USD ($)	Common Stock [Member]	Additional Paid-in Capital [Member]	AOCI Attributable to Parent [Member]	Retained Earnings [Member]	Total
Beginning balance, value at Dec. 31, 2019	$ 24,614	$ 1,040,199	$ 2,766	$ (754,376)	$ 313,203
Beginning balance, shares at Dec. 31, 2019	24,614,325				
Common stock issued in connection with private placement, net	$ 84	209,916			210,000
Common stock issued in connection with private placement, net, shares	84,000				
Acquisition of Game Tech		12,061			12,061
Foreign currency translation adjustment			9,976		9,976
Net loss				(618,182)	(618,182)
Ending balance, value at Jun. 30, 2020	$ 24,698	1,262,176	12,742	(1,372,558)	(72,942)
Ending balance, shares at Jun. 30, 2020	24,698,325				
Beginning balance, value at Mar. 31, 2020	$ 24,698	1,262,176	10,229	(1,005,880)	291,223
Beginning balance, shares at Mar. 31, 2020	24,698,325				
Common stock issued in connection with private placement, net					
Common stock issued in connection with private placement, net, shares					
Acquisition of Game Tech					
Foreign currency translation adjustment			2,513		2,513
Net loss				(366,678)	(366,678)
Ending balance, value at Jun. 30, 2020	$ 24,698	1,262,176	12,742	(1,372,558)	(72,942)
Ending balance, shares at Jun. 30, 2020	24,698,325				
Beginning balance, value at Dec. 31, 2020	$ 28,367	9,551,507	(18,746)	(7,966,193)	1,594,935
Beginning balance, shares at Dec. 31, 2020	28,367,525				

Common stock issued in connection with private placement, net	$ 1,617	3,679,883			3,681,500
Common stock issued in connection with private placement, net, shares	1,616,600				
Common stock issued as compensation	$ 537	1,466,798			1,467,335
Common stock issued as compensation, shares	536,934				
Foreign currency translation adjustment			(21,664)		(21,664)
Net loss				(6,607,612)	(6,607,612)
Ending balance, value at Jun. 30, 2021	$ 30,521	14,698,188	(40,410)	(14,573,805)	114,494
Ending balance, shares at Jun. 30, 2021	30,521,059				
Beginning balance, value at Mar. 31, 2021	$ 30,521	14,677,355	(31,919)	(10,347,016)	4,328,941
Beginning balance, shares at Mar. 31, 2021	30,521,059				
Common stock issued in connection with private placement, net					
Common stock issued as compensation		20,833			20,833
Foreign currency translation adjustment			(8,491)		(8,491)
Net loss				(4,226,789)	(4,226,789)
Ending balance, value at Jun. 30, 2021	$ 30,521	$ 14,698,188	$ (40,410)	$ (14,573,805)	$ 114,494
Ending balance, shares at Jun. 30, 2021	30,521,059				

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED) - USD ($)	6 Months Ended	
	Jun. 30, 2021	Jun. 30, 2020
Cash flows from operating activities:		
Net loss	$ (6,607,612)	$ (618,182)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	5,146	3,844
Interest expense subsidy	0	(86)
Amortization of intellectual property	35,342	30,011
Amortization of accrued lending fee	0	(599)
Amortization of operating lease right of use asset	11,968	21,870
Stock compensation	1,467,335	0
Foreign currency gain / (loss)	0	18,890
Changes in operating assets and liabilities:		
Due from related parties	0	(53,727)
Deposits and other current assets	(124,922)	(2,377)
Accounts payable and accrued expenses	107,272	196,341
Due to related parties	(2,330)	2,312
Operating lease liability	(11,968)	(21,870)
Accrued interest payable	0	86
Net cash used in operating activities	(5,119,769)	(423,487)
Cash flows from investing activities:		
Purchase of intellectual property	(174,616)	0
Purchase of property and equipment	(4,964)	(5,266)
Net cash used in investing activities	(179,580)	(5,266)
Cash flows from financing activities:		
Proceeds from private placement of common stock	3,681,500	210,000
Proceeds from note payable bank	0	60,623
Repayment of note payable related party	0	(35,508)
Repayment of cancelled common stock subscription	0	(60,000)
Net cash provided by financing activities	3,681,500	175,115
Effect of exchange rate on cash	(21,664)	(9,965)
Cash:		
Net decrease	(1,639,513)	(263,603)
Balance at beginning of year	1,946,232	320,402
Balance at end of year	306,719	56,799
Supplemental disclosures of cash flow information:		
Interest	0	3,593
Income taxes	0	0
Non-cash investing and financing activities:		
Accrued interest payable contributed to capital by related parties	$ 0	$ 12,061

Organization and Basis of Presentation	6 Months Ended Jun. 30, 2021
Organization, Consolidation and Presentation of Financial Statements [Abstract]	
Organization and Basis of Presentation	

1. Organization and Basis of Presentation

Organization and Combination

Gaming Technologies, Inc. (formerly Dito, Inc.,) (“Gaming US”) was incorporated in the State of Delaware on July 23, 2019. Effective as of March 18, 2020, Gaming US completed a Share Exchange Agreement (the "Exchange Agreement") to acquire all of the outstanding ordinary shares of Gaming Technologies Limited, formerly Gaming UK Limited, (“Gaming UK”) that provided for each outstanding ordinary share of Gaming UK to be effectively converted into 25 shares of common stock of Gaming US. As a result, Gaming UK became a wholly-owned subsidiary of Gaming US in a recapitalization transaction (collectively, the “Company”). On December 21, 2020, the Company changed its name from Dito, Inc. to Gaming Technologies Inc.

Gaming UK was originally formed as Smart Tower Limited on November 3, 2017 in the United Kingdom for the purpose of software development. On June 29, 2018, Smart Tower Limited changed its name to NENX Gaming Limited and then to Gaming UK Limited on July 29, 2019 and to Gaming Technologies Limited on January 7, 2021.

Gaming US maintains its principal executive offices in Las Vegas, Nevada, United States. Gaming UK maintains its principal executive offices in London, England.

Business Operations

The Company is a mobile games developer, publisher, and operator with offices in London and Las Vegas. The Company intends to license its software platform to mobile gaming operators and developers to enable rapid development of new games. In addition, the Company operates an online gaming operation in Mexico through its web site vale.mx.

