

Q1 2016 INTERIM REPORT



Gaming Innovation Group Inc.



10TH MAY 2016

HIGHLIGHTS

- A very good start of 2016 with solid progress in all business areas
- All time high quarterly revenues of EUR 7.9 million, an increase of 24 per cent quarter over quarter, and 170 per cent over first quarter 2015
- Gross profit margin of 84 per cent in first quarter 2016, compared to 80 per cent in fourth quarter 2015, and 65 per cent in first quarter 2015
- EBITDA negative with EUR 0.07 million in first quarter 2016, an EUR 1.7 million improvement from negative EUR 1.76 million in fourth quarter 2015
- TV campaigns continued in combination with other marketing activities in the first quarter. Marketing expenses were EUR 3.34 million, or 42 per cent of revenue, compared to EUR 3.77 million or 59 per cent in fourth quarter 2015.
- Acquisition of two additional affiliate networks in Q1 2016, significantly increasing GiG's traffic driving capability of new paying users
- Acquisition of Sports Technology company OddsModel enables GiG to create proprietary odds on sports markets through OddsModel's automatic pricing software utilizing proprietary quantitative models and algorithms, and real-time data
- iGamingCloud signed five new clients in first quarter. As of today, seven external clients are operational with the majority of the remaining customers to go live in May and June 2016

KEY FIGURES

EUR 1000	Q1 2016	Q4 2015	Q1 2015	2015
Revenue	7 886	6 384	2 923	17 749
EBITDA	-72	-1 756	-245	-2 062
Pre tax profit (loss)	-333	-1 782	-272	-2 058

ABOUT GiG

Gaming Innovation Group provide three bespoke revenue models within iGaming; cutting-edge cloud based services through iGamingCloud, business-to business performance marketing in Innovation Labs, and end-user gambling operators offering games from the best-of-breed suppliers across the online sports betting and casino industry.

Q1 2016 INTERIM REPORT

OPERATIONAL UPDATE

Gaming Innovation Group Inc. (GIG) continued its growth across all three-business areas in the first quarter 2016.

- iGaming Cloud (iGC) had three external operators live during the quarter and five new agreements were entered into
- The affiliate business in Innovation Labs experienced organic growth in first time depositors referred to partnering operators and increased its business through acquisitions of a Dutch and Swedish affiliate networks in the quarter
- Rizk.com launched in January and including Guts.com and Betspin.com, GIG's casino and sportsbook brands increased 80 per cent from 51,654 active users in the fourth quarter 2015 to 92,937 active users in first quarter 2016.

Consolidated revenues for the first quarter were EUR 7.9 million, an increase of 24 per cent over fourth quarter 2015. Gross margin were 84 per cent in first quarter 2016, compared to 80 per cent in fourth quarter 2015. EBITDA was negative EUR 0.07 million in the first quarter, a EUR 1.7 million improvement from negative EUR 1.76 in fourth quarter 2015.

iGAMING CLOUD

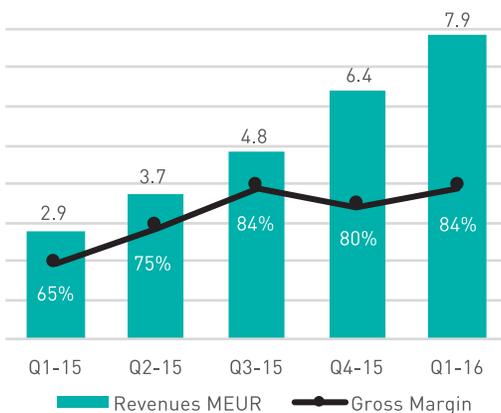
GIG's cloud-based platform services, iGamingCloud (iGC), experienced growth in the first quarter. Five new

agreements were signed, adding to a total of 15 agreements as of 31 March 2016. In April another client signed, and the total expected annual contributions from the iGC platform clients adds up to around EUR 6.8 million. Including GIG's own brands, nine operators have commenced operations on the iGC platform and operations have been in line with plan and without special events. GIG expects that the remaining seven external customers will start its operations as planned during May and June with one operator starting integration in third quarter.

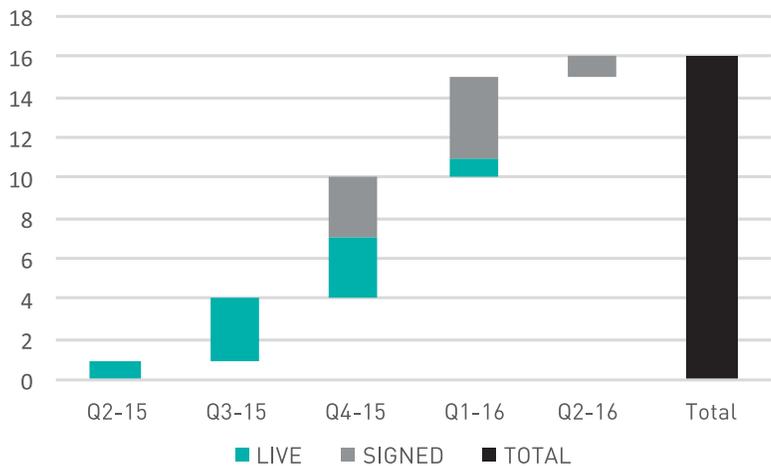
Although not contributing significantly to the Company's revenue in first quarter, these agreements clearly indicate market acceptance for iGamingCloud's innovative cloud based services, and GIG expects contribution from this new revenue source to increase during 2016. Development of the platform and the integration of B2B agreements incur significant operational expenses, but as new clients are added on the iGC platform, revenues will increase.

iGC also focused on the development of the features, functionality and third hand party services available through the platform. A total of 11 Gaming Services Providers (GSPs), 18 Payment Services Providers (PSPs), and a range of ancillary services are available through the platform - offering in excess of 1,500 games and up to 170,000 sporting events through its casino and sports solutions. iGC also completed integration with the poker network of MicroGaming in Q1.

