

November 15, 2021



Galaxy Gaming Reports Q3 2021 Financial Results

LAS VEGAS, Nov. 15, 2021 (GLOBE NEWSWIRE) -- Galaxy Gaming, Inc. (OTCQB: GLXZ), a developer and distributor of casino table games and enhanced systems for land-based casinos and iGaming (the "Company"), announced today its financial results for the fiscal quarter ended September 30, 2021.

Financial Highlights

Q3 2021 vs. Q3 2020

- Revenue increased to \$5,282K from \$1,798K
- Adjusted EBITDA¹ increased to \$2,463K from \$36K
- Net income of \$874K vs. a net loss of \$(1,298)K
- Net Income per share (diluted) of \$0.04 vs net loss per share (diluted) of \$(0.07)

9 Months 2021 vs. 9 Months 2020

- Revenue increased to \$14,314K from \$6,956K
- Adjusted EBITDA² increased to \$6,303K from \$116K
- Net income of \$1,513K vs. a net loss of \$(3,387)K
- Net Income per share (diluted) of \$0.07 vs net loss per share (diluted) of \$(0.18)

Balance Sheet Changes (vs. December 31, 2020)

Cash increased 23.5% to \$7,402K

Total debt (gross) decreased to \$50,215K from \$51,914K

Stockholders' deficit decreased to \$(22,231)K from \$(24,797)K

Executive Comments

"In the third quarter of 2021, the Company showed the potential we have been working toward since early 2020," said Todd Cravens, Galaxy's President and CEO. "Revenue³, Adjusted EBITDA and Adjusted EBITDA Margin all set records, even as a meaningful portion of our UK land-based customers remained closed in the quarter. We expect our land-based business to continue to recover from the COVID closures and for our online business to continue to grow in both Europe and North America."

"The recovery of our business in the brick-and-mortar space continues, and we are benefitting from strength in the online sector," said Harry Hagerty, Galaxy's CFO. "As a result, our liquidity is improving. We're hopeful that these trends will continue for the balance of 2021 and into 2022."

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.

Non-GAAP Financial Information

Adjusted EBITDA includes adjustments to net income to exclude interest, income taxes, depreciation, amortization, share based compensation, foreign currency exchange loss, change in estimated fair value of interest rate swap liability and severance and other expenses related to litigation. Adjusted EBITDA is not a measure of performance defined in accordance with generally accepted accounting principles in the United States of America (“U.S. GAAP”). However, adjusted EBITDA is used by management to evaluate our operating performance. Management believes that disclosure of the Adjusted EBITDA metric offers investors, regulators and other stakeholders a view of our operations in the same manner management evaluates our performance. When combined with U.S. GAAP results, management believes Adjusted EBITDA provides a comprehensive understanding of our financial results. Adjusted EBITDA should not be considered as an alternative to net income or to net cash provided by operating activities as a measure of operating results or of liquidity. It may not be comparable to similarly titled measures used by other companies, and it excludes financial information that some may consider important in evaluating our performance.

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 the land-based, riverboat, and cruise ship casinos worldwide. In addition, through its wholly-owned subsidiary, Progressive Games Partners LLC, Galaxy licenses proprietary table games content to the online gaming industry. Connect with Galaxy on [Facebook](#), [YouTube](#) and [Twitter](#).

¹ Adjusted EBITDA excludes expenses related to our litigation with Triangulum of \$96K in Q3 2021 and \$183K in Q3 2020.

² Adjusted EBITDA excludes expenses related to our litigation with Triangulum of \$426K in 9 Months 2021 and \$836K in 9 Months 2020.

³ Revenue before deducting royalty expenses in the online business was \$5,762K in Q3 2021.

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Adjusted EBITDA Reconciliation:	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Net income (loss)	\$ 874,236	\$ (1,297,499)	\$ 1,513,428	\$ (3,387,475)
Interest expense	129,422	162,082	450,474	506,922
Share redemption consideration	195,482	195,482	586,446	586,446
Interest income	(392)	(1,412)	(1,163)	(25,313)
Depreciation and amortization	722,475	575,637	2,160,217	1,499,927
Share-based compensation	449,564	178,553	1,207,649	512,818
Foreign currency exchange loss (gain)	33,781	(20,014)	31,511	95,976
Change in fair value of interest rate swap liability	—	(55,330)	(66,009)	(21,650)
(Benefit) provision for income taxes	(21,186)	133,708	7,000	(492,807)
Other non-recurring income	(25,000)	(15,320)	(25,000)	(15,320)
Severance expense	8,846	(3,243)	12,596	20,058
Special project expense	95,894	183,059	425,540	836,415
Adjusted EBITDA	\$ 2,463,122	\$ 35,703	\$ 6,302,689	\$ 115,997



Source: Galaxy Gaming, Inc.