On November 13, 2020, we entered into an Agreement for the Provision of Online Gaming Management and Consulting Services (as subsequently amended) with Comercial de Juegos de la Frontera, S.A. de C.V., a Mexican company doing business as Big Bola, pursuant to which we provide to Big Bola consulting and management services related to their interactive online betting and gaming business in Mexico via the web site www.vale.mx, a regulated online casino and sports betting site. vale.mx operates under Big Bola’s existing license issued by the General Directorate of Games and Raffles of the Ministry of Interior (SEGOB). Big Bola is one of only 14 operators legally authorized to offer legal betting and online casino services in Mexico. vale.mx has more than 500 online premium casino games available, which can be enjoyed both on mobile or via desktop. Players can receive promotions and play live roulette and blackjack, or high-definition slots from leading software providers such as NetEnt, Microgaming, Pragmatic Play, Evolution and Matrix Studios. We are responsible for player acquisition, promotion and retention for vale.mx. We manage players’ accounts and are required to ensure that the balance in players’ accounts at all times satisfies the requirements under applicable law, and we pay out winnings to players from Big Bola’s account. While Big Bola bears liability to the players as provided by the permit, as between us and Big Bola we bear the costs of this obligation. Each party indemnifies the other against certain liabilities and claims. Under the terms of the agreement, we share 60% of gross gaming revenue generated from the platform, subject to certain minimum guaranteed monthly amounts of Big Bola’s participation in the remaining gross gaming revenues. This venture began operations in February 2021.

On May 19, 2021, we entered into a non-exclusive license agreement with Playboy Enterprises International, Inc. (“Playboy”) to use certain trademarks (including the rabbit head logo) and other intellectual property of Playboy on and in connection with the design, creation, promotion, marketing, advertisement, sales, operation, maintenance and distribution in India of real-money game mobile apps, such as rummy, poker, fantasy sports and other games of skill approved by Playboy. We will pay Playboy as a royalty a percentage of net gaming revenue. The term of the agreement is through the end of 2025, subject to early termination upon certain events of default, which include our failure to launch a Playboy-branded game in India by November 1, 2021, or to meet certain annual minimum net gaming revenue targets.

Going Concern

The Company's condensed consolidated financial statements have been presented on the basis that the Company is a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. As reflected in the accompanying condensed consolidated financial statements, the Company has had no significant operating revenues to date, and has experienced recurring net losses from operations and negative operating cash flows. During the six months ended June 30, 2021, the Company incurred a net loss of $6,607,612 utilized cash in operating activities of $5,119,769, and had an accumulated deficit of $14,573,805 as of June 30, 2021. The Company has financed its working capital requirements since inception through the sale of its equity securities and from borrowings.

At June 30, 2021, the Company had cash of $306,719, reflecting cash of $3,681,500 from the sale of common stock in the first quarter of 2021 and marketing development costs of $3,524,643. The Company estimates that a significant amount of capital will be necessary over a sustained period of time to advance the development of the Company's business to the point at which it can become commercially viable and self-sustaining. However, there can be no assurances that the Company will be successful in this regard.

As a result, management has concluded that there is substantial doubt about the Company's ability to continue as a going concern within one year of the date that the accompanying condensed consolidated financial statements are issued. In addition, the Company's independent registered public accounting firm, in their report on the Company's condensed consolidated financial statements for the year ended December 31, 2020, has also expressed substantial doubt about the Company's ability to continue as a going concern. The ability of the Company to continue as a going concern is dependent upon the Company's ability to raise additional funds and implement its business plan, and to ultimately achieve sustainable operating revenues and profitability. The accompanying condensed consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

The development and expansion of the Company's business in 2021 and thereafter will be dependent on many factors, including the capital resources available to the Company. No assurances can be given that any future financing will be available or, if available, that it will be on terms that are satisfactory to the Company or adequate to fund the development and expansion of the Company's business to a level that is commercially viable and self-sustaining. There is also significant uncertainty as to the effect that the coronavirus pandemic may have on the availability, amount and type of financing in the future.

If cash resources are insufficient to satisfy the Company's ongoing cash requirements, the Company would be required to scale back or discontinue its operations, obtain funds, if available, although there can be no certainty, through strategic alliances that may require the Company to relinquish rights to its technology, or to discontinue its operations entirely.

Summary of Significant Accounting Policies

6 Months Ended Jun. 30, 2021

Accounting Policies [Abstract]

Summary of Significant Accounting Policies

2. Summary of Significant Accounting Policies

Principles of Combination

The accompanying condensed consolidated financial statements of the Company have been prepared in accordance with United States generally accepted accounting principles ("GAAP") and include the financial statements of Gaming US and its wholly-owned foreign subsidiary, Gaming UK. Intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Management bases its estimates on historical experience and on various assumptions that are believed to be reasonable in relation to the financial statements taken as a whole under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Management regularly evaluates the key factors and assumptions used to develop the estimates utilizing currently available information, changes in facts and circumstances, historical experience and reasonable assumptions. After such evaluations, if deemed appropriate, those estimates are adjusted accordingly. Actual results could differ from those estimates. Significant estimates are expected to include those related to assumptions used in calculating accruals for potential liabilities, valuing equity instruments issued for services, and the realization of deferred tax assets.

Cash

The Company maintains its cash balances with financial institutions with high credit ratings. The Company has not experienced any losses to date resulting from this practice.

As of June 30, 2021 and December 31, 2020, the Company's cash balances by currency consisted of the following:

	June 30, 2021	December 31, 2020
GBP	£ 14,297	£ 49,127
USD	$ 286,988	$ 1,879,166

Cash balances in British Pounds are maintained in the United Kingdom and cash balances in United States Dollars are maintained in the United States.

Concentration of Risk

The Company may periodically contract with consultants and vendors to provide services related to the Company's business development activities. Agreements for these services may be for a specific time period or for a specific project or task. The Company did not have any agreements at June 30, 2021 or December 31, 2020.

Revenue Recognition

The Company recognizes revenue in accordance with ASC Topic 606, *Revenue From Contracts With Customers*. ASC Topic 606 requires companies to recognize revenue in a manner that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In addition, the standard requires disclosures of the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. Revenue is recognized based on the following five step model:

- Identification of the contract with a customer
- Identification of the performance obligations in the contract
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations in the contract
- Recognition of revenue when, or as, the Company satisfies a performance obligation

The Company operates an online betting platform allowing users to place wagers on casino games. Each wager placed by users create a single performance obligation for the Company to administer each event wagered. Net gaming revenue is the aggregate of gaming wins and losses based on results of each event that customers wager bets on. Gross gaming revenue is split with our partners, whose share of gross gaming revenue is recorded as a reduction to net gaming revenue.

Cost of Revenue

Cost of revenue consists primarily of variable costs related to our contract with Big Bola. These include mainly (i) payment processing fees and chargebacks, (ii) product taxes, (iii) technology costs, (iv) revenue share / market access arrangements, and (v) feed / provider services. The Company incurs payment processing fees on user deposits, withdrawals and deposit reversals from payment processors ("chargebacks"). Chargebacks have not been material to date. Cost of revenue also includes expenses related to the distribution of our services, amortization of intangible assets and compensation of revenue associated personnel.

Stock-Based Compensation

The Company issues common stock and intends to issue stock options to officers, directors and consultants for services rendered. Options will vest and expire according to terms established at the issuance date of each grant. Stock grants, which are generally time vested, will be measured at the grant date fair value and charged to operations ratably over the vesting period.

