

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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 17, 2020



GALAXY GAMING, INC.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of incorporation)

000-30653	20-8143439
(Commission File Number)	(I.R.S. Employer Identification No.)

6480 Cameron Street Suite 305
Las Vegas, Nevada 89118
(Address of principal executive offices)

(702) 939-3254
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of Each Class	Trading Symbol	Name of Exchange on Which Registered
Common Stock	GLXZ	OTCQB marketplace

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

Item 1.01 *Entry into a Material Definitive Agreement*

On November 16, 2020 Galaxy Gaming, Inc. (“Galaxy” or the “Company”) and Zions Bancorporation, N.A. dba Nevada State Bank (the “Lender”) entered into a Seventh Amendment to Credit Agreement (the “Seventh Amendment”), pursuant to which the Credit Agreement, dated April 24, 2018, by and between Galaxy and the Lender (as amended on April 22, 2019, May 6, 2019, August 16, 2019, October 14, 2019, August 14, 2020 and October 26, 2020, the “Credit Agreement”) was amended as described herein. The Seventh Amendment modifies the minimum EBITDA covenant for the Company through the term of the Credit Agreement. The Seventh Amendment contains representations and warranties and affirmations regarding the Seventh Amendment and the Credit Agreement that are customary for financing transactions. Other than as specifically referenced in the Seventh Amendment, the Credit Agreement remains in full force and effect.

The foregoing description of the Seventh Amendment is not complete and is qualified in its entirety by reference to the Seventh Amendment filed as Exhibit 10.1 hereto.

Item 2.02. *Results of Operations and Financial Condition.*

On November 17, 2020, the Company issued a press release regarding its financial results for the quarter ended September 30, 2020. A copy of the press release is furnished as Exhibit 99.1 to this report.

The information furnished with this Item 2.02, including Exhibit 99.1, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any other filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 2.03 *Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant*

The information set forth under Item 1.01 of this Current Report on Form 8-K is incorporated by reference into this Item 2.03.

Item 9.01 *Financial Statements and Exhibits.*

(d) Exhibits

[10.1](#) Seventh Amendment to Credit Agreement, dated November 16, 2020, between Galaxy Gaming, Inc., a Nevada corporation, and Zions Bancorporation N.A. dba Nevada State Bank.

[99.1](#) Galaxy Gaming, Inc. Press Release Announcing Third Quarter Earnings, dated November 17, 2020.

Signature Page Follows

SIGNATURES

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

Dated: November 17, 2020

GALAXY GAMING, INC.

By: /s/ Harry C. Hagerty
Harry C. Hagerty
Chief Financial Officer

EXECUTION VERSION

SEVENTH AMENDMENT TO CREDIT AGREEMENT

This SEVENTH AMENDMENT TO CREDIT AGREEMENT (this "Amendment"), dated as of November 16, 2020, is made between GALAXY GAMING, INC., a Nevada corporation (the "Borrower"), and ZIONS BANCORPORATION, N.A. dba NEVADA STATE BANK, a Nevada state banking corporation (the "Lender").

RECITALS

A. The Lender and the Borrower entered into a Credit Agreement, dated as of April 24, 2018, as amended by the First Amendment to Credit Agreement, dated as of April 22, 2019, as further amended by the Waiver and Second Amendment to Credit Agreement, dated as of May 6, 2019, as further amended by the Third Amendment to Credit Agreement, dated as of August 16, 2019, as further amended by the Fourth Amendment to Credit Agreement, dated as of October 14, 2019, as further amended by the Forbearance and Fifth Amendment to Credit Agreement, dated as of August 14, 2020, and as further amended by the Sixth Amendment to Credit Agreement, dated as of October 26, 2020 (as further amended, restated, or otherwise modified, the "Credit Agreement"), pursuant to which the Lender agreed to extend credit to the Borrower.

B. The parties desire to amend certain provisions of the Credit Agreement, subject to the terms of this Amendment.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows.

Section 1. Capitalized Terms. Capitalized terms not defined shall have the meanings assigned to them in the Credit Agreement, unless the context shall otherwise require.

