



July 27, 2017

Nevada Gold & Casinos Reports Fourth Quarter and Fiscal Year 2017 Results

LAS VEGAS, July 27, 2017 (GLOBE NEWSWIRE) -- Nevada Gold & Casinos, Inc. (NYSE MKT:UWN) today announced financial results for the fourth quarter and year ended April 30, 2017. 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.

For the fourth quarter of fiscal 2017, the Company reported net revenues of \$19.8 million compared to \$19.9 million in the fourth quarter of fiscal 2016. Operating income was \$1.9 million compared to \$0.4 million in the prior year which was impacted by impairment charges of \$1.2 million. Net income was \$1.2 million, or \$0.07 per share. Consolidated Adjusted EBITDA was \$2.6 million compared to \$2.5 million in the prior year period.

During the fourth quarter, net revenues from Washington state gaming operations increased to \$14.9 million from the \$14.6 million in the prior year period, while EBITDA decreased slightly to \$2.5 million compared to \$2.6 million in the prior year period. Club Fortune net revenues were \$3.5 million compared to \$3.7 million in the prior year period, while EBITDA increased to a quarterly record of \$0.8 million from \$0.5 million in the prior period due to improved operating and marketing efficiencies. South Dakota route operation revenues decreased \$214,000 from the prior year period, primarily reflecting 47 fewer units in operation, and EBITDA declined \$61,000 for the quarter. Corporate expenses were \$0.6 million in both periods.

"The fourth quarter saw our luck change in Washington as the table hold percentage improved, and at Club Fortune, our operating and marketing initiatives contributed to significant EBITDA improvement on slightly lower revenues," said President and CEO, Michael Shaunnessy.

For the fiscal year 2017, the Company reported net revenues of \$74.6 million compared to \$70.2 million in fiscal year 2016. This increase was due to a full year of operations at Club Fortune which was acquired December 1, 2015, which more than offset the decrease in revenues from our Washington segment. Operating expenses increased \$6.0 million primarily due to a full year of Club Fortune operations. Net income was \$0.6 million compared to \$1.3 million in the prior year.

"Fiscal 2017 was challenging due to lower table hold percentages in Washington and major road construction at Club Fortune," said President and CEO Michael Shaunnessy. "With the construction behind us and hold percentages returning to normal, we had a strong fourth quarter to finish out the year and set the stage for 2018."

Net revenues for the fiscal year from Washington state gaming operations decreased \$2.3 million to \$54.4 million, while Adjusted EBITDA decreased \$2.1 million from a record \$9.1 million in the prior year. Revenues were impacted by approximately \$0.8 million due to a lower than expected table games hold percentage. Club Fortune net revenues were \$13.5 million and Adjusted EBITDA was \$1.5 million in its first full year of operation. South Dakota route operation revenues decreased \$0.8 million to \$6.7 million while Adjusted EBITDA decreased \$0.2 million to \$0.2 million. Corporate adjusted EBITDA was negative \$2.5 million compared to negative \$2.4 million in the prior year.

During the fiscal year the Company repaid \$4.9 million in bank debt and as of April 30, 2017, the outstanding bank debt was \$12.3 million and unrestricted cash on hand was \$10.6 million. In July 2016, the Board of Directors authorized a share repurchase program of \$2.0 million and during the year we purchased 296,665 shares at an average cost of \$1.89. On July 12, 2017 we announced the purchase of 755,644 shares at a price of \$2.15 per share completing this authorization. The Board has approved an additional \$2.0 million share buyback.

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 (loss) reconciliation to Adjusted EBITDA:

	For the three months ended	
	<u>April 30, 2017</u>	<u>April 30, 2016</u>
Net income (loss)	\$ 1,196,560	\$ (241,290)
Adjustments:		
Net interest expense	149,772	248,893
Income tax expense	578,237	409,271
Depreciation and amortization	714,652	869,414
Club Fortune acquisition expenses	-	12,181
Write downs and other charges	-	1,185,000
Deferred rent amortization	5,168	14,430
Stock compensation amortization	2,980	28,675
Employee stock purchase discount	-	25
(Gain) decrease in swap fair value	(23,865)	(26,282)
Loss (gain) on disposal of assets	20,693	5,291
Adjusted EBITDA	<u>\$ 2,644,197</u>	<u>\$ 2,505,608</u>

	For the fiscal year ended	
	<u>April 30, 2017</u>	<u>April 30, 2016</u>
Net income	\$ 563,964	\$ 1,301,046
Adjustments:		
Net interest expense	666,543	628,315
Income tax expense	790,829	1,221,497
Depreciation and amortization	3,021,280	2,608,616
Club Fortune acquisition expenses	113,900	641,472
Write downs and other charges	1,101,472	1,185,000
Deferred rent amortization	36,068	35,900
Stock compensation amortization	124,279	164,698
Employee stock purchase discount	-	4,671
(Gain) decrease in swap fair value	(250,385)	217,781
Loss (gain) on disposal of assets	77,183	(158,411)
Adjusted EBITDA	<u>\$ 6,245,133</u>	<u>\$ 7,850,585</u>

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 (877) 780-3379. International callers can access the call by dialing (719) 457-2631.