REVENUES AND GROSS MARGIN



iGC AGREEMENTS



PERFORMANCE MARKETING

Innovation Labs' affiliate operations had a good quarter achieving more than 4,700 new FTDs (First Time Depositor) referred to operators in the first quarter 2016, compared to 4,500 in the fourth quarter 2015.

In first quarter 2016, Innovation Labs acquired two affiliate networks, one based in the Netherlands and one in Sweden. The acquisitions include a four-figured number of referral sites, a highly experienced team of Search Engine Optimization (SEO) experts and recurring revenues from the existing portfolio of affiliate accounts with partnering operators. The acquisitions will significantly strengthen Innovation Labs' presence as an online traffic driver for the iGaming industry, expecting to contribute with revenues of minimum EUR 3 million to Innovation Labs over the next 12 months, and in total Innovation Labs expect to generate more than 45,000 New Depositing Customers (NDC's) to B2B clients and GiG's own operators.

OPERATORS

GiG's casino brands experienced a strong growth in first quarter, fuelled by a successful launch of Rizk.com in January. For the quarter, the number of active users were 92,937, an increase from 51,654 in fourth quarter 2015. TV campaigns has continued, mainly for Guts.com and Rizk.com, with total marketing expenses of EUR 3.34 million in the first quarter compared to EUR 3.77 million in the fourth quarter 2015. This represent 42 per cent of revenues in first quarter, down from 59 per cent in fourth quarter 2015.

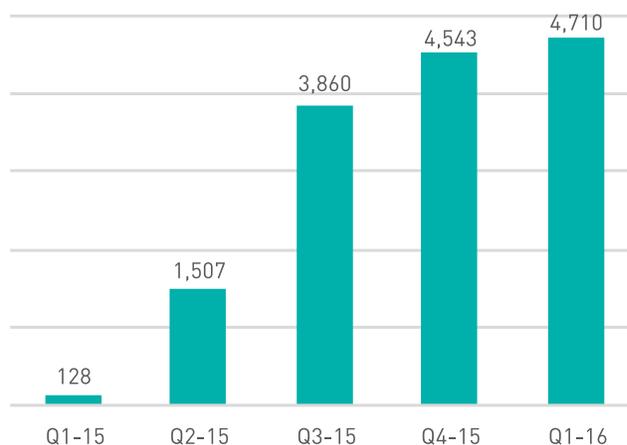
Of the total marketing expenses 65 per cent was attributable to up front payments, while 35 per cent are allocated revenue share agreements. The TV campaigns are planned to continue at approximately the same spending.

Rizk.com soft launched in December 2015 and fully launched early January 2016. The launch of Rizk.com is supported by a marketing campaign, fronted by Hollywood actor Kevin Dillon (Johnny Drama, Entourage). The launch has been successful and exceeded budgets in Q1.

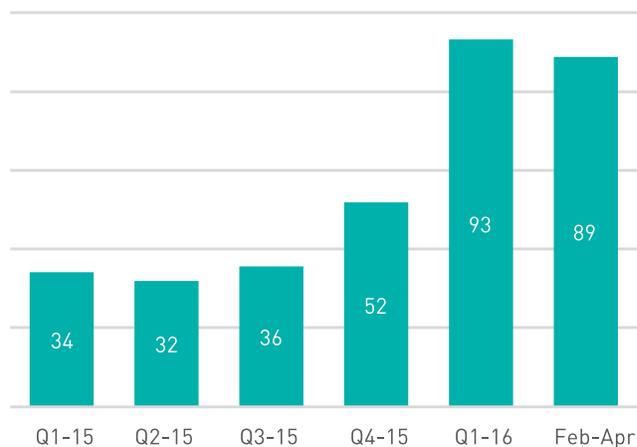
ODDSMODEL

In March, GiG entered into an agreement to purchase the sports betting technology company OddsModel. The acquisition is a milestone in GiG's ambition to offer a leading platform for Sportsbooks. OddsModel has for several years developed software used for automated and manual pricing of global betting markets. The company produces data

FTDs INNOVATION LABS



ACTIVE PLAYERS (1000)



utilized to generate real-time pricing of Pre-Match and In-Play sports events through the use of quantitative methods and proprietary analytical models, which are complementary to third party odds providers.

Through this transaction, GiG will assume a team of top class experienced traders whom are sourcing the very best information and data into technology platforms to trade sports and hedge risk. By deriving prices from sports data the traders are executing betting strategies using automated software «trading-robots».

All systems will be fully integrated with iGamingCloud's Sportsbook engine and will significantly enhance the offering for the benefit of internal brands and B2B customers. The aim is to conclude initial integrations of the systems ahead of the Euro Cup in June, while a complete integration will be concluded second half 2016.

GENERAL

GIG has undergone a transformational change as we have evolved from an affiliate, to an operator and ultimately to the technology firm we are today. In this process, GIG has grown from a dozen employees to now exceeding 160 persons. Following a period of strong growth in all business areas, GIG has initiated a process of establishing a Group executive management. Mr. Mikael Ångman has been recruited as the new Chief Operating Officer of GIG effective from 1 September 2016 and Ms. Katja Laaksonen has been appointed as Managing Director of Guts.Com. Following these appointments, Robin Reed will now focus solely on the role as the Group CEO.

