



## Nevada Gold & Casinos Reports Fourth Quarter and Fiscal Year 2018 Results

July 26, 2018

LAS VEGAS, July 26, 2018 (GLOBE NEWSWIRE) -- Nevada Gold & Casinos, Inc. (NYSE MKT:UWN) today announced financial results for the fourth quarter and year ended April 30, 2018. The Company will host a conference call today at 4:30 PM ET (1:30 PM PT) to discuss these results and provide a corporate update.

The financial results reflect an adjustment related to progressive liabilities for \$0.6 million in fiscal 2018 and \$0.2 million in the prior year which reduced casino revenue and marketing expense equally with no effect on operating income. Of this adjustment, \$0.1 million related to the fourth quarter of both 2018 and 2017.

### FOURTH QUARTER

For the fourth quarter of fiscal 2018, the Company reported net revenues of \$18.5 million compared to \$19.8 million in the fourth quarter of fiscal 2017. Operating income was \$0.6 million compared to \$1.9 million in the prior year. Net income was \$0.4 million, or \$0.02 per share. Consolidated Adjusted EBITDA was \$2.1 million compared to \$2.6 million in the prior year period.

During the fourth quarter, net revenues from Washington state gaming operations decreased to \$13.7 million from the \$14.8 million in the prior year period, while EBITDA decreased to \$2.1 million compared to \$2.5 million in the prior year period. Club Fortune net revenues were \$3.4 million compared to \$3.7 million in the prior year period, while EBITDA decreased by \$0.2 million to \$0.5 million. South Dakota route operation revenues decreased \$89,000 from the prior year period and EBITDA declined \$11,000 for the quarter. Corporate expenses were approximately \$0.6 million in both periods, excluding non-recurring sale transaction expenses.

### FISCAL YEAR

For the fiscal year 2018, the Company reported net revenues of \$74.6 million compared to \$74.5 million in fiscal year 2017. Operating expenses were \$72.0 million compared to \$72.7 million in the prior year. Net income was \$1.3 million compared to \$0.6 million in the prior year.

Net revenues for the fiscal year from Washington state gaming operations increased to \$54.4 million from \$54.3 million, primarily due to increased Poker revenue. Higher wages and marketing expenses contributed to Adjusted EBITDA decreasing to \$6.5 million from \$7.0 million in the prior year.

Club Fortune net revenues were \$13.6 million and Adjusted EBITDA was \$1.7 million compared to revenues of \$13.5 million and Adjusted EBITDA of \$1.5 million in the prior year. South Dakota route operation revenues decreased \$0.1 million to \$6.6 million while Adjusted EBITDA decreased to \$0.1 million. We recorded a write down and other charges related to South Dakota of \$0.4 million in the current year, compared to \$1.1 million in the prior year. Corporate adjusted EBITDA was negative \$2.3 million compared to negative \$2.5 million in the prior year.

During the fiscal year the Company repaid \$4.3 million in bank debt and as of April 30, 2018, the outstanding bank debt was \$8.0 million and unrestricted cash on hand was \$9.5 million. During the year ended April 30, 2018, the Company repurchased 788,301 shares at a weighted average price of \$2.16 per share, costing \$1,700,291. As of April 30, 2018, \$1.7 million remains available under the share repurchase authorization.

### STRATEGIC REVIEW

The Company's Strategic Review is ongoing and has resulted to date in significant steps to restructure the Company's operations. On June 30, 2018 the Company completed the sale of its South Dakota slot route operations and on June 27, 2018 executed a definitive agreement to sell the Club Fortune Casino in Henderson, Nevada for \$14.6 million. The Company has previously announced that effective upon closure of the sale of Club Fortune casino, its corporate headquarters will relocate from Las Vegas to the Seattle, Washington area reducing corporate overhead by \$1.2 million. At that time Victor Mena will succeed Michael Shaunnessy as President and Chief Executive Officer. Mr. Mena has led the operations in Washington since 2009.

