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Galaxy Gaming Reports 2016 Financial Results

Revenues, EBITDA and Profits Reach Record Highs

LAS VEGAS, April 18, 2017 (GLOBE NEWSWIRE) -- Galaxy Gaming, Inc. (OTC:GLXZ), the world's largest independent developer, manufacturer and distributor of casino table games and enhanced systems, announced today its results for the year ending December 31, 2016.

Financial Highlights

FY 2016 vs. FY 2015 (restated)

- Revenue of \$12,451K increased 14%
- Adjusted EBITDA of \$5,232K increased 59%
- Pre-tax income of \$2,536K increased 280%
- Net income of \$1,765K increased 273%
- Diluted EPS of \$0.04 versus \$0.01 in 2015

Balance Sheet Improvements

- Cash increased from \$571K to \$2,305K (+304%)
- Total debt reduced from \$12,143K to \$9,899K (-18%)
- Stockholders' equity increased from \$2,715K to \$4,626K (+70%)

FY 2015 Restatement

On April 2, 2017, the Company reported on Form 8-K that its financial statements for 2015 would be restated due to two issues. The first issue pertained to the amortization of original issue discount related to the Prime Table Games' promissory note (the "PTG Note"), which had not previously been deducted on the Company's income tax returns in any period since the PTG Note was issued in October 2011.

In the second issue, also pertaining to the PTG Note (which is denominated in UK pounds), the related foreign currency transaction gains and losses were incorrectly reported as other comprehensive income (a component of stockholders' equity) instead of earnings. The effects of these two issues on the income statement are as follows:

Item	FY2015 Original	FY2015 Restated
Revenue	\$10,952K	10,952K
Adjusted EBITDA	\$3,267K	\$3,282K
Pre-tax income	\$439K	\$668K

Net income	\$188K	\$473K
Diluted EPS	–	\$0.01

Executive Comments

“An interesting pattern continues to emerge regarding our business model’s scalability,” stated Galaxy’s CEO Robert B. Saucier. “Our high gross margin recurring revenue base is making significant contributions to our other numbers, which is evident in our fiscal results. For example, adjusted EBITDA increased almost \$2 million on only a \$1.5 million increase in revenue. Looking at the bottom line, we booked a 273% increase in net income on only a 14% gain in revenue. This ability to generate a high percentage of cash has allowed us to organically reduce long-term debt and increase our working capital, without suffering shareholder dilution.”

“2016 was a great year for Galaxy Gaming for a number of reasons,” continued Mr. Saucier. “Major accomplishments included prevailing in a major lawsuit and restructuring the debt related to the acquisition of Prime Table Games. We expanded our global footprint, increased our share in key markets, strengthened our product portfolio and took meaningful steps to enhance our scalability.”

Looking forward Mr. Saucier commented, “Although we never provide forward-looking financial guidance, I am comfortable in saying that we believe we are well positioned to continue our revenue momentum in 2017. Geographical expansion, market share enhancement and further strengthening of our product line are expected to continue. I am fortunate to work with an exciting group of people who share this vision and are responsible for making Galaxy Gaming a trusted and respected name in the gaming industry.”

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](#).

This press release may contain "forward looking" statements within the meaning of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, and is subject to the safe harbors created thereby. Forward looking statements are subject to change and involve risks and uncertainties that could significantly affect future results, including those risks detailed from time to time in the Company's filings with the Securities and Exchange Commission. Although the Company believes any expectations expressed in any forward looking statements are reasonable, future results may differ materially from those expressed in any forward looking statements. The Company undertakes no obligation to update the information in this press release except as required by law and represents that the information speaks only as of today's date.

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Source: Galaxy Gaming, Inc.