OUTLOOK

During the last year, Gaming Innovation Group successfully transformed from a marketing firm to a technology company. Our proprietary software platform forms the basis for our future growth. The industry is expanding, and with the Company's innovative solutions and market approach, our growth is expected to outpace the general industry growth.

iGamingCloud has established a solid client base, and through both the number of signed contracts and the launch of external brands on the platform, iGC has proven that it has an attractive industry offering. Going forward, GIG will increase focus on developing the platform to suit new needs and requests from clients to improve the offering. With expected new agreements and more clients coming live, revenues from iGC will significantly improve. The company expects that iGC will see a strong growth for the second half of 2016 and beyond and is also judging its chances as good of signing more established operators in the coming periods, as one predominantly focused on attractive startups during the launch period.

During the first quarter, Innovation Labs contemplated two acquisitions that will significantly improve activity and revenue going forward. The results of the cooperation between iGC's external clients as well as Rizk.com, has confirmed that Innovation Labs will play an important role for the new iGC clients in increasing FTD's for the mutual benefit of GIG and the client.

After the successful launch of Rizk.com in first quarter, GIG expects continued revenue growth for its own operated casino and sports betting services. The customer base is increasing, and, fuelled by TV campaigns, expanded

offerings, and an improved user interface, the Company will focus on player value by converting the large increase of new players to long term loyal users.

Gaming Innovation Group has established a solid platform for growth, and remains optimistic with regards to its strategic, operational and financial development in 2016. Given the identified growth potential and the acquisitions made in first quarter, the Company are confident on its guiding of an increase in revenues by more than 100 per cent in 2016, with an operating profit in excess of EUR 5 million, and will evaluate its guiding following completion of the acquisitions in second quarter.

OUR BUSINESS

The vision of Gaming Innovation Group is; «To Make iGaming an open and connected Eco-System, for the benefit of all». We do so by making digital connections between all stakeholders through the use of technology.

Gaming Innovation Group Inc. operates out of Malta across three different iGaming business areas:

- Cloud services (B2B)
- Performance Marketing (B2B)
- Operators (B2C)

CLOUD SERVICES

iGamingCloud (IGC) was founded on the vision of making the iGaming industry lean. To do so GIG has created an open cloud based platform as a software-as-a service. We are integrating application developers such as gaming services providers (GSPs), Payment services providers (PSPs), and ancillary software such as Marketing Suites, Customer Relation Management platforms and support system, through the use of APIs (Application Programming Interface). These service providers can access an eco-system of operators through one integration. The operators on their end can utilize our open APIs to connect their front-end website and CMS to the system and gain access to all the GSPs, PSPs, and ancillary services.

The iGC casino solution gives operators access to over 1500 casino games from industry leading suppliers, including a large catalogue of the most renowned mobile games. Game orders and game categories can be added and adjusted on the fly thanks to our intelligent game manager allowing easy access and real-time management. The iGC back-office features a range of CRM, Bonusing, Gamification/ Game Layer and analytics tools to increase the customer's

lifetime value. With iGC's Sportsbook solution, the operator has access to over 170,000 world wide sporting events all being controlled by our innovative back office. All features and functionality is offered through a Software-As-A-Service(SaaS). An intuitive software accessible at any time through a cloud based login.

iGC is utilizing cloud computing and the system framework for iGaming Cloud has been built around the latest technology, and maximizes uptime and allows updates without disruption to the operations. Uptime of the platform has been in excess of 99.98% since launch. In Q1 the platform processed in excess of 659m database transactions, and increase from 427m in Q4 2015. The performance of the platform has proven to increase gross gaming. The iGC platform itself is fully scalable both horizontal and vertical with individual modules being scalable in anticipation of increased load.

Data is important to an iGaming operation and iGC platform provides full real time reporting, allowing the operator to store and utilize data for proprietary utilization. The first operator on the iGC platform, Betspin.com, went live in January 2015, followed by a successful migration of Guts.com in June. The first external client signed in April and went live in September. As of today, 16 external clients have signed whereof 6 are in operation.

PERFORMANCE MARKETING

The vision of Innovation Labs is to «improve the touchpoints were people are finding iGaming online». We aim to spread and highlight educational, informational and valuable content about the industry online. As such we are promoting the best of the breed games, operators and offerings through reviews, articles, guides and comparisons made available at web portals. These web portals are indexed by Google and are ranking high among search results pages for relevant search terms. The traffic derived from these searches are channelled through to affiliated partners whom tracks the origin of the traffic, and pays the proprietor of the traffic a share of perpetual revenue.

Innovation Labs aims to become one of the leading companies within online performance marketing, or affiliation, mainly serving external operators, but also the Company's own brands. Innovation Labs refers paying users to B2B clients primarily on perpetual revenue share agreements, but also on up front «Cost per Action» (CPA) payments, or a hybrid between Revenue shares and CPAs. ILL completed three bolt-on acquisitions in 2015, increasing its traffic driving capabilities and so far in

2016, two additional acquisitions are added, increasing the business further. In Q1 Innovation Labs referred more than 4,700 First-Time Depositors (FTDs) to affiliated operators, making Innovation Labs on one of the top five «affiliates» in the Nordic region in terms of traffic driving capability.

OPERATORS

iGaming is one of the most compelling entertainment options available. We see our operators as creative studios that seek to make digital connections with people through real money games. Our vision is to bring to deliver the best user experience in the industry and we do so by offering a supreme customer service, innovative and immersive user interfaces, and exciting and attractive stories and offerings.

GIG is offering Business-to-Consumer (B2C) casino and sportsbetting services through its three brands, Guts.com, Betspin.com, and Rizk.com. All brands use iGaming Cloud and operates on GIG's own licenses from Malta Gaming Authorities (MGA) and the United Kingdom Gaming Commission (UKGC).

GIG's largest brand in terms of revenues and active players, is Guts.com. It is an online sportsbook and casino launched in May 2013 Betspin.com launched in February 2015, as the iGC platform's first user. GIG has also developed a new casino brand, Rizk.com that successfully launched in January 2016. This brand's focus on «Gamification» and by utilizing the possibilities in the iGC platform, provides an innovative user interface which will differentiate its target audience from that of the two other brands.