### Non-GAAP Information

The term "adjusted EBITDA" is used by us in presentations, quarterly earnings calls, and other instances as appropriate. Adjusted EBITDA is defined as net income before interest, income taxes, depreciation and amortization, non-cash goodwill and other long-lived asset impairment charges, write-offs of project development costs, litigation charges, non-cash stock grants, non-cash employee stock purchase plan discounts, exclusion of net income or loss from operations held for sale, and net losses/gains from asset dispositions. Adjusted EBITDA does not take into account greater or less than expected hold percentages in the gaming operations. Adjusted EBITDA is presented because it is a required component of financial ratios reported by us to our lenders, and it is also frequently used by securities analysts, investors, and other interested parties, in addition to and not in lieu of, U.S. Generally Accepted Accounting Principles ("GAAP") results to compare to the performance of other companies that also publicize this information. Adjusted EBITDA is not a measurement of financial performance under GAAP and should not be considered as an alternative to net income as an indicator of our operating performance or any other measure of performance derived in accordance with GAAP.

Net income reconciliation to Adjusted EBITDA:

	<b>For the three months ended</b>	
	<b>April 30, 2018</b>	<b>April 30, 2017</b>
Net income	\$ 367,121	\$ 1,196,560

Adjustments:			
Net interest expense	158,955		149,772
Income tax expense	134,930		578,237
Depreciation and amortization	522,261		714,652
Write downs and other charges	358,807		-
Deferred rent amortization	3,868		5,168
Stock compensation amortization	14,702		2,980
Acquisition and sale related expenses	589,839		-
Increase in swap fair value	(37,575	)	(23,865
Loss on disposal of assets	2,090		20,693
Adjusted EBITDA	\$ 2,114,998		\$ 2,644,197

	<b>For the fiscal year ended</b>		
	<b>April 30, 2018</b>		<b>April 30, 2017</b>
Net income	\$ 1,323,425		\$ 563,964
Adjustments:			
Net interest expense	591,146		666,543
Income tax expense	853,426		790,829
Depreciation and amortization	2,370,752		3,021,280
Acquisition and sale related expenses	589,839		113,900
Write downs and other charges	358,807		1,101,472
Deferred rent amortization	9,943		36,068
Stock compensation amortization	104,140		124,279
Increase in swap fair value	(171,018	)	(250,385
Loss on disposal of assets	7,863		77,183
Adjusted EBITDA	\$ 6,038,323		\$ 6,245,133

#### Conference Call and Webcast

The Company will host a conference call at 4:30 PM ET (1:30 PM PT) today to discuss the financial results and provide a corporate update. The call can be accessed live by dialing (888) 254-3590. International callers can access the call by dialing (323) 994-2093.

A telephone replay of the conference call will be available after 7:30 PM ET and can be accessed by dialing (844) 512-2921. International callers can access the replay by dialing (412) 317-6671; the pin number is 8454743. The replay will be available through August 2, 2018.

#### Forward-Looking Statements

This release contains forward-looking statements, which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. We use words such as "anticipate," "believe," "expect," "future," "intend," "plan," and similar expressions to identify forward-looking statements. Forward-looking statements include, without limitation, our ability to increase income streams, to grow revenue and earnings, and to obtain additional gaming and other projects. These statements are only predictions and are subject to certain risks, uncertainties and assumptions, which are identified and described in the Company's public filings with the Securities and Exchange Commission.

#### About Nevada Gold & Casinos

Nevada Gold & Casinos, Inc. (NYSE MKT:UWN) of Las Vegas, Nevada is a developer, owner and operator of 9 gaming operations in Washington (wagoldcasinos.com), a local casino in Henderson, Nevada (clubfortune.com).

#### Contacts:

Nevada Gold & Casinos, Inc.  
Michael P. Shaunnessy / James Meier  
(702) 685-1000

Stonegate Capital Partners  
Preston Graham  
(972) 850-2001

#### Nevada Gold & Casinos, Inc.

#### Consolidated Statements of Operations

<b>Three Months Ended</b>		<b>Twelve Months Ended</b>	
<b>April 30,</b>	<b>April 30,</b>	<b>April 30,</b>	<b>April 30,</b>

