

## Regulatory Story

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**GAN PLC** - GAN GAN Files UK Scheme of Arrangement  
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March 3, 2020

### **GAN plc**

- Files for UK Scheme of Arrangement as a major step towards NASDAQ listing following the confidential filing of an F-1 on 31 January 2020 with the US Securities and Exchange Commission
- Offer of 1 share in NASDAQ-listed holding company for every 4 shares in GAN plc in order to meet NASDAQ listing requirements by way of share consolidation
- Selected NASDAQ as its listing venue given its reputation for bringing together the world's leading software-as-a-service ("SaaS") companies, increasing exposure within the investment community while requiring compliance with higher governance standards and providing investors and clients with greater transparency of GAN plc's business
- Offer includes an incremental 2.32p in cash, per share in GAN plc
- 17.6M shareholder votes already committed to support the transaction as on 3 March 2020 by way of Irrevocable undertakings

### **New Corporate Structure**

GAN plc ("GAN UK") today announces the initiation of a process to change the corporate structure of GAN UK and its subsidiaries (the "Group") by establishing GAN Bermuda, a new Bermuda-incorporated parent company, at the head of the Group (the "Redomiciliation"). It is proposed that the shares in GAN Bermuda are listed on NASDAQ following the Redomiciliation. Details of the Redomiciliation and the required shareholder meetings to approve it will be conveyed to shareholders in an information circular and release of further announcements, as appropriate.

### ***Reasons for the Redomiciliation***

After undergoing an extensive strategic review process that commenced on 29 March 2019, GAN UK formally announced its intent to pursue a US capital markets strategy on 13 September 2019. GAN UK derives the substantial majority of revenues from the US, which remains the key geographic market opportunity for future growth. The US equity capital markets consist of a large number of publicly-listed SaaS companies and investors that are familiar with enterprise SaaS solutions, providing access to capital at reduced cost. In light of the Group's natural marketability to the US investor base and the diverse disadvantages imposed on US investors seeking to acquire equity interests in AIM-listed companies, including continuing foreign exchange risks associated with 'Brexit' and sterling-denominated assets generally, the Board has concluded that it is in the best interest of shareholders to reorganize into GAN Bermuda pursuant to the Scheme and to list the GAN Bermuda Shares on NASDAQ, denominated in US dollars and undertaking all future financial reporting in US dollars, in order to make the Enlarged Group's equity readily available to the retail and institutional US investor community, improve liquidity and maximize shareholder value. Further background to and reasons for the Redomiciliation will be included in the information circular.

### ***Overview of the Redomiciliation***

It is proposed that GAN Bermuda is placed as the new parent company for the Group. GAN Bermuda is registered under the laws of Bermuda. It is intended that this new corporate structure will be implemented by way of a scheme of arrangement under Part 26 of the Companies Act 2006 (the "Scheme"). The Scheme will be conditional on a number of matters, including shareholder approvals at a meeting proposed to be convened by the Business and Property Courts of England and Wales ("Court Meeting") and a separate general meeting of GAN UK ("General Meeting").

Details of the reasons for the proposals, the Scheme, the Court Meeting and General Meeting will be conveyed to shareholders in an information circular and release of further announcements, as appropriate.

If the conditions are satisfied and the Scheme is approved and implemented, GAN Bermuda will own the entire issued share capital of GAN UK and shareholders of GAN UK will become shareholders of GAN Bermuda. GAN UK shareholders at the Scheme record time will receive 0.25 GAN Bermuda shares and around 2.32 pence for each GAN UK share transferred under the Scheme (exact cash amount to be confirmed in the information circular).

It is expected that trading in GAN UK shares will continue until a date to be determined. GAN UK will disclose the exact dates of the delisting, listing and trading in upcoming news releases and/or the information circular, as appropriate.

### ***Key Features of the Scheme***

In summary, it is intended that the following will occur under the Scheme:

- All shares in GAN UK will be transferred to GAN Bermuda; and
- GAN UK shareholders at the Scheme record time will receive 0.25 GAN Bermuda shares and around 2.32 pence for each GAN UK share transferred under the Scheme (exact cash amount to be confirmed in the information circular).