GIG's brands reached 92,937 active real money players in first quarter 2016, up 80 per cent when compared with fourth quarter 2015's 51,654 players.

FINANCIAL PERFORMANCE - Q1 2016

Consolidated revenues were EUR 7.89 million in first quarter 2016, an increase of 24 per cent over fourth quarter 2015 (EUR 6.38 million), and 170 per cent over first quarter 2015 (EUR 2.92 million). Revenues comprise income from the Company's gaming sites Guts.com, Rizk.com and Betspin.com, from affiliate marketing in Innovation Labs, and B2B customers on the iGC platform.

Cost of sales amounted to EUR 1.29 million, in line with fourth quarter 2015 (EUR 1.30 million) and up from EUR 1.03 in first quarter 2015. Cost of sales comprise mainly fees to game and payment providers and gaming taxes. Thus, gross profit in first quarter 2016 was EUR 6.59 million, a 30 per cent increase from fourth quarter 2015 (EUR 5.08 million), and 249 per cent from first quarter 2015 (EUR 1.89 million). The gross profit margin was 84 per cent in first quarter 2016, up from 80 per cent in fourth quarter 2015 and 65 per cent in first quarter 2015.

Marketing expenses were EUR 3.34 million in first quarter 2016, down from EUR 3.77 million in fourth quarter 2015 (EUR 0.92 million in first quarter 2015). Marketing expenses amounted to 42 per cent of revenues in first quarter 2016, a reduction from 59 per cent in fourth quarter 2015 (32 per cent in first quarter 2015). Marketing expenses surged in fourth quarter 2015 due to extensive TV campaigns in the second half of 2015 for the Company's brands Guts and Betspin. As stated in the Q4 2015 Interim Report, the TV campaigns are planned to continue at approximately the same spending going forward, and with increasing revenues, marketing in per cent of revenues will decrease.

Other operating expenses amounted to EUR 3.33 million in first quarter 2016, an 8 per cent increase compared with EUR 3.07 million in fourth quarter 2015, and 174 per cent from EUR 1.21 million in first quarter 2015. Operating expenses are mainly related to salaries, rent and general corporate expenses, and the increase is a result of more activity and an increase in the number of employees from around 130 to 160 during the quarter.

EBITDA for the first quarter 2016 ended negative at EUR 0.07 million, a significant improvement from negative EUR 1.76 million in fourth quarter 2015. EBITDA for first quarter 2015 was negative EUR 0.24 million. The improvement in EBITDA is a result in planned increase in revenues and reduction in marketing expenses compared to revenues.

Depreciation and amortization amounted to EUR 0.10 million in first quarter 2016, compared to EUR 0.18 million in fourth quarter 2015 and EUR 0.03 million in first quarter 2015, leaving a negative EBIT of EUR 0.18 million in first quarter 2016, compared to negative EUR 1.94 in fourth quarter 2015 and negative EUR 0.28 in first quarter 2015.

Net other expense was EUR 0.16 million in fourth quarter 2015, mainly due to unrealized exchange loss due to the strengthening of the NOK towards EUR during the quarter. Net other income was EUR 0.15 million in fourth quarter 2015, and EUR 0.01 million in first quarter 2015.

Net result ended at negative EUR 0.33 million in first quarter 2016, compared to negative EUR 1.77 million in fourth quarter 2015, and negative EUR 0.27 million in first quarter 2015.

CASH FLOW & FINANCIAL POSITION

The consolidated net cash flow from operational activities amounted to EUR -1.48 million for the first quarter 2016 (EUR -0.32 million in first quarter 2015). The net cash flow used by investing activities was EUR -0.07 million in first quarter 2016 (EUR -0.11 million in first quarter 2015). The net cash flow from financing activities was EUR 3.80 million in first quarter 2016 (EUR 0.05 million in first quarter 2015).

The net increase in cash and cash equivalents in first quarter 2016 amounted to EUR 2.22 million (EUR 0.26 million in first quarter 2015), and by 31 March 2016, holdings of cash and cash equivalents amounted to EUR 4.31 million (EUR 1.00 million as of 31 March 2015). Included are amounts of EUR 1,233,310 that are held in a fiduciary capacity and represent customer monies, whose use is restricted in terms of the Remote Gaming Regulations. In January 2016, GIG contemplated a share issue, resulting in net cash proceeds of EUR 4.49 million.

As of 31 March 2016, GIG had total assets of EUR 39.48 million, including goodwill resulting from the GIG/Nio merger of EUR 22.23 million (see note 3). Net interest bearing debt as at 31 March 2016, was EUR 3.13 million, compared to EUR 0 as at 31 March 2015.

SHAREHOLDER MATTERS

In January, GIG issued 23,000,000 new shares at a share price of NOK 1.95, directed towards a Swedish fund manager, securing net proceeds of to the Company of approximately EUR 4.49 million.

In February, the Company agreed to acquire affiliate assets from the Dutch based Delta Markets B.V., for EUR 4.2 million, whereof 30 per cent in 4,336,314 new GIG shares. In April, the transaction was completed, and the settlement shares was borrowed and will be returned to the lender when the new shares in are issued in May 2016.

Also in February, the Company entered into an agreement to purchase the sports betting technology company OddsModel AS. GIG will issue 21.79 million new GIG shares as consideration for all shares in OddsModel. The new shares will be issued in May 2016 and are subject to a two-year lock-up agreement.

Finally, GIG agreed to acquire the affiliate assets from Magenti Media in Sweden for a consideration of SEK 47.5 million, whereof SEK 32 million will be settled with new GIG shares based on the average share price the five trading days prior to closing. In addition, 1 million options will be issued to the employees at closing on terms to be defined. The acquisition is subject to a satisfactory due diligence, and is expected to be concluded in May 2016.