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 3065863. The replay will be available through August 3, 2017.

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), and a slot route operation in Deadwood, South Dakota (dakotaplayersclub.com). For more information, visit www.nevadagold.com.

Nevada Gold & Casinos, Inc. Consolidated Statements of Operations

	Three Months Ended		Twelve Months Ended	
	April 30, 2017	April 30, 2016	April 30, 2017	April 30, 2016
Revenues:				
Casino	\$ 17,564,894	\$ 17,625,233	\$ 66,006,576	\$ 62,122,367
Food and beverage	3,424,377	3,581,609	13,439,326	11,797,939
Other	517,843	605,067	2,140,113	2,042,519
Gross revenues	21,507,114	21,811,909	81,586,015	75,962,825
Less promotional allowances	(1,707,086)	(1,947,459)	(6,959,066)	(5,728,469)
Net revenues	19,800,028	19,864,450	74,626,949	70,234,356
Expenses:				
Casino	9,076,452	9,374,581	36,404,244	33,421,887
Food and beverage	1,606,638	1,553,769	6,195,203	5,671,376
Other	75,845	58,829	291,360	238,794
Marketing and administrative	5,336,141	5,266,141	20,920,103	18,615,262
Facility	498,322	514,894	2,126,150	2,025,007
Corporate	570,581	645,939	2,719,003	3,258,187
Depreciation and amortization	714,652	869,414	3,021,280	2,608,616
Loss (gain) on sale of assets	20,693	5,291	77,183	(158,411)
Write downs and other charges	-	1,185,000	1,101,472	1,185,000
Total operating expenses	17,899,324	19,473,858	72,855,998	66,865,718
Operating income from continuing operations	1,900,704	390,592	1,770,951	3,368,638
Non-operating income (expenses):				
Interest income	15,770	19,350	81,011	94,589
Interest expense and amortization of loan costs	(165,542)	(268,243)	(747,554)	(722,903)
Change in swap fair value	23,865	26,282	250,385	(217,781)
Income before income tax	1,774,797	167,981	1,354,793	2,522,543
Income tax expense	(578,237)	(409,271)	(790,829)	(1,221,497)
Net income (loss)	\$ 1,196,560	\$ (241,290)	\$ 563,964	\$ 1,301,046
Per share information:				
Net income (loss) per common share - basic and diluted	\$ 0.07	\$ (0.01)	\$ 0.03	\$ 0.08
Basic weighted average number of shares outstanding	17,583,101	17,771,800	17,688,229	17,002,728
Diluted weighted average number of share outstanding	17,918,456	17,771,800	17,990,524	17,298,373

Nevada Gold & Casinos, Inc. Consolidated Balance Sheets

April 30, 2017	April 30, 2016
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ASSETS

Current assets:

Cash and cash equivalents	\$ 10,631,903	\$ 11,583,107
Restricted cash	1,994,312	1,433,728
Accounts receivable, net of allowances	808,484	665,549
Prepaid expenses	1,209,507	1,206,825
Notes receivable, current portion	383,093	208,294
Inventory and other current assets	423,113	416,022
Total current assets	15,450,412	15,513,525
Real estate held for sale	750,000	750,000
Notes receivable, net of current portion	-	900,775
Goodwill	16,923,588	18,025,059
Identifiable intangible assets, net of accumulated amortization of \$8,869,497 and \$7,997,790 at April 30, 2017 and April 30, 2016, respectively	4,107,328	5,003,981
Property and equipment, net of accumulated depreciation of \$7,635,620 and \$5,641,733 at April 30, 2017 and April 30, 2016, respectively	13,958,715	15,147,061
Deferred tax asset	1,557,470	2,348,299
Other assets	70,000	70,000
Total assets	\$ 52,817,513	\$ 57,758,700

LIABILITIES AND STOCKHOLDERS' EQUITY**Current liabilities:**

Accounts payable and accrued liabilities	\$ 1,303,571	\$ 1,702,366
Accrued payroll and related	1,925,592	2,094,250
Accrued player's club points and progressive jackpots	2,348,068	1,872,566
Total current liabilities	5,577,231	5,669,182
Long-term debt	12,061,411	16,839,148
Other long-term liabilities	667,110	881,426
Total liabilities	18,305,752	23,389,756

Stockholders' equity:

Common stock, \$0.12 par value per share; 50,000,000 shares authorized; 18,627,167 and 18,571,693 shares issued and 17,547,665 and 17,788,856 shares outstanding at April 30, 2017, and April 30, 2016, respectively	2,235,269	2,228,612
Additional paid-in capital	27,449,319	27,315,517
Retained earnings	12,320,814	11,756,850
Treasury stock, 1,079,502 and 782,837 shares at April 30, 2017 and April 30, 2016, at cost	(7,493,641)	(6,932,035)
Total stockholders' equity	34,511,761	34,368,944
Total liabilities and stockholders' equity	\$ 52,817,513	\$ 57,758,700

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Source: Nevada Gold & Casinos, Inc.

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