Section 2. Amendment to Credit Agreement: Minimum EBITDA Covenant. Section 6.21 (Minimum EBITDA) of the Credit Agreement is amended and restated in its entirety to read as follows.

Minimum EBITDA. For each fiscal quarter ending after the Fifth Amendment Date, the Borrower will not permit EBITDA for the four consecutive fiscal quarters ending on such date to be less than the "Minimum EBITDA" corresponding to the applicable "Fiscal Quarter Ending" in the table below.

Fiscal Quarter Ending	Minimum EBITDA
September 30, 2020 and thereafter	\$2,400,000

Section 3. Effectiveness of Amendments. This Amendment shall become effective upon delivery by the Borrower of, and compliance by the Borrower with, the following:

3.1 **Documents.** The Lender shall have received this Amendment executed by a duly authorized officer of the Borrower.

3.2 **Fees and Expenses.** The Lender shall have received all fees and other amounts due and payable by the Borrower on or prior to the date hereof, including the reasonable fees and expenses of counsel to the Lender payable pursuant to Section 8.2 of the Credit Agreement.

3.3 **Other Matters.** All corporate and legal proceedings relating to the Borrower and all instruments and agreements in connection with the transactions contemplated by this Amendment shall be satisfactory in scope, form and substance to the Lender and its counsel, and the Lender shall have received all information and copies of all documents including records of corporate proceedings, as the Lender or its counsel may reasonably have requested in connection therewith, such documents where appropriate to be certified by proper corporate or governmental authorities.

Section 4. Representations, Warranties, Authority.

4.1 **Reassertion of Representations and Warranties, No Default.** The Borrower hereby represents that on and as of the date hereof and after giving effect to this Amendment all of the representations and warranties contained in the Credit Agreement and the other Loan Documents are true, correct and complete in all material respects as of the date hereof as though made on and as of such date, except (i) for changes permitted by the terms of the Credit Agreement as amended by this Amendment and (ii) to the extent such representation or warranty relates to an earlier specified date, in which case such representation or warranty is reaffirmed as true and correct in all material respects as to such date and there will exist no Default or Event of Default under the Credit Agreement as amended by this Amendment on such date which has not been cured or waived by the Lender.

4.2 **Authority, No Conflict, No Consent Required, Enforceability.** The Borrower represents and warrants that the Borrower has the power and legal right and authority to enter into this Amendment and has duly authorized as appropriate the execution and delivery of the Amendment by proper corporate action, and neither the Amendment nor the agreements contained herein or therein contravenes or constitutes a default under any agreement, instrument or indenture to which the Borrower is a party or a signatory or a provision of the Borrower's Articles of Incorporation, Bylaws or any other agreement or requirement of law, or results in the imposition of any lien on any of its property under any agreement binding on or applicable to the Borrower or any of its property except, if any, in favor of the Lender. The Borrower represents and warrants that no consent, approval or authorization of or registration or declaration with any Person, including but not limited to any governmental authority, is required in connection with the execution and delivery by the Borrower of the Amendment or other agreements and documents executed and delivered by the Borrower in connection therewith or the performance of obligations of the Borrower therein described, except (a) for those which the Borrower has obtained or provided and as to which the Borrower has delivered certified copies of documents evidencing each such action to the Lender and (b) for those which the Borrower will make, obtain or provide upon the consummation of this Amendment and as to which the Borrower will promptly deliver certified copies of documents evidencing each such action to the Lender. The Borrower represents and warrants that the Amendment constitutes the legal, valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with their terms, subject to limitations as to enforceability which might result from bankruptcy, insolvency, moratorium and other similar laws affecting creditors' rights generally and subject to limitations on the availability of equitable remedies.

4.3 No Adverse Claim. The Borrower warrants, acknowledges and agrees that no events have taken place and no circumstances exist at the date hereof which would give the Borrower a basis to assert a defense, offset or counterclaim to any claim of the Lender with respect to the obligations.