The fair value of stock options granted as stock-based compensation will be determined utilizing the Black-Scholes option-pricing model, and can be affected by several variables, the most significant of which are the life of the equity award, the exercise price of the stock option as compared to the fair market value of the common stock on the grant date, and the estimated volatility of the common stock. Estimated volatility will be based on the historical volatility of the Company's common stock over an appropriate calculation period, or, if not available, by reference to the volatility of a representative sample of comparable public companies. The risk-free interest rate will be based on the U.S. Treasury yield curve in effect at the time of grant. The fair market value of the common stock will be determined by reference to the quoted market price of the Company's common stock on the grant date, or, if not available, by reference to an appropriate alternative valuation methodology.

The Company will recognize the fair value of stock-based compensation awards in general and administrative costs or in software development costs, as appropriate, in the Company's condensed consolidated statements of operations. The Company will issue new shares of common stock to satisfy stock option exercises.

As of June 30, 2021 and December 31, 2020, the Company did not have any outstanding stock options.

Comprehensive Income (Loss)

Comprehensive income or loss is defined as the change in equity during a period from transactions and other events and circumstances from non-owner sources. Components of comprehensive income or loss, including net income or loss, unrealized gains or losses on available-for-sale securities, unrealized gains or losses on other financial investments, unrealized gains or losses on pension and retirement benefit plans, and foreign currency translation adjustments, are reported in the financial statements in the period in which they are recognized. Net income (loss) and other comprehensive income (loss) are reported net of any related tax effect to arrive at comprehensive income (loss). The Company's comprehensive income (loss) for the three months ended June 30, 2021 and 2020 consists of foreign currency translation adjustments.

Earnings (Loss) Per Share

The Company's computation of earnings (loss) per share ("EPS") includes basic and diluted EPS. Basic EPS is measured as the income (loss) attributable to common stockholders divided by the weighted average common shares outstanding for the period. Diluted EPS is similar to basic EPS but presents the dilutive effect on a per share basis of potential common shares (e.g., convertible notes payable, convertible preferred stock, warrants and stock options) as if they had been converted at the beginning of the periods presented, or issuance date, if later. Potential common shares that have an anti-dilutive effect (i.e., those that increase income per share or decrease loss per share) are excluded from the calculation of diluted EPS.

Loss per common share is computed by dividing net loss by the weighted average number of shares of common stock outstanding during the respective periods. At June 30, 2021 and December 31, 2020, the Company excluded warrants to acquire 234,000 shares of common stock from its calculation of loss per share as their effect would be antidilutive. Basic and diluted loss per common share is the same for all periods presented because the aforementioned warrants were antidilutive.

The Company has adopted ASU 2017-11, Earnings per share (Topic 260), provided that when determining whether certain financial instruments should be classified as liability or equity instruments, a down round feature no longer precludes equity classification when assessing whether the instrument is indexed to an entity’s own stock.

Fair Value of Financial Instruments

The authoritative guidance with respect to fair value established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels and requires that assets and liabilities carried at fair value be classified and disclosed in one of three categories, as presented below. Disclosure as to transfers in and out of Levels 1 and 2, and activity in Level 3 fair value measurements, is also required.

Level 1. Observable inputs such as quoted prices in active markets for an identical asset or liability that the Company has the ability to access as of the measurement date. Financial assets and liabilities utilizing Level 1 inputs include active-exchange traded securities and exchange-based derivatives.

Level 2. Inputs, other than quoted prices included within Level 1, which are directly observable for the asset or liability or indirectly observable through corroboration with observable market data. Financial assets and liabilities utilizing Level 2 inputs include fixed income securities, non-exchange-based derivatives, mutual funds, and fair-value hedges.

Level 3. Unobservable inputs in which there is little or no market data for the asset or liability which requires the reporting entity to develop its own assumptions. Financial assets and liabilities

utilizing Level 3 inputs include infrequently-traded non-exchange-based derivatives and commingled investment funds and are measured using present value pricing models.

The Company will determine the level in the fair value hierarchy within which each fair value measurement falls in its entirety, based on the lowest level input that is significant to the fair value measurement in its entirety. In determining the appropriate levels, the Company will perform an analysis of the assets and liabilities at each reporting period end.

The carrying value of financial instruments (consisting of cash and accounts payable and accrued expenses) is considered to be representative of their respective fair values due to the short-term nature of those instruments.

Foreign Currency

The accompanying condensed consolidated financial statements are presented in United States dollars ("USD"). The functional currency of Gaming UK, the Company's foreign subsidiary, is the British Pound (“GBP”), the local currency in the United Kingdom. Accordingly, assets and liabilities of the foreign subsidiary are translated at the current exchange rate at the end of the period, and revenues and expenses are translated at average exchange rates during the six months ended June 30, 2021 and the year ended December 31, 2020. The resulting translation adjustments are recorded as a component of shareholders' equity (deficiency). Gains and losses from foreign currency transactions are included in net income (loss).

Translation of amounts from the local currencies of the foreign subsidiary, Gaming UK, into USD has been made at the following exchange rates for the respective periods:

	As of and for the	
	Six months ended June 30, 2021	**Year ended December 31, 2020**
Period-end GBP to USD1.00 exchange rate	1.3801	1.3652
Period-average GBP to USD1.00 exchange rate	1.3885	1.2825

Recent Accounting Pronouncements

In June 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments ("ASU 2016-13"). ASU 2016-13 significantly changes how entities measure credit losses for most financial assets, including accounts and notes receivables. ASU 2016-13 will replace the current "incurred loss" approach with an “expected loss” model, under which companies will recognize allowances based on expected rather than incurred losses. Entities will apply the provisions of ASU 2016-13 as a cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period in which ASU 2016-13 is effective. As small business filer, ASU 2016-13 will be effective for the Company for interim and annual reporting periods beginning after December 15, 2022. Management is currently in the process of assessing the impact of adopting ASU-2016-13 on the Company's financial statements and related disclosures.

In August 2020, the FASB issued ASU 2020-06, Debt — Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity’s Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity’s Own Equity (“ASU 2020-06). ASU 2020-06 simplifies the accounting for convertible debt by eliminating the beneficial conversion and cash conversion accounting models. Upon adoption of ASU 2020-06, convertible debt proceeds, unless issued with a substantial premium or an embedded conversion feature that is not clearly and closely related to the host contract, will no longer be allocated between debt and equity components. This modification will reduce the issue discount and result in

less non-cash interest expense in financial statements. ASU 2020-06 also updates the earnings per share calculation and requires entities to assume share settlement when the convertible debt can be settled in cash or shares. ASU 2020-06 will be effective January 1, 2024, and a cumulative-effect adjustment to the opening balance of retained earnings is required upon adoption. Early adoption is permitted, but no earlier than January 1, 2021, including interim periods within that year. The Company adopted ASU 2020-06 effective January 1, 2021. The adoption of ASU 2020-06 did not have any impact on the Company’s consolidated financial statement presentation or disclosures.