The Scheme will require the approval of GAN UK shareholders at the Court Meeting and the General Meeting. If the Scheme is approved by the requisite majorities at the Court Meeting and the relevant resolution is passed at the General Meeting (the "Approvals"), an application will be made to the Business and Property Court of England and Wales to sanction the Scheme.

If the Approvals are obtained, the Scheme is sanctioned by the Business and Property Courts of England and Wales, a Court order sanctioning the Scheme is granted and the conditions of the Scheme are satisfied, the Scheme will become effective when the Court order is delivered to the UK Registrar of Companies.

If the Scheme has not become effective and implemented by 30 April 2020 (or such later date as GAN UK and GAN Bermuda may agree and the Court may allow), it will lapse, in which event there will not be a new parent company of GAN UK, and GAN UK shareholders will remain shareholders of GAN UK.

### ***Options***

Conditional upon the Court sanctioning the Scheme, in accordance with the rules of the GAN Plc Share Option Plan 2013, the GAN Plc Share Option Plan 2017, the GAN Plc 2019 Equity Incentive Plan for US Employees and the GAN Plc Share Option Plan 2019 ("GAN UK Share Schemes") the Board of GAN UK has determined that all outstanding options under the GAN UK Share Schemes ("Options") will be exchanged for new options over GAN Bermuda Shares ("GAN Bermuda Options"). The exchange will take place on the same basis as Shareholders will receive GAN Bermuda Shares and as such for every four Ordinary Shares subject to an Option, the Option will be exchanged for a GAN Bermuda Option over one new GAN Bermuda Share. To ensure the aggregate market value of the GAN Bermuda Shares subject to an GAN Bermuda Option immediately following the exchange is materially the same as the aggregate market value of the Ordinary Shares subject to an Option immediately prior to the exchange, the exercise price for each GAN Bermuda Share will be four times the exercise price that would otherwise have been payable for each Ordinary Share.

The Board has also agreed to accelerate the vesting of all GAN Bermuda Options so that following the option exchange, all Options will be fully vested. However, in

relation to Options that have been granted under the UK Enterprise Management Incentive regime, in order to preserve the UK specific tax advantages for those options, option holders may choose to retain the current vesting schedule that applies to their Options. In all other respects the terms of the exchanged GAN Bermuda Options will be same as the terms of the current Options and the rules of the Share Schemes will continue to apply.

GAN UK will write to the holders of all outstanding Options on or as soon as reasonably practicable after the date on which the information circular is posted setting out further details of the impact that the Scheme will have in respect of their Options, the terms of the option exchange and in relation to the UK qualifying Enterprise Management Incentive options, the choice they may take.

### **No offer to sell or buy**

This announcement does not constitute an offer to sell or the solicitation of an offer to buy any securities. Any offers, solicitations or offers to buy, or any sales of securities will be made in accordance with the registration requirements of the Securities Act of 1933, as amended ("Securities Act"). This announcement is being issued in accordance with Rule 135 under the Securities Act.

### **About GAN UK**

GAN UK is a leading business-to-business ("B2B") supplier of internet gambling software-as-a-service solutions ("SaaS") to the US land-based casino industry. GAN UK has developed a proprietary internet gambling enterprise software system, GameSTACK™, which it licenses principally to land-based US casino operators as a turnkey technology solution for regulated real-money internet gambling, encompassing internet gaming, internet sports gaming and virtual Simulated Gaming.

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**Forward-Looking Statements**

*This announcement may contain certain forward-looking statements. These forward-looking statements include all matters that are not historical facts. These forward-looking statements involve risks and uncertainties that could cause the actual results of operations, financial condition, prospects and the development of the sector in which GAN UK operates to differ materially from the impression created by these forward-looking statements. GAN UK does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Do not place undue reliance on forward-looking statements, which speak only as of the date of this announcement.*

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