In February 2016, the Company redeemed and re-granted 1,500,000 options with new terms being an exercise price of NOK 2.40 per share and exercise with 1/3 in February 2018, 1/3 in February 2019 and 1/3 in February 2020 pending continued employment for the employee.

The total outstanding number of shares in GIG as at March 31, 2016 was 525,120,952. At the same date, the Company owned 415,000 treasury shares, or 0.08 per cent of the outstanding shares.

Subsequent to Q1, 500,000 options expired in April, and 500,000 were exercised in May 2016. Also in May, the Company granted 2,220,000 new options to key employees with an exercise price of NOK 4.00 per share. 720,000 of the options are exercisable with 1/3 in May 2018, 1/3 in May 2019 and 1/3 in May 2020 and the remaining 1,500,000 options are exercisable with 1/3 in September 2018, 1/3 in September 2019 and 1/3 in September 2020, pending employment and fulfilment of certain operational targets.

A total of 9,370,000 options are outstanding as of today. In addition, 1 million options will be issued to employees in Magenti Media on terms to be defined.

Following the Annual Meeting of Shareholders approval of the 2015 Annual Report and the closing of the acquisition of affiliate assets from Magenti Media, GIG will issue around 83 million new shares in May 2016, for the acquisitions of OddsModel, affiliate assets from Delta Markets and Magenti Media, the exercise of options and the earn-out to the previous owners of Gaming Innovation Group Ltd. (see 2015 Annual Report). This will increase the outstanding shares from 525 million to around 608 million. The final number of shares are dependent on the actual number of shares paid to Magenti Media.

GAMING INNOVATION GROUP INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

EUR - UNAUDITED			
	Q1 2016	Q1 2015	2015
Revenues	7 885 975	2 923 007	17 749 037
Cost of sales	1 294 254	1 032 802	4 042 188
Gross profit	6 591 721	1 890 205	13 706 849
Operating expenses			
Marketing expenses	3 338 748	922 718	7 670 104
Other operating expenses	3 325 063	1 212 116	8 098 858
Total operating expenses	6 663 811	2 134 834	15 768 962
EBITDA	-72 090	-244 629	-2 062 113
Depreciation & amortization	104 312	34 263	333 211
EBIT	-176 402	-278 892	-2 395 324
Other income (expense)	-157 023	7 233	337 265
Result before income taxes	-333 425	-271 659	-2 058 059
Tax income/(expense)	-	-25	-31 438
Net results	-333 425	-271 684	-2 089 497
Exchange differences on translation of foreign operations	-35 830	-	-150 368
Fair value movement in available for sale investment	125 702	-	-
Total comprehensive income (loss)	-243 553	-271 684	-2 239 865
Total comprehensive income (loss) attributable to:			
Owners of the Company	-201 152	-386 435	-2 136 071
Non-controlling interests	-42 401	114 751	-103 794
Total comprehensive income (loss)	-243 553	-271 684	-2 239 865
Earnings (losses) per share attributable to GIG Inc:			
Basic and diluted earnings (losses) per share	-0.00	-0.00	-0.01
Weighted average shares outstanding	513 178 479	344 000 000	405 056 147

GAMING INNOVATION GROUP INC.

CONDENSED STATEMENTS OF FINANCIAL POSITION

EUR - UNAUDITED			
	Q1 2016	Q1 2015	2015
ASSETS			
Non-current assets			
Goodwill	22 230 484	3 279	22 230 484
Intangible assets	5 909 835	625 174	5 906 768
Deposits and other non-current assets	1 338 469	333 481	1 426 611
Total non-current assets	29 478 788	961 934	29 563 863
Current assets			
Prepaid and other current assets	83 887	73 493	159 805
Trade and other receivables	5 610 175	1 178 664	3 474 238
Cash and cash equivalents	4 309 786	994 446	2 091 721
Total current assets	10 003 848	2 246 603	5 725 764
TOTAL ASSETS	39 482 636	3 208 537	35 289 627
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders' equity:			
Share capital	45 556 400	28,190,810	43 410 350
Share premium/reserves	-11 745 066	-25 775 392	-14 040 547
Retained earnings (deficit)	-2 488 840	-592 391	-2 197 816
Total equity attributable to GIG Inc.	31 322 494	1 823 027	27 171 987
Non-controlling interests	-145 369	609 055	-102156
Total shareholders' equity	31 177 125	2 432 082	27 069 831
Liabilities:			
Trade payables and accrued expenses	5 174 204	776 455	4 647 030
Short term loans	1 549 086	-	2 031 391
Total current liabilities	6 723 290	776 455	6 678 421
Long term loans	1 582 221	-	1 541 375
Total liabilities	8 305 511	776 455	8 219 796
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	39 482 636	3 208 537	35 289 627

GAMING INNOVATION GROUP INC.