Section 5. Affirmation of Credit Agreement, Further References, Affirmation of Security Interest The Lender and the Borrower each acknowledge and affirm that the Credit Agreement, as amended hereby, is hereby ratified and confirmed in all respects and all terms, conditions and provisions of the Credit Agreement and the other Loan Documents, except as amended by this Amendment, shall remain unmodified and in full force and effect. All references in any document or instrument to the Credit Agreement are hereby amended and shall refer to the Credit Agreement as amended hereby. The Borrower confirms to the Lender that the Obligations are and continue to be secured by the security interest granted by the Borrower in favor of the Lender under the Security Agreement and all of the terms, conditions, provisions, agreements, requirements, promises, obligations, duties, covenants and representations of the Borrower under such document and any and all other documents and agreements entered into with respect to the obligations under the Credit Agreement are incorporated herein by reference and are hereby ratified and affirmed in all respects by the Borrower.

Section 6. Merger and Integration, Superseding Effect. This Amendment, from and after the date hereof, embodies the entire agreement and understanding between the parties hereto and supersedes and has merged into this Amendment all prior oral and written agreements on the same subjects by and between the parties hereto with the effect that this Amendment shall control with respect to the specific subjects hereof and thereof.

Section 7. Severability. Whenever possible, each provision of this Amendment and any other statement, instrument or transaction contemplated hereby or thereby or relating hereto or thereto shall be interpreted in such manner as to be effective, valid and enforceable under the applicable law of any jurisdiction, but, if any provision of this Amendment or any other statement, instrument or transaction contemplated hereby or thereby or relating hereto or thereto shall be held to be prohibited, invalid or unenforceable under the applicable law, such provision shall be ineffective in such jurisdiction only to the extent of such prohibition, invalidity or unenforceability, without invalidating or rendering unenforceable the remainder of such provision or the remaining provisions of this Amendment or any other statement, instrument or transaction contemplated hereby or thereby or relating hereto or thereto in such jurisdiction, or affecting the effectiveness, validity or enforceability of such provision in any other jurisdiction.

Section 8. Successors. This Amendment shall be binding upon the Borrower, the Lender and their respective successors and assigns, and shall inure to the benefit of the Borrower, and the Lender and their successors and assigns.

Section 9. Legal Expenses. As provided in Section 8.2 of the Credit Agreement, the Borrower agrees to reimburse the Lender upon demand for all reasonable out-of-pocket expenses (including filing and recording costs and fees, charges and disbursements of outside counsel to the Lender) incurred in connection with the negotiation, preparation, enforcement and collection of this Amendment and all other documents negotiated and prepared in connection with this Amendment.

Section 10. Headings. The headings of various sections of this Amendment have been inserted for reference only and shall not be deemed to be a part of this Amendment.

Section 11. Counterparts. This Amendment may be executed in several counterparts as deemed necessary or convenient, each of which, when so executed, shall be deemed an original, provided that all such counterparts shall be regarded as one and the same document, and any party to this Amendment may execute any such agreement by executing a counterpart of such agreement.

Section 12. Governing Law. **THE AMENDMENT SHALL BE GOVERNED BY THE INTERNAL LAWS OF THE STATE OF NEVADA, WITHOUT GIVING EFFECT TO CONFLICT OF LAW PRINCIPLES THEREOF.**

Section 13. Acknowledgement and Release. IN ORDER TO INDUCE THE LENDER TO ENTER INTO THIS AMENDMENT, THE BORROWER: (A) REPRESENTS AND WARRANTS TO THE LENDER THAT NO EVENTS HAVE TAKEN PLACE AND NO CIRCUMSTANCES EXIST AT THE DATE HEREOF WHICH WOULD GIVE THE BORROWER THE RIGHT TO ASSERT A DEFENSE, OFFSET OR COUNTERCLAIM TO ANY CLAIM BY THE LENDER FOR PAYMENT OF THE OBLIGATIONS; AND (B) HEREBY RELEASES AND FOREVER DISCHARGES THE LENDER AND ITS SUCCESSORS, ASSIGNS, DIRECTORS, OFFICERS, AGENTS, EMPLOYEES AND PARTICIPANTS FROM ANY AND ALL ACTIONS, CAUSES OF ACTION, SUITS, PROCEEDINGS, DEBTS, SUMS OF MONEY, COVENANTS, CONTRACTS, CONTROVERSIES, CLAIMS AND DEMANDS, AT LAW OR IN EQUITY, WHICH THE BORROWER EVER HAD OR NOW HAS AGAINST THE LENDER OR ANY OF ITS SUCCESSORS, ASSIGNS, DIRECTORS, OFFICERS, AGENTS, EMPLOYEES OR PARTICIPANTS BY VIRTUE OF THEIR RELATIONSHIP TO THE BORROWER IN CONNECTION WITH THIS AMENDMENT, THE CREDIT AGREEMENT, THE LOAN DOCUMENTS AND TRANSACTIONS RELATED THERETO.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed as of the date and year first above written.