Other recent accounting pronouncements issued by the FASB, including its Emerging Issues Task Force, the American Institute of Certified Public Accountants, and the Securities and Exchange Commission did not or are not believed by management to have a material impact on the Company's present or future condensed consolidated financial statements and related disclosures.

Property and Equipment

6 Months Ended
Jun. 30, 2021

Property, Plant and Equipment [Abstract]

Property and Equipment

3. Property and Equipment

Property and equipment as of June 30, 2021 and December 31, 2020 is summarized as follows:

	June 30, 2021	December 31, 2020
Computer and office equipment	$ 32,445	$ 27,307
Less accumulated depreciation	(24,124)	(18,804)
Computer and office equipment, net	$ 8,321	$ 8,503

All of the Company's property and equipment is located in the United Kingdom. Depreciation expense for the six months ended June 30, 2021 and 2020 was $5,320 and $3,844, respectively. Depreciation expense is included in general and administrative costs in the Company's condensed consolidated statement of operations.

Intellectual Property

6 Months Ended
Jun. 30, 2021

Goodwill and Intangible Assets Disclosure [Abstract]

Intellectual Property

4. Intellectual Property

Intellectual property as of June 30, 2021 and December 31, 2020 is summarized as follows:

	June 30, 2021	December 31, 2020
Software	$ 194,978	$ 194,978
Internet domain name	187,400	13,055
Total intellectual property	382,378	208,033
Less accumulated amortization	(192,137)	(157,066)
Intellectual property, net	$ 190,241	$ 50,967

Amortization expense for the six months ended June 30, 2021 and 2020 was $35,071 and $30,011, respectively. Amortization expense is included in software development costs in the Company's condensed consolidated statement of operations.

Note Payable to Bank

Debt Disclosure [Abstract]

Note Payable to Bank

6 Months Ended
Jun. 30, 2021

5. Note Payable to Bank

On June 9, 2020, Gaming UK received an unsecured loan of $60,600 (equivalent to 47,600£) from Metro Bank PLC under the Bounce Bank Loan Scheme managed by the British Business Bank on behalf of, and with the financial backing of, The Secretary of State for Business, Energy and Industrial Strategy of the Government of the United Kingdom. The Government of the United Kingdom has provided a full guarantee to Metro Bank PLC with respect to the repayment of this loan. The proceeds from the loan are required to be used for working capital purposes, for investment in a company's business, and to support trading or commercial activity in the United Kingdom. The loan is for a term of 72 months and has a fixed interest rate of 2.5% per annum. Gaming UK is not required to make any payments of interest on the loan during the first 12 months of this loan, with such amount being paid by the Government of the United Kingdom under its business interruption payment program. Beginning in the 13th month after the drawdown of the loan, Gaming UK will be required to repay the loan by making 60 equal monthly payments of principal and interest aggregating $1,076 (equivalent to 845£) per month. During the six months ended June 30, 2021, the Company recorded interest expense of $731, with respect to this loan, which was paid by the Government of the United Kingdom under this program. As of June 30, 2021, $64,982 was due under this note, of which, $13,990 was reflected as current portion due.

Maturities of long-term debt for each of the next five years and thereafter are as follows:

Year ended December 31,	Amount
2021	$ 2,241
2022	10,137
2023	10,137
2024	10,137
2025	10,137
Thereafter	22,193
Total payments	64,982
Less current portion	13,990
	$ 50,992

Related Party Transactions	6 Months Ended Jun. 30, 2021
Related Party Transactions [Abstract]	
Related Party Transactions	**6. Related Party Transactions**

During the six months ended June 30, 2021 and 2020, the Company paid base salary, and a bonus of £75,000, totaling $390,307 and $165,081 to Jason Drummond, the Company's sole director and executive officer.

As of June 30, 2021 and December 31, 2020, $12,588 and $14,918 was due to officers. The advances were unsecured, non-interest bearing with no formal terms of repayment.

Stockholders' Equity

Equity [Abstract]
Stockholders' Equity

6 Months Ended
Jun. 30, 2021

7. Stockholders' Equity

Preferred Stock

The Company has authorized a total of 5,000,000 shares of preferred stock, par value $0.001 per share. No preferred shares have been designated by the Company as of June 30, 2021 and December 31, 2020.

Common Stock

The Company is authorized to issue up to 45,000,000 shares of common stock, par value $0.001 per share. As of June 30, 2021 and December 31, 2020, the Company had 30,521,059 and 28,367,525 shares of common stock issued and outstanding, respectively.

Private Placement of Common Stock

On February 3, 2021, Gaming Technologies, Inc. (the "Company") entered into a Securities Purchase Agreement with certain accredited investors ("Purchase Agreement"), pursuant to which the Company sold an aggregate of 1,606,600 shares of its Common Stock for gross proceeds of $4,016,500 in a private placement. The Company paid a finder's fee to registered brokers in the amount of $360,000 in connection with these transactions resulting in net proceeds to the Company of $3,656,500. In connection with the Purchase Agreement, the Company issued to certain registered brokers warrants to purchase an aggregate of 144,000 shares of common at an exercise price of $2.50 per share, with an expiration date 5 years from the date of issuance, pursuant to the terms of certain finder's fee agreements previously entered into by the Company and such brokers.

Under the terms of the Purchase Agreement, each investor was granted customary piggyback registration rights in the event the Company proposes to register the offer and sale of any shares of its common stock, subject to the limitations set forth in the Purchase Agreement, such as a registration statement solely relating to an offering or sale to employees or directors of the Company pursuant to employee stock plan or in connection with any dividend or distribution. The Purchase Agreement also provides the investors the option and right to participate in future capital raising transactions at the same purchase price and on the same terms and conditions as other investors participating in such transactions, for an aggregate purchase price of up to $6,000,000.

If, at any time during the twelve months following sale of the Shares, the Company issues or sells shares of common stock or common stock equivalents, except for certain exempt issuances as described in the Purchase Agreement, at a price below $2.50 per share, then immediately upon such issuance or sale, the Company will deliver to the investors that number of restricted shares of common stock equal to the difference between the number of Shares purchased by the investor pursuant to this Purchase Agreement and the number of shares of common stock the investor would have received for the investor's subscription amount at the dilutive issuance price.

In March 2021, the Company sold 10,000 shares of its Common Stock for gross proceeds of $25,000 in a private placement.

Consulting Agreements

On November 6, 2020, the Company entered into an agreement with a consultant to serve as a board advisor. The term of the agreement is for one year and may be renewed at the end of the term. Compensation consists of the following stock grants: 50,000 shares of the Company's common stock within seven days of the execution of the agreement which was valued at $125,000 and

recorded during the year ended December 31, 2020. In addition, 50,000 shares of the Company's common stock six months after the date of the agreement, which was May 6, 2021; 50,000 shares of the Company's common stock upon the first renewal of the agreement and 50,000 shares of the Company's common stock six months after the first renewal; and, 100,000 shares of the Company common stock at each of the following two renewal periods, if the agreement is renewed. The grant date fair value of $875,000 of these shares will be amortized over the service period. During the six months ended June 30, 2021, the Company amortized $125,000, representing the pro rata portion of the grant date fair value of the shares vesting during the period. As of June 30, 2021, $708,333 of unvested stock compensation will be amortized in future periods. The Company was obligated to issue a second tranche of 50,000 shares on May 6, 2021. These shares had not yet been issued as of the date of this filing.