CONDENSED STATEMENTS OF CASH FLOWS

EUR - UNAUDITED			
	Q1 2016	Q1 2015	2015
Cash flows from operating activities			
Results before income taxes	-333 425	-271 659	-2 058 059
Adjustments to reconcile profit before tax to net cash flow:			
Tax refund (expense)	-	-25	-31 438
Depreciation and amortization	104 312	34 263	333 211
Other adjustments for non-cash items and changes in operating assets and liabilities	-1 248 613	557 525	567 542
Net cash provided by operating activities	-1 477 726	320 104	-1 188 744
Cash flows from investing activities			
Purchases of property, plant and equipment	-24 982	-142 710	-358 816
Cash flow from other investing activities	-48 226	28 976	-1 245 213
Net cash used by investing activities	-73 208	-113 734	-1 604 029
Cash flows from financing activities			
Issuance of shares	4 487 692	-	145 047
Proceeds from loans	1 589 932	-	4 360 645
Repayment of loans	-2 031 391	-	-752 944
Cash flow from other financing activities	-241 404	50 000	-
Net cash provided by financing activities	3 804 829	50 000	3 752 748
Translation loss	-35 830	-	-150 368
Net increase (decrease) in cash	2 218 065	256 370	809 607
Cash and cash equivalents - beginning	2 091 721	738 076	1 282 114
Cash and cash equivalents - end	4 309 786	994 446	2 091 721
CONDENSED STATEMENTS OF CHANGES IN EQUITY:			
Equity at beginning of period	27 069 831	2 703 766	2 703 766
Exchange of shares of GIG Ltd. for GIG Inc.	-	-	22 232 286
Sale of subsidiary interest	-	-	1 000 000
Exercise of warrants	-	-	914 794
Issuance of treasury shares in repayment of debt and purchase of affiliates	-	-	672 627
Issuance of shares for cash, in repayment of debt and purchase of subsidiaries and affiliates	4 487 692	-	1 662 448
Change in value of available for sale financial assets	125 702	-	-
Share compensation expense/adjustment	-136 845	-	123 775
Non controlling interests	-42 401	114 751	-103 794
Exchange differences on translation of foreign operations	-35 830	-	-150 368
Net results	-291 024	-386 435	-1 985 703
Equity at end of period	31 177 125	2 432 082	27 069 831

GAMING INNOVATION GROUP INC.

Selected notes to condensed consolidated financial statements as of and for the periods ending 31 March 2016 and 2015

1. GENERAL INFORMATION

Gaming Innovation Group Inc. (formerly Nio Inc.), ("GIG" or the "Company") is a US corporation incorporated in the state of Delaware and traded on the Oslo Stock Exchange with the ticker symbol "GIG". Gaming Innovation Group Limited ("Limited") is incorporated and domiciled in Malta, having a registered office at GB Buildings Penthouse, Watar Street, Ta' Xbiex, XBX 1301. Pursuant to a reverse merger transaction consummated effective 17 June 2015, Limited became a wholly-owned subsidiary of GIG. In connection with the reverse merger, Nio Inc. changed its name to Gaming Innovation Group Inc. The transaction resulted in Limited owning approximately 64% of GIG's post-transaction outstanding shares. Accordingly, although GIG is the legal parent, Limited is treated as the accounting acquiror and parent. (See the discussion of the accounting treatment in the last two paragraphs of this Note 1). The Company's principal activity is to provide a platform for and facilitate internet gambling, gaming and betting.

Except as discussed in the following paragraph, the condensed consolidated financial statements of the Company as at and for the periods ended 31 March 2016 and 2015 are comprised of Limited, and its accounting basis subsidiaries: GIG, Candid Gaming Ltd ("Candid") and Gridmanager Ltd ("Grid") (corporations registered in Malta), GE Online Ltd ("Online") (a corporation registered in Gibraltar) and Les Encheres Bidou Inc. ("Bidou") (a corporation registered in Canada), MT Secure Trade Ltd, ("Secure") Innovation Labs Ltd, ("Labs") iGaming Cloud Ltd. (90%), ("iGC") Gaming Exchange Ltd. ("Exchange"), Zecure Gaming Limited (Zecure) (corporations registered in Malta), Spaseeba AS ("Spaseeba") (a corporation registered in Norway), NV SecureTrade Ltd ("Trade") and iGamingCloud NV ("Cloud") (corporations registered in Curacao), Online Performance Marketing Ltd. (Performance) and Downright Marketing Ltd. ("Downright") (corporations registered in British Virgin Islands).

The operations of Candid, Grid, Online and Bidou are only consolidated from 17 June 2015, the effective date of the reverse acquisition. These four companies were the only subsidiaries of GIG with continuing operations and are included from the merger date. Online and Bidou are dissolved as of 31 December 2015. All of GIG's other historical transactions through 16 June 2015 have been closed out to accumulated deficit and have been reclassified to share premium (deficiency) on the accompanying statement of shareholders equity.

2. BASIS OF PREPARATION

The condensed consolidated interim financial statements have been prepared in conformity with IAS 34 and do not include all of the information required for full annual financial statements. The condensed consolidated interim financial statements for the periods ended March 31, 2016 and 2015 have not been audited by the Company's auditors.

These unaudited interim condensed financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. The condensed consolidated financial statements report the three months of 2016 and the full year of operations of 2015 of Gaming Innovation Group Inc and subsidiaries along with activities for the four GIG subsidiaries noted above for the period June 17 to December 31, 2015 based on the fact that Gaming Innovation Group Inc. has been determined to be the accounting acquiror and Inc. has been determined to be the accounting acquiree.

The Company's consolidated financial statements are presented in Euros (EUR), which is the presentation and functional currency of the Company.

The functional currencies of its subsidiaries are the United States dollar, the Euro, Norwegian Kroner and the Canadian dollar which are translated into EUR at monthly average rates for revenues and expenses and at month end rates for assets and liabilities. Equity accounts are translated at historical rates. Exchange differences on translation of foreign operations are shown as a separate component of stockholders' equity (deficit) and reflected as other comprehensive income (loss) on the consolidated statement of comprehensive loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Policies

The accounting policies adopted and used in preparing the condensed consolidated financial statements as of and for the periods ended March 31, 2016 and 2015 are consistent with those used in preparing the Company's consolidated financial statements as of and for the year ended December 31, 2015.

Revenue Recognition Policy

Revenue comprises the fair value of the consideration received or receivable for the supply of services in the ordinary course of the

Company's activities. The Company recognizes revenue, including other operating revenue, when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and when specific criteria have been met as described below.