BORROWER:

GALAXY GAMING, INC.

By: _____
Name: Harry Hagerty
Title: Chief Financial Officer

Seventh Amendment to Credit Agreement

LENDER:

ZIONS BANCORPORATION, N.A. DBA NEVADA STATE BANK

By: _____

Name: Jamie Gazza

Title: Senior Gaming Director

Seventh Amendment to Credit Agreement



Galaxy Gaming Reports Q3 2020 Financial Results

LAS VEGAS, November 17, 2020 (GLOBE NEWSWIRE) -- Galaxy Gaming, Inc. (OTCQB: GLXZ), a developer and distributor of casino table games and enhanced systems for land-based casinos and iGaming, announced today its financial results for the fiscal quarter and nine months ended June 30, 2020.

Financial Highlights

Q3 2020 vs. Q3 2019

- Revenue decreased 67% to \$1,798K
- Adjusted EBITDA decreased 98% to \$36K¹
- Net loss of \$(1,297)K vs. net income of \$580K

9 Months 2020 vs. 9 Months 2019

- Revenue decreased 57% to \$6,956K
- Adjusted EBITDA decreased 98% to \$116K²
- Net loss of \$(3,387)K vs. net income of \$2,096K

Balance Sheet Changes (vs. December 31, 2019)

- Cash decreased 72% to \$2,669K
- Total long-term liabilities (gross) increased \$571K to \$48,590K
- Stockholders' deficit decreased to \$(26,487)K

Executive Comments

“The highlight of Q3 was the acquisition of Progressive Games Partners LLC, strengthening our position the rapidly emerging online segment,” said Todd Cravens, Galaxy’s President and CEO. “In the physical casino segment, we saw a significant improvement over Q2, but it’s clear that the industry is not out of the woods yet. We will continue to support our clients as they adjust to the continuing changes brought on by the pandemic.”

¹ Adjusted EBITDA in Q3 2020 excludes approximately \$183K of legal and other expenses related to our litigation with Triangulum Partners LLC.

² Adjusted EBITDA in 9 months 2020 excludes approximately \$836K of legal and other expenses related to our litigation with Triangulum Partners LLC.

“We used a significant amount of cash in the PGP acquisition but, with the recent completion of the Main Street financing, our liquidity remains adequate,” stated Harry Hagerty, Galaxy’s CFO. “We remain grateful to our bank lenders for their help in securing this new financing and for their patience as we work through the financial consequences of the pandemic. We recently completed Amendment #7 to our Credit Agreement, which applies the \$2.4 million Minimum EBITDA covenant to include Q3 2020 and all future periods.”

Forward-Looking Statements

Certain statements in this release may constitute forward-looking statements, which involve a number of risks and uncertainties. Galaxy cautions readers that any forward-looking information is not a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking information due to a number of factors, including those listed from time to time in reports that Galaxy files with the Securities and Exchange Commission.

About Galaxy Gaming

Headquartered in Las Vegas, Nevada, Galaxy Gaming (galaxygaming.com) develops and distributes innovative proprietary table games, state-of-the-art electronic wagering platforms and enhanced bonusing systems to land-based, riverboat, cruise ships and online casinos worldwide. Through its iGaming partner Games Marketing Ltd., Galaxy Gaming licenses its proprietary table games to the online gaming industry. Galaxy’s games can be played online at FeelTheRush.com. Connect with Galaxy on [Facebook](#), [YouTube](#) and [Twitter](#).

Contact:

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