In January 2021, the Company entered into two agreements with two consultants to provide investor relation services to the Company. The agreements are for a term of one year. The Company issued 200,000 shares of its common stock in exchange for the services. The common stock was valued at $500,000 at the time the agreements were executed.

In February 2021, the Company entered into an internet advertising campaign with a consultant. The contract is for a term of one year and calls for an initial non-refundable deposit of $20,000 upon the execution of the agreement and a payment of 333,334 shares of the Company's common stock valued at $833,335 on the date of issuance.

In March 2021, the Company issued 3,600 shares of its common stock to a consultant in exchange for consulting services. The fair market value of the services was $9,000.

Warrants

A summary of warrant activity for the six months ended June 30, 2021 is presented below:

	Warrants	Weighted average exercise price	Weighted average remaining contractual life (years)	Aggregate intrinsic value
Outstanding on December 31, 2020	90,000	$ 2.50	4.84	$ –
Granted	144,000	2.50	4.78	–
Exercised	–	–	–	–
Outstanding on June 30, 2021	234,000	$ 2.50	4.59	$ –

Stock-option plan

On May 21, 2021, the shareholders of the Company approved the Company's 2021 Equity Incentive Plan (the "2021 Plan"). The purposes of the 2021 Plan are to (a) enable the Company to attract and retain the types of employees, consultants and directors who will contribute to the Company's long-term success; (b) provide incentives that align the interests of employees, consultants, and directors with those of the shareholders of the Company; and (c) promote the success of the Company's business. The persons eligible to receive awards are the employees, consultants, and directors of the Company and such other individuals designated by the 2021 Plan's administrative committee (the Committee) who are reasonably expected to become employees, consultants, and directors after the receipt of Awards. Awards that may be granted under the Plan include: (a) Incentive Stock Options, (b) Non-qualified Stock Options, (c) Stock Appreciation Rights, (d) Restricted Awards, (e) Performance Share Awards, (f) Cash Awards, and (g) Other Equity-Based Awards. 3,000,000 shares are available for issuance under the 2021 Plan. The shares available for issuance may be increased annually by the lesser of four percent (4%) of the number of shares of common stock issued and outstanding on the immediately preceding December 31 or such number of shares of common stock as determined by the Committee no later than the immediately preceding December 31.

Commitments and Contingencies	6 Months Ended Jun. 30, 2021
Commitments and Contingencies Disclosure [Abstract]	
Commitments and Contingencies	

8. Commitments and Contingencies

Canelo Sponsorship Agreement

On April 14, 2021, we entered into a Sponsorship Agreement (the "Canelo Agreement") with SA Holiday, Inc. ("Holiday"), owner of the personality rights of champion professional boxer Saul Alvarez Barragan, or "Canelo," in connection with a promotional campaign for the Corporation to sponsor a prize fight and certain other activities of Canelo, and for Canelo to promote the Corporation's "VALE" brand and create certain promotional materials in connection therewith for the Corporation's use in the United States, Latin America and certain countries in the Caribbean. Pursuant to the Canelo Agreement we will, among other things, pay to Holiday a cash fee of US$1,600,000 and be responsible for paying certain other amounts as provided therein.

Playboy License Agreement

On May 19, 2021, we entered into a non-exclusive license agreement with Playboy Enterprises International, Inc. ("Playboy") to use certain trademarks (including the rabbit head logo) and other intellectual property of Playboy on and in connection with the design, creation, promotion, marketing, advertisement, sales, operation, maintenance and distribution in India of real-money game mobile apps, such as rummy, poker, fantasy sports and other games of skill approved by Playboy. We will pay Playboy as a royalty a percentage of net gaming revenue. The term of the agreement is through the end of 2025, subject to early termination upon certain events of default, which include our failure to launch a Playboy-branded game in India by November 1, 2021, or to meet certain annual minimum net gaming revenue targets.

Legal Contingencies

The Company may be subject to legal proceedings from time to time as part of its business activities. As of June 30, 2021 and December 31, 2020, the Company was not subject to any threatened or pending legal actions or claims.

Impact of COVID-19 on the Company

The global outbreak of COVID-19 has led to severe disruptions in general economic activities, as businesses and governments have taken broad actions to mitigate this public health crisis. Although the Company has not experienced any significant disruption to its business to date, these conditions could significantly negatively impact the Company's business in the future.

The extent to which the COVID-19 outbreak ultimately impacts the Company's business, future revenues, results of operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to, the duration and spread of the outbreak, its severity and longevity, the actions to curtail the virus and treat its impact (including an effective vaccine), and how quickly and to what extent normal economic and operating conditions can resume. Even after the COVID-19 outbreak has subsided, the Company may be at risk of experiencing a significant impact to its business as a result of the global economic impact, including any economic downturn or recession that has occurred or may occur in the future.

Currently, capital markets have been disrupted by the crisis, as a result of which the availability, amount and type of financing available to the Company in the near future is uncertain and cannot be assured and is largely dependent upon evolving market conditions and other factors.

The Company intends to continue to monitor the situation and may adjust its current business plans as more information and guidance become available.

Subsequent Events

6 Months Ended
Jun. 30, 2021

Subsequent Events [Abstract]

Subsequent Events

9. Subsequent Events

In August 2021, the Company sold 415,615 shares of common stock at a purchase price of $3.25 per share in a private placement for gross proceeds of $1,350,749. The Company agreed with the purchasers to file with the SEC by August 31, 2021, a registration statement on Form S-1 or other available form to register these shares under the Securities Act for resale, and to use its commercially reasonable efforts to cause such registration statement to become effective within 120 days after such date (or, in the event of a "full review" by the SEC staff, 150 calendar days after such date), and to keep such registration statement effective (with certain exceptions) until all such shares (i) have been sold, thereunder or pursuant to Rule 144 under the Securities Act, or (ii) may be sold without volume or manner-of-sale restrictions pursuant to Rule 144 and without the requirement for the Company to be in compliance with the current public information requirement under Rule 144. The Company will pay all expenses of such registration other than broker or similar commissions or fees or transfer taxes of any selling shareholder. The Company and each holder of such shares agreed to provide customary indemnifications to each other in connection with the registration statement. The Company also agreed to provide to such holders "piggyback" registration rights in certain circumstances. The Company agreed to pay a licensed broker a cash fee equal to 9% of the purchase price paid by certain investors for their shares, to reimburse it for certain expenses, and to issue to the broker warrants to purchase 9.0% of the total number of shares purchased by those investors, at an exercise price of $3.25 per share with a cashless exercise feature, with an expiration date 5 years from date of issuance and with other customary terms and conditions. As a result the Company paid a cash fee to the broker of $121,567 and issued warrants to purchase 37,405 shares of common stock.