Gaming transactions that are not deemed to be financial instruments, where the Company revenues stem from commissions, and winnings that are subject to a fixed percentage are recorded in accordance with IAS 18 Revenue. Gaming revenues are recognized net after the deduction of players' winnings, bonuses and jackpot contributions. The revenue recognized in this manner relates to Poker and Casino.

Revenue from gaming transactions that are deemed to be financial instruments, where the Company takes open positions against players, is recognized as a net fair value gain or loss after the deduction of players' winnings, bonuses and gaming taxes. The revenue recognized in this manner relates to sports betting.

Revenue from transactions where the Company is taking positions against players, such as sports betting and online casino, is recognized when the outcome of an event is known. Revenue from commissions arising on transactions where the Company does not take an open position against players, such as poker, is recognized when players place wagers in a pool.

Costs that are not reported as part of the net gain or loss within revenue include inter alia bank charges, fees paid to platform and payment providers and certain gaming taxes.

Interest income is recognized in profit or loss for interest-bearing instruments as it accrues, on a time-proportion basis using the effective interest method, unless collectability is in doubt.

Dividend income is recognized when the right to receive payment is established.

Goodwill

Under IFRS 3, goodwill is the excess of consideration paid in a business combination over the fair value of the net tangible and intangible assets acquired. Pursuant to reverse acquisition accounting, Limited has valued the Company's net outstanding 148,099,952 shares at their market price on the closing of the merger transaction, NOK 1.16 (EUR 0.133). These are the shares Limited is deemed to have issued to effect the merger. The aggregate fair value of these shares was EUR 19,697,294 and the fair value of the Company's other assets and its liabilities have been preliminarily determined to be equivalent to their carrying values (EUR 2,529,911), resulting in goodwill of EUR 22,227,205. This goodwill was combined with existing goodwill on the books of EUR 3,279 for a total at December 31, 2015 and March 31, 2016 of EUR 22,230,484.

IFRS 3 requires recognition of impairment loss when the

Company determines the carrying value of goodwill, measured at the segment level, will not be recovered. Goodwill is tested for impairment at least annually or when other factors exist indicating that an impairment loss may have occurred. Due to the relatively short period of time since the closing of the merger, management does not believe any impairment of goodwill has occurred. The Company will allocate the goodwill over various identifiable intangibles within twelve months of the acquisition date as required by IFRS.

4. INTANGIBLE ASSETS OTHER THAN GOODWILL

In connection with the forward acquisition of Spaseeba AS effective May 1, 2015 the shares issued to acquire Spaseeba were valued at the market price of the Company's shares on the closing of the merger transaction, NOK 1.16 (EUR 0.13). The aggregate value of these shares was EUR 3,589,891, and based on a fair value calculation performed by an external appraisal this is booked as intangible.

In Q3 2015, the Company acquired two affiliate networks including a large amount of websites with guides and quality content for the gaming industry and existing portfolios of affiliate accounts with partnering operators. The combine purchase price of EUR 1,550,000 is booked as intangible.

5. SEGMENT INFORMATION

The Company operated a single segment in 2016 and 2015 and as such, segment information is not presented. Geographical sales will be disclosed annually in the annual report.

6. DEPOSITS AND OTHER NON-CURRENT ASSETS

Other assets include available for sale investments, security deposits on office leases and certain value added tax refunds due from various taxing authorities.

7. EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share are calculated by dividing the net income (loss) for the period, plus or minus applicable dividends, by the weighted number of shares outstanding. Diluted earnings (loss) per share utilize the same numerator, but outstanding shares in gain periods include the dilutive effect of outstanding warrants and options determined by the treasury stock method. Due to the losses in 2016 and 2015, outstanding common stock options and warrants were anti-dilutive and accordingly were excluded from this calculation.

8. CHANGES IN EQUITY

In January 2015, the Company purchased the minority interest in its subsidiary Candid for a consideration of 41,000,000 new shares. Of such shares, 27,000,000 shares were issued to acquire Candid and 14,000,000 were issued to a trust for the benefit of key Candid employees. In August 2015, 5,000,000 shares were returned to the Company as treasury shares, leaving 9,000,000 shares in the trust. As these 9,000,000 trust shares are in the name of the Company, they are treated as treasury shares.

In February 2015, the Company signed an agreement to acquire the entire issued share capital of Limited for 290 million shares. In addition, the sellers would be entitled to a variable consideration of up to a maximum of 125 million earn-out shares, provided that Limited reaches a revenue of EUR 24 million or more in 2015 and EUR 39 million or more in 2016. If revenue is lower than these thresholds, the variable portion will be proportionally reduced, based on the increase in revenue for the year. If the combined revenue for 2015 and 2016 is higher than EUR 63 million, the sellers will receive all 125,000,000 earn-out shares. The earn-out shares will be determined upon the final audited 2015 and 2016 accounts based on the assumptions agreed, and will be calculated based on the accounting principles applied by Limited for 2014. Based on Limited's financial statements for 2015, Limited

had revenues of EUR 21.5 million based on these principles, and pending the shareholders' approval of the annual report, 47,900,000 earn-out shares will be issued in May 2016 based on 2015 performance.

Pursuant to a special shareholders' meeting on March 17, 2015, the Company's number of authorized shares increased from 250,000,000 to 750,000,000 each with a par value of \$0.10.

In June 2015, the Company issued 290,000,000 new shares of its common stock for the acquisition of Limited together with 5,000,000 shares for the conversion of a EUR 500,000 loan from Limited to the Company's subsidiary, Candid. In addition, 5,125,000 new shares were issued for the exercise of options at a share price of NOK 1.30 per share and 1,021,000 new shares were issued for the purchase of an affiliate network. Thus, including the 27,000,000 shares issued to acquire Candid as noted above, a total of 328,146,000 shares were issued, increasing the number of issued shares to 502,120,952 shares, of which 36,000,000 were held in the treasury resulting in 466,120,952 shares outstanding.

