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Galaxy Gaming Reports Q1 2017 Financial Results

LAS VEGAS, May 17, 2017 (GLOBE NEWSWIRE) -- Galaxy Gaming, Inc. (OTCQB:GLXZ), the world's largest independent developer, manufacturer and distributor of casino table games and enhanced systems, announced today its results for the quarter ending March 31, 2017.

Financial Highlights

Q1 2017 vs. Q1 2016 (restated)

- Revenue of \$3,475K increased 16%
- Adjusted EBITDA of \$1,230K decreased 2%
- Pre-tax income of \$240K decreased 64%
- Net income of \$162K decreased 62%

Balance Sheet Improvements (vs. December 31, 2016)

- Cash increased to \$2,920K (+27%)
- Total debt (gross) reduced to \$10,904K (-3%)
- Stockholders' equity increased to \$4,873K (+5%)

Q1 2016 Restatement

On April 2, 2017, the Company reported on Form 8-K that its financial statements for 2015 and for the three quarters of 2016 would be restated due to two issues. These issues were further detailed in the Company's 2016 annual report filed with the US Securities and Exchange Commission on Form 10-K. The effects of the restatement on the income statement are as follows:

Item	Q1-2016 Original	Q1-2016 Restated
Revenue	\$2,984K	\$2,984K
Adjusted EBITDA	\$1,231K	\$1,250K
Pre-tax Income	\$536K	\$668K
Net income	\$379K	\$428K

Executive Comments

"Our top line continues to show solid growth from the recent investments we have made in our business," stated Galaxy's CEO Robert B. Saucier. "In the first half of 2017, we are continuing to make those investments and at an accelerated rate. In the short term, those investments will negatively affect our profits. However, we have never been interested in short term results and instead we believe these investments are necessary to sustain our longer term growth objectives."

“Q1 2017 demonstrated the strength of Galaxy’s business model,” said Harry C. Hagerty, the Company’s newly-appointed Chief Financial Officer. “Adjusted EBITDA was almost equal to last year’s in spite of significant increases in personnel-related costs. Pretax and net income numbers are down more significantly due to increased expenses related to the new financing put in place in August of 2016. In spite of this reduced profitability, the Company generated a meaningful increase in cash in the quarter. Finally, the Company’s balance sheet is in good shape as evidenced by the ratio of Total Debt to annualized Adjusted EBITDA at 2.2x.”

About Galaxy Gaming

Headquartered in Las Vegas, Nevada, Galaxy Gaming (galaxygaming.com) develops, manufactures 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. The Company is also expanding its global presence through its partnership with WPT Enterprises, Inc., owner of the World Poker Tour. Galaxy’s games can be played online at FeelTheRush.com. Connect with Galaxy on [Facebook](#), [YouTube](#) and [Twitter](#).

Contact:
Dona Cassese
(702) 939-3254



Source: Galaxy Gaming, Inc.