Summary of Significant Accounting Policies (Policies)	6 Months Ended Jun. 30, 2021

Accounting Policies [Abstract]

Principles of Combination

Principles of Combination

The accompanying condensed consolidated financial statements of the Company have been prepared in accordance with United States generally accepted accounting principles ("GAAP") and include the financial statements of Gaming US and its wholly-owned foreign subsidiary, Gaming UK. Intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Management bases its estimates on historical experience and on various assumptions that are believed to be reasonable in relation to the financial statements taken as a whole under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Management regularly evaluates the key factors and assumptions used to develop the estimates utilizing currently available information, changes in facts and circumstances, historical experience and reasonable assumptions. After such evaluations, if deemed appropriate, those estimates are adjusted accordingly. Actual results could differ from those estimates. Significant estimates are expected to include those related to assumptions used in calculating accruals for potential liabilities, valuing equity instruments issued for services, and the realization of deferred tax assets.

Cash

Cash

The Company maintains its cash balances with financial institutions with high credit ratings. The Company has not experienced any losses to date resulting from this practice.

As of June 30, 2021 and December 31, 2020, the Company's cash balances by currency consisted of the following:

	June 30, 2021	December 31, 2020
GBP	£ 14,297	£ 49,127
USD	$ 286,988	$ 1,879,166

Cash balances in British Pounds are maintained in the United Kingdom and cash balances in United States Dollars are maintained in the United States.

Concentration of Risk

Concentration of Risk

The Company may periodically contract with consultants and vendors to provide services related to the Company's business development activities. Agreements for these services may be for a specific time period or for a specific project or task. The Company did not have any agreements at June 30, 2021 or December 31, 2020.

Revenue Recognition

Revenue Recognition

The Company recognizes revenue in accordance with ASC Topic 606, *Revenue From Contracts With Customers*. ASC Topic 606 requires companies to recognize revenue in a manner that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration

to which the entity expects to be entitled in exchange for those goods or services. In addition, the standard requires disclosures of the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. Revenue is recognized based on the following five step model:

- Identification of the contract with a customer
- Identification of the performance obligations in the contract
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations in the contract
- Recognition of revenue when, or as, the Company satisfies a performance obligation

The Company operates an online betting platform allowing users to place wagers on casino games. Each wager placed by users create a single performance obligation for the Company to administer each event wagered. Net gaming revenue is the aggregate of gaming wins and losses based on results of each event that customers wager bets on. Gross gaming revenue is split with our partners, whose share of gross gaming revenue is recorded as a reduction to net gaming revenue.

Cost of Revenue

Cost of Revenue

Cost of revenue consists primarily of variable costs related to our contract with Big Bola. These include mainly (i) payment processing fees and chargebacks, (ii) product taxes, (iii) technology costs, (iv) revenue share / market access arrangements, and (v) feed / provider services. The Company incurs payment processing fees on user deposits, withdrawals and deposit reversals from payment processors ("chargebacks"). Chargebacks have not been material to date. Cost of revenue also includes expenses related to the distribution of our services, amortization of intangible assets and compensation of revenue associated personnel.

Stock-Based Compensation

Stock-Based Compensation

The Company issues common stock and intends to issue stock options to officers, directors and consultants for services rendered. Options will vest and expire according to terms established at the issuance date of each grant. Stock grants, which are generally time vested, will be measured at the grant date fair value and charged to operations ratably over the vesting period.

The fair value of stock options granted as stock-based compensation will be determined utilizing the Black-Scholes option-pricing model, and can be affected by several variables, the most significant of which are the life of the equity award, the exercise price of the stock option as compared to the fair market value of the common stock on the grant date, and the estimated volatility of the common stock. Estimated volatility will be based on the historical volatility of the Company's common stock over an appropriate calculation period, or, if not available, by reference to the volatility of a representative sample of comparable public companies. The risk-free interest rate will be based on the U.S. Treasury yield curve in effect at the time of grant. The fair market value of the common stock will be determined by reference to the quoted market price of the Company's common stock on the grant date, or, if not available, by reference to an appropriate alternative valuation methodology.

The Company will recognize the fair value of stock-based compensation awards in general and administrative costs or in software development costs, as appropriate, in the Company's condensed consolidated statements of operations. The Company will issue new shares of common stock to satisfy stock option exercises.

As of June 30, 2021 and December 31, 2020, the Company did not have any outstanding stock options.

Comprehensive Income (Loss)

Comprehensive Income (Loss)

Comprehensive income or loss is defined as the change in equity during a period from transactions and other events and circumstances from non-owner sources. Components of comprehensive income or loss, including net income or loss, unrealized gains or losses on available-for-sale securities, unrealized gains or losses on other financial investments, unrealized gains or losses on pension and retirement benefit plans, and foreign currency translation adjustments, are reported in the financial statements in the period in which they are recognized. Net income (loss) and other comprehensive income (loss) are reported net of any related tax effect to arrive at comprehensive income (loss). The Company's comprehensive income (loss) for the three months ended June 30, 2021 and 2020 consists of foreign currency translation adjustments.

Earnings (Loss) Per Share

Earnings (Loss) Per Share

The Company's computation of earnings (loss) per share ("EPS") includes basic and diluted EPS. Basic EPS is measured as the income (loss) attributable to common stockholders divided by the weighted average common shares outstanding for the period. Diluted EPS is similar to basic EPS but presents the dilutive effect on a per share basis of potential common shares (e.g., convertible notes payable, convertible preferred stock, warrants and stock options) as if they had been converted at the beginning of the periods presented, or issuance date, if later. Potential common shares that have an anti-dilutive effect (i.e., those that increase income per share or decrease loss per share) are excluded from the calculation of diluted EPS.

Loss per common share is computed by dividing net loss by the weighted average number of shares of common stock outstanding during the respective periods. At June 30, 2021 and December 31, 2020, the Company excluded warrants to acquire 234,000 shares of common stock from its calculation of loss per share as their effect would be antidilutive. Basic and diluted loss per common share is the same for all periods presented because the aforementioned warrants were antidilutive.

The Company has adopted ASU 2017-11, Earnings per share (Topic 260), provided that when determining whether certain financial instruments should be classified as liability or equity instruments, a down round feature no longer precludes equity classification when assessing whether the instrument is indexed to an entity’s own stock.

Fair Value of Financial Instruments

Fair Value of Financial Instruments

The authoritative guidance with respect to fair value established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels and requires that assets and liabilities carried at fair value be classified and disclosed in one of three categories, as presented below. Disclosure as to transfers in and out of Levels 1 and 2, and activity in Level 3 fair value measurements, is also required.