In connection with the reverse merger, 283,061,867 shares are subject to a two year lock-up period, whereby shares with a trading value of NOK 10 million are scheduled to be released in June 2016.

	Treasury shares	Common Stock Shares issued	Common Stock Shares Outstanding	Common Stock Amount	Treasury Shares at cost	Share Premium/ Adjusted	Non-controlling interest	Translation reserve	Retained Earnings (Deficit)	Total Equity
Balance at 1 January 2015	-	317,000,000	317,000,000	28,190,810	-	-25,775,390	494,302	6,157	-212,113	2,703,766
Exchange of shares of GIG for Nio Inc.	36,000,000	173,974,952	137,974,952	14,226,572	-705,642	9,199,745	-492,664	4,275	-	22,232,286
Sale of subsidiary interest	-	-	-	-	-	1,000,000	-	-	-	1,000,000
Exercise of warrants	-1,025,000	5,125,000	6,150,000	455,766	33,015	426,013	-	-	-	914,794
Issuance of treasury shares in repayment of debt and purchase of affiliates	-25,560,000	-	25,560,000	-	672,627	-	-	-	-	672,627
Issuance of shares in repayment of debt and purchase of affiliates	-	6,021,000	6,021,000	537,202	-	1,125,246	-	-	-	1,662,448
Share compensation expense	-	-	-	-	-	123,775	-	-	-	123,775
Net results	-	-	-	-	-	-	-103,794	-	-1,985,703	-2,089,497
Exchange differences on translating foreign operations	-	-	-	-	-	-	-	-150,368	-	-150,368
Balance at 31 December 2015	9,415,000	502,120,952	492,705,952	43,410,350	-	-13,900,611	-102,156	-139,936	-2,197,816	27,069,831
Issuance of shares	-	23,000,000	23,000,000	2,146,050	-	2,341,642	-	-	-	4,487,692
Change in value of available for sale financial assets	-	-	-	-	-	126,514	-812	-	-	125,702
Share compensation expense	-	-	-	-	-	-136,845	-	-	-	-136,845
Net results	-	-	-	-	-	-	-42,401	-	-291,024	-333,428
Exchange differences on translating foreign operations	-	-	-	-	-	-	-	-35,830	-	-35,830
Balance at 31 March 2016	9,415,000	525,120,952	515,705,952	45,556,400	-	-11,569,300	-145,369	-175,766	-2,488,840	31,177,124

During 2015, the assumed options to purchase 6.15 million shares at a share price of NOK 1.30 were exercised, whereof 5,125,000 new shares were issued in June 2015 and treasury shares were used for the remaining 1,025,000 options.

In July 2015, the Company acquired an Estonia-based affiliate for a consideration of EUR 900,000 plus 795,000 Company shares. A portion of the Company's treasury shares were used for the share payment.

In October 2015, the Company converted EUR 160,000 in liabilities, EUR 60,571 in board fees and EUR 216,000 for an affiliate purchase into 2,875,000 Company's shares a share price of NOK 1.50. Treasury shares were used for these transactions.

As of March 31, 2016, Inc. owned 9,415,000 treasury shares, including trust shares.

9. LOANS PAYABLE SHAREHOLDERS

In June 2014, the Company entered into a NOK 11,975,000 loan agreement with a group of lenders with an interest rate of 10% per annum and maturity on 15 September, 2015. The lenders were granted an option to convert the loan into Company shares at a share price of NOK 0.50. In January, 2015, one million NOKs in loan value was converted into two million Company shares. In the third quarter of 2015, the remaining loan balance was converted into 21,890,000 Company shares.

In May 2015, Limited entered into a loan agreement for EUR 700,000 with a lender with an interest rate of 10% per annum and maturity in December, 2015. The loan was repaid in December 2015.

In June 2015, the Company entered into loan agreements for NOK 7,000,000 with an interest rate of 10% per annum and maturing on 30 September, 2015. Thereafter, the loan was increased by a total of NOK 13,050,000, and the maturity was extended until 1 June 2016. The loan was repaid in January 2016.

In December 2015, the Company entered into two revolving loan facilities: (a) DKK 4,000,000 with a Danish bank with an interest rate of 10% per annum and maturity on 1 January 2018 and (b) NOK 9,700,000 with a shareholder with an interest rate of 10% per annum due on demand at monthly intervals.

In March 2016, GIG entered into loan agreements for NOK 17,500,000 and EUR 300,000 with an interest rate of 10 % per annum. The loans have maturity ranging from 31 May 2016 through 31 December 2016. Close associates of Helge Nielsen and Jon Skabo, board members of the Company, participated in the loan with NOK 3,500,000 and NOK 3,000,000 respectively.

Short-term loans outstanding balances at 31 March 2016 and 2015 were EUR 1,549,086 and EUR 0 respectively. Long term loans outstanding balances at 31 March 2016 and 2015 were EUR 1,582,221 and EUR 0 respectively.

10. RELATED PARTY TRANSACTIONS

There were no other material related parties' transactions in the first quarter of 2016 than reported above in Notes 8 and 9.

11. SUBSEQUENT EVENTS

In April, 2016 the Company completed the acquisition of affiliate network assets from Delta Markets B.V. In March 2016, the Company contracted to acquire the domains for a total consideration of EUR 4,200,000. An amount of EUR 2,640,000 was settled in cash with the remaining consideration to be settled through the issuance of 4,336,314 new shares. The market value of the new shares in Inc. as at the date of the purchase agreement was EUR 1,260,000. All conditions for completing the transaction were fulfilled and the closing took place.



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