	2018	2017	2018	2017
<b>Revenues:</b>				
Casino	\$ 16,172,021	\$ 17,607,040	\$ 65,767,827	\$ 65,838,576
Food and beverage	3,435,099	3,424,377	13,252,982	13,439,326
Other	494,052	517,842	1,978,619	2,140,113
<b>Gross revenues</b>	20,101,172	21,549,259	80,999,428	81,418,015
Less promotional allowances	(1,615,610 )	(1,707,086 )	(6,446,902 )	(6,959,066 )
<b>Net revenues</b>	18,485,562	19,842,173	74,552,526	74,458,949
<b>Expenses:</b>				
Casino	8,779,150	9,307,408	36,476,733	36,488,019
Food and beverage	1,790,000	1,606,638	6,801,269	6,194,698
Other	49,923	55,034	206,764	208,090
Marketing and administrative	4,754,110	5,168,141	20,715,534	20,752,103
Facility	505,787	498,322	2,008,090	2,126,150
Corporate	1,100,004	570,581	3,009,735	2,719,003
Depreciation and amortization	522,261	714,652	2,370,752	3,021,280
Loss on sale of assets	2,090	20,693	7,863	77,183
Write downs and other charges	358,807	-	358,807	1,101,472
Total operating expenses	17,862,132	17,941,469	71,955,547	72,687,998
<b>Operating income from continuing operations</b>	623,430	1,900,704	2,596,979	1,770,951
<b>Non-operating income (expenses):</b>				
Interest income	8,818	15,770	46,241	81,011
Interest expense and amortization of loan costs	(167,772 )	(165,542 )	(637,387 )	(747,554 )
Change in swap fair value	37,575	23,865	171,018	250,385
<b>Income before income tax</b>	502,051	1,774,797	2,176,851	1,354,793
Income tax expense	(134,930 )	(578,237 )	(853,426 )	(790,829 )
<b>Net income</b>	\$ 367,121	\$ 1,196,560	\$ 1,323,425	\$ 563,964
<b>Per share information:</b>				
Net income per common share - basic and diluted	\$ 0.02	\$ 0.07	\$ 0.08	\$ 0.03
Basic weighted average number of shares outstanding	16,848,182	17,583,101	16,985,532	17,688,229
Diluted weighted average number of share outstanding	17,213,052	17,918,456	17,350,402	17,990,524

**Nevada Gold & Casinos, Inc.**  
**Consolidated Balance Sheets**

	April 30, 2018	April 30, 2017
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 9,508,931	\$ 10,631,903
Restricted cash	2,369,063	1,994,312
Accounts receivable, net of allowances	485,774	808,484
Prepaid expenses	1,436,538	1,209,507
Notes receivable, current portion	-	383,093
Inventory and other current assets	430,296	423,113
<b>Total current assets</b>	14,230,602	15,450,412
Real estate held for sale	750,000	750,000
Goodwill	16,923,588	16,923,588
Identifiable intangible assets, net of accumulated amortization of \$9,361,189 and \$8,869,497 at April 30, 2018 and April 30, 2017, respectively	3,497,779	4,107,328
Property and equipment, net of accumulated depreciation of \$9,260,152 and \$7,635,620 at April 30, 2018 and		

April 30, 2017, respectively	12,812,411	13,958,715
Deferred tax asset	704,044	1,557,470
Other assets	204,672	70,000
<b>Total assets</b>	<b>\$ 49,123,096</b>	<b>\$ 52,817,513</b>

#### LIABILITIES AND STOCKHOLDERS' EQUITY

##### Current liabilities:

Accounts payable and accrued liabilities	\$ 1,695,495	\$ 1,303,571
Accrued payroll and related	2,049,313	1,925,592
Accrued player's club points and progressive jackpots	2,592,456	2,348,068
<b>Total current liabilities</b>	<b>6,337,264</b>	<b>5,577,231</b>
Long-term debt	7,895,240	12,061,411
Other long-term liabilities	637,207	667,110
<b>Total liabilities</b>	<b>14,869,711</b>	<b>18,305,752</b>

##### Stockholders' equity:

Common stock, \$0.12 par value per share; 50,000,000 shares authorized; 18,715,985 and 18,627,167 shares issued and 16,848,182 and 17,547,665 shares outstanding at April 30, 2018, and April 30, 2017, respectively	2,245,927	2,235,269
Additional paid-in capital	27,557,151	27,449,319
Retained earnings	13,644,239	12,320,814
Treasury stock, 1,867,803 and 1,079,502 shares at April 30, 2018 and April 30, 2017, at cost	(9,193,932)	(7,493,641)
<b>Total stockholders' equity</b>	<b>34,253,385</b>	<b>34,511,761</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 49,123,096</b>	<b>\$ 52,817,513</b>

 [Primary Logo](#)

Source: Nevada Gold & Casinos, Inc.