Level 1. Observable inputs such as quoted prices in active markets for an identical asset or liability that the Company has the ability to access as of the measurement date. Financial assets and liabilities utilizing Level 1 inputs include active-exchange traded securities and exchange-based derivatives.

Level 2. Inputs, other than quoted prices included within Level 1, which are directly observable for the asset or liability or indirectly observable through corroboration with observable market data. Financial assets and liabilities utilizing Level 2 inputs include fixed income securities, non-exchange-based derivatives, mutual funds, and fair-value hedges.

Level 3. Unobservable inputs in which there is little or no market data for the asset or liability which requires the reporting entity to develop its own assumptions. Financial assets and liabilities utilizing Level 3 inputs include infrequently-traded non-exchange-based derivatives and commingled investment funds and are measured using present value pricing models.

The Company will determine the level in the fair value hierarchy within which each fair value measurement falls in its entirety, based on the lowest level input that is significant to the fair value measurement in its entirety. In determining the appropriate levels, the Company will perform an analysis of the assets and liabilities at each reporting period end.

The carrying value of financial instruments (consisting of cash and accounts payable and accrued expenses) is considered to be representative of their respective fair values due to the short-term nature of those instruments.

Foreign Currency

Foreign Currency

The accompanying condensed consolidated financial statements are presented in United States dollars ("USD"). The functional currency of Gaming UK, the Company's foreign subsidiary, is the British Pound (“GBP”), the local currency in the United Kingdom. Accordingly, assets and liabilities of the foreign subsidiary are translated at the current exchange rate at the end of the period, and revenues and expenses are translated at average exchange rates during the six months ended June 30, 2021 and the year ended December 31, 2020. The resulting translation adjustments are recorded as a component of shareholders' equity (deficiency). Gains and losses from foreign currency transactions are included in net income (loss).

Translation of amounts from the local currencies of the foreign subsidiary, Gaming UK, into USD has been made at the following exchange rates for the respective periods:

	As of and for the	
	Six months ended June 30, 2021	**Year ended December 31, 2020**
Period-end GBP to USD1.00 exchange rate	1.3801	1.3652
Period-average GBP to USD1.00 exchange rate	1.3885	1.2825

Recent Accounting Pronouncements

Recent Accounting Pronouncements

In June 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments ("ASU 2016-13"). ASU 2016-13 significantly changes how entities measure credit losses for most financial assets, including accounts and notes receivables. ASU 2016-13 will replace the current "incurred loss" approach with an “expected loss” model, under which companies will recognize allowances based on expected rather than incurred losses. Entities will apply the provisions of ASU 2016-13 as a cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period in which ASU 2016-13 is effective. As small business filer, ASU 2016-13 will be effective for the Company for interim and annual reporting periods beginning after December 15, 2022. Management is currently in the process of assessing the impact of adopting ASU-2016-13 on the Company's financial statements and related disclosures.

In August 2020, the FASB issued ASU 2020-06, Debt — Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity’s Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity’s Own Equity (“ASU 2020-06). ASU 2020-06 simplifies the accounting for convertible debt by eliminating the beneficial conversion and cash conversion accounting models. Upon adoption of ASU 2020-06, convertible debt proceeds, unless issued with a substantial premium or an embedded conversion feature that is not clearly and closely related to the host contract, will no longer be allocated between debt and equity components. This modification will reduce the issue discount and result in less non-cash interest expense in financial statements. ASU 2020-06 also updates the earnings per share calculation and requires entities to assume share settlement when the convertible debt can be settled in cash or shares. ASU 2020-06 will be effective January 1, 2024, and a cumulative-effect

adjustment to the opening balance of retained earnings is required upon adoption. Early adoption is permitted, but no earlier than January 1, 2021, including interim periods within that year. The Company adopted ASU 2020-06 effective January 1, 2021. The adoption of ASU 2020-06 did not have any impact on the Company’s consolidated financial statement presentation or disclosures.

Other recent accounting pronouncements issued by the FASB, including its Emerging Issues Task Force, the American Institute of Certified Public Accountants, and the Securities and Exchange Commission did not or are not believed by management to have a material impact on the Company's present or future condensed consolidated financial statements and related disclosures.

Summary of Significant Accounting Policies (Tables)

6 Months Ended
Jun. 30, 2021

Accounting Policies [Abstract]

Schedule of cash

	June 30, 2021	December 31, 2020
GBP	£ 14,297	£ 49,127
USD	$ 286,988	$ 1,879,166

Foreign currency exchange rates table

	As of and for the	
	Six months ended June 30, 2021	Year ended December 31, 2020
Period-end GBP to USD1.00 exchange rate	1.3801	1.3652
Period-average GBP to USD1.00 exchange rate	1.3885	1.2825

Property and Equipment (Tables)

6 Months Ended Jun. 30, 2021

Property, Plant and Equipment [Abstract]

Schedule of property and equipment

	June 30, 2021	December 31, 2020
Computer and office equipment	$ 32,445	$ 27,307
Less accumulated depreciation	(24,124)	(18,804)
Computer and office equipment, net	$ 8,321	$ 8,503

Intellectual Property (Tables)

6 Months Ended Jun. 30, 2021

Goodwill and Intangible Assets Disclosure [Abstract]

Schedule of intellectual property

	June 30, 2021	December 31, 2020
Software	$ 194,978	$ 194,978
Internet domain name	187,400	13,055
Total intellectual property	382,378	208,033
Less accumulated amortization	(192,137)	(157,066)
Intellectual property, net	$ 190,241	$ 50,967

Note Payable to Bank (Tables)

6 Months Ended Jun. 30, 2021

Debt Disclosure [Abstract]

Schedule of debt maturities

Year ended December 31,	Amount
2021	$ 2,241
2022	10,137
2023	10,137
2024	10,137
2025	10,137
Thereafter	22,193
Total payments	64,982
Less current portion	13,990
	$ 50,992

Stockholders' Equity (Tables)

6 Months Ended Jun. 30, 2021

Equity [Abstract]

Schedule of warrant activity

	Warrants	Weighted average exercise price	Weighted average remaining contractual life (years)	Aggregate intrinsic value
Outstanding on December 31, 2020	90,000	$ 2.50	4.84	$ –
Granted	144,000	2.50	4.78	–
Exercised	–	–	–	–
Outstanding on June 30, 2021	234,000	$ 2.50	4.59	$ –

Organization and Basis of Presentation (Details Narrative) - USD ($)	3 Months Ended			6 Months Ended			
	Jun. 30, 2021	Mar. 31, 2021	Jun. 30, 2020	Jun. 30, 2021	Jun. 30, 2020	Dec. 31, 2020	Dec. 31, 2019
Organization, Consolidation and Presentation of Financial Statements [Abstract]							
Net loss	$ 4,226,789		$ 366,678	$ 6,607,612	$ 618,182		
Cash used in operating activities				5,119,769	423,487		
Accumulated deficit	14,573,805			14,573,805		$ 7,966,193	
Cash	$ 306,719		$ 56,799	306,719	56,799	$ 1,946,232	$ 320,402
Proceeds from sale of stock				$ 3,681,500	$ 210,000		
Marketing development costs		$ 3,524,643					

Schedule of cash (Details) - USD ($)	Jun. 30, 2021	Dec. 31, 2020	Jun. 30, 2020	Dec. 31, 2019
Cash	$ 306,719	$ 1,946,232	$ 56,799	$ 320,402
United Kingdom, Pounds				
Cash	14,297	49,127		
United States of America, Dollars				
Cash	$ 286,988	$ 1,879,166		

Summary of Significant Accounting Policies (Details - Foreign Currency)	6 Months Ended Jun. 30, 2021	12 Months Ended Dec. 31, 2020
Accounting Policies [Abstract]		
Translation rate at period end	1.3801	1.3652
Translation rate - period average	1.3885	1.2825

Summary of Significant Accounting Policies (Details Narrative) - shares	Jun. 30, 2021	Dec. 31, 2020
Accounting Policies [Abstract]		
Options outstanding	0	0

Property and Equipment (Details) - USD ($)	Jun. 30, 2021	Dec. 31, 2020
Property, Plant and Equipment [Abstract]		
Computer and office equipment	$ 32,445	$ 27,307
Less accumulated depreciation	(24,124)	(18,804)
Computer and office equipment, net	$ 8,321	$ 8,503

Property and Equipment (Details Narrative) - USD ($)	6 Months Ended	
	Jun. 30, 2021	Jun. 30, 2020
Property, Plant and Equipment [Abstract]		
Depreciation	$ 5,320	$ 3,844

Intellectual Property (Details - Property) - USD ($)	Jun. 30, 2021	Dec. 31, 2020
Finite-Lived Intangible Assets [Line Items]		
Intellectual property, gross	$ 382,378	$ 208,033
Less: accumulated amortization	(192,137)	(157,066)
Intellectual property, net	190,241	50,967
Software [Member]		
Finite-Lived Intangible Assets [Line Items]		
Intellectual property, gross	194,978	194,978
Internet Domain Name [Member]		
Finite-Lived Intangible Assets [Line Items]		
Intellectual property, gross	$ 187,400	$ 13,055

Intellectual Property (Details Narrative) - USD ($)	3 Months Ended		6 Months Ended	
	Jun. 30, 2021	Jun. 30, 2020	Jun. 30, 2021	Jun. 30, 2020
Goodwill and Intangible Assets Disclosure [Abstract]				
Amortization of Intangible Assets	$ 15,150	$ 14,697	$ 35,071	$ 30,011

Note Payable to Bank (Details - Debt maturities)	Jun. 30, 2021 USD ($)
Debt Disclosure [Abstract]	
2021	$ 2,241
2022	10,137
2023	10,137
2024	10,137
2025	10,137
Thereafter	22,193
Total payments	64,982
Less current portion	13,990
Debt maturity, noncurrent	$ 50,992

Note Payable to Bank (Details Narrative) - USD ($)	5 Months Ended	6 Months Ended	
	Jun. 09, 2020	Jun. 30, 2021	Dec. 31, 2020
Debt Instrument [Line Items]			
Note payable to bank current		$ 13,990	$ 2,241
Bounce Back Loan Scheme [Member]			
Debt Instrument [Line Items]			
Debt face amount	$ 60,600		
Debt maturity term	72 months		
Debt interest rate	2.50%		
Interest expense		731	
Note payable to bank		64,982	
Note payable to bank current		$ 13,990	
Bounce Back Loan Scheme [Member] | United Kingdom, Pounds			
Debt Instrument [Line Items]			
Debt face amount	$ 47,600		

Related Party Transactions (Details Narrative) - USD ($)	6 Months Ended		
	Jun. 30, 2021	Jun. 30, 2020	Dec. 31, 2020
Related Party Transaction [Line Items]			
Due to related parties	$ 12,588		$ 14,918
Jason Drummond [Member]			
Related Party Transaction [Line Items]			
Related party costs and expenses	390,307	$ 165,081	
Due to related parties	$ 12,588		$ 14,918

Stockholders' Equity (Details - Warrants) - Warrant [Member] - USD ($)	6 Months Ended Jun. 30, 2021	12 Months Ended Dec. 31, 2020
Share-based Compensation Arrangement by Share-based Payment Award [Line Items]		
Number of Warrants Outstanding, Beginning	90,000	
Weighted Average Exercise Price Outstanding, Ending	$ 2.50	$ 2.50
Weighted average remaining contractual life, outstanding	4 years 7 months 2 days	4 years 10 months 2 days
Aggregate intrinsic value, outstanding	$ 0	
Number of Warrants Granted	144,000	
Weighted Average Exercise Price Granted	$ 2.50	
Weighted average remaining contractual life, granted	4 years 9 months 10 days	
Aggregate intrinsic value, Granted	$ 0	
Number of Warrants Exercised	0	
Weighted Average Exercise Price Exercised		
Number of Warrants Outstanding, Ending	234,000	90,000
Aggregate intrinsic value, outstanding	$ 0	$ 0

Stockholders' Equity (Details Narrative) - USD ($)		1 Months Ended		6 Months Ended	10 Months Ended
	Feb. 03, 2021	Feb. 28, 2021	Jan. 31, 2021	Jun. 30, 2021	Nov. 06, 2020
Class of Stock [Line Items]					
Unvested stock compensation				$ 708,333	
Consultant [Member]					
Class of Stock [Line Items]					
Stock issued for services, shares					50,000
Stock issued for services, value					$ 125,000
Consultant 2 [Member]					
Class of Stock [Line Items]					
Stock issued for services, shares			200,000		
Stock issued for services, value			$ 500,000		
Consultant 4 [Member]					
Class of Stock [Line Items]					
Term		1 year			
Initial non-refundable deposit		$ 20,000			
Shares issued advertising campaign, shares		333,334			
Shares issued advertising campaign, value		$ 833,335			
Consultant 3 [Member]					
Class of Stock [Line Items]					
Stock issued for services, shares				3,600	
Stock issued for services, value				$ 9,000	
Private Placement [Member]					
Class of Stock [Line Items]					
Number of stock sold				10,000	
Proceeds from sale of stock				$ 25,000	
Securities Purchase Agreement [Member] | Private Placement [Member] | Accreditedinvestors [Member]					
Class of Stock [Line Items]					
Number of stock sold	1,606,600				
Proceeds from sale of stock	$ 4,016,500				
Legal fees paid with issuance	360,000				
Payment of stock issuance fees	$ 3,656,500				
Warrants granted	144,000				
Exercise price	$ 2.50				
Term	5 years				

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  "http://gamingtechnologies.com/role/StockholdersEquityDetailsNarrative"
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    "label": "Commitments and contingencies"
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