



NIO INC. – Q1 2015 RESULTS

ABOUT NIO

Nio Inc. is a pure internet gaming company with online gaming as its primary business area. The company is a US corporation incorporated in the state of Delaware, with its headquarter in Norway and operations out of Malta. Nio is traded on the Oslo Stock Exchange (ticker "NIO").

In February 2015, Nio signed an agreement to acquire the entire issued share capital of Gaming Innovation Group (GIG) for a consideration in Nio shares. The closing of the transaction is expected to be completed in May 2015. When completed, the transaction will be accounted for as a reverse acquisition with GIG being treated as the accounting acquiror.

In this report Nio officially reports the Q1 2014 figures for Nio's pre-transaction operations and describes the key figures and development for Nio and GIG's operations.

HIGHLIGHTS

- **Betspin.com casino operations launched in January 2015**
- **Agreement to acquire Gaming Innovation Group in February 2015**
- **Guts.com having record quarter for Real Money Active players**
- **iGamingCloud signing first external customer in April**
- **Strategic growth platform established upon near term closing of the communicated transactions**

KEY FIGURES

USD 1000	Q1 2015	Q1 2014	2014	GIG - Q1 2015*
Revenue	609	2 413	5 318	4 319
EBITDA	-730	14	-690	-116
Pre tax loss	-702	-756	-5 289	-116

**GIG proforma figures*

STRATEGIC AND OPERATIONAL UPDATE

In the first quarter of 2015, Nio Inc. has considerably expanded its activities in the iGaming space and positioned itself as a rapidly growing player through the launch of Betspin.com in January and the agreement to acquire of Gaming Innovation Group Ltd. (GIG) in February. Following completion of the transaction, the Company will operate out of Malta across three different business areas:

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

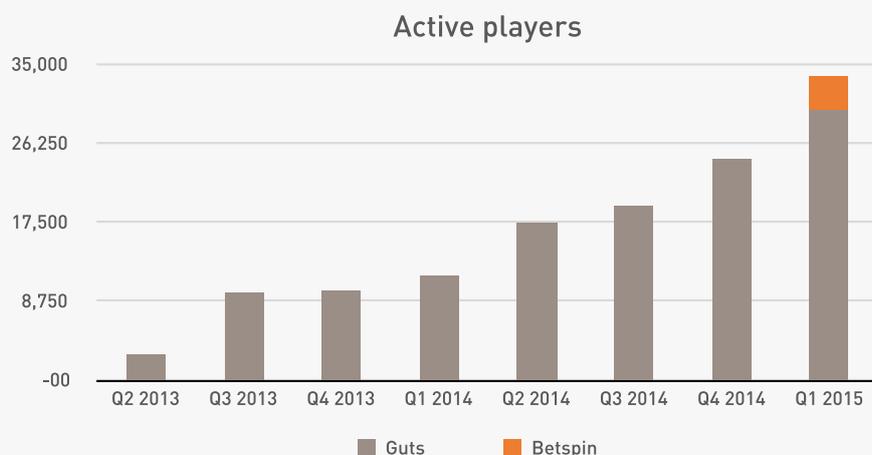
Cloud Services

GIG is making good progress on its innovative Software-as-a-Service platform offering for iGaming: iGamingCloud.com (iGC). Following the development phase, it was unveiled at the largest iGaming trade show for in ICE London in February 2015.

Demand for the service is high, and the company is in discussions with more than 30 operators regarding potential use of the cloud platform services. In April, iGC signed up its first external customer, which is expected to generate more than EUR 300,000 in net contribution annually.

iGC is developing a proprietary Sportsbook Gaming Service using a mixture of in-house technology and leading providers. The application is nearing completion and the company will submit an application for a class 2 license with the Malta Gaming Authorities in May. Based on the license, the company will migrate all in-house brands to this service, and bundle the offering with the iGC platform as a Business-to-Business cloud service. This will allow clients to offer a very competitive pre-match and live betting service, as well as all tools and licenses required to manage a sports betting business.

Operators



Nio and GIG is offering Business-to-Consumer sports betting and casino services through its three brands, Guts.com, Betspin.com and Rizk.com (to be launched autumn 2015).

The online sportsbook and casino Guts.com won the award for Best Global Casino in the IGB Awards in London in January. In Q1 Guts reached it's highest number of active real money players ever in one quarter with 29,998, a growth of 159% over Q1 2014 and 22% over the previous quarter.

GIG's gaming operations are licensed by the United Kingdom Gaming Commission (UKGC) and Malta Gaming Authorities (MGA). Through these licenses, GIG is contracting with most major gaming and payment services providers.

Guts has operated through an external platform service since May 2012, but will now migrate its platform services to the Company's own iGC platform. This migration will take place on June 1, 2015. By operating on iGC, Guts can scale up the amount of active users, and the user experience and back end capabilities will be significantly enhanced. Furthermore the move to iGC will save costs estimated to be equal to about 5% of gross income.

In May 2015 Guts signed a major TV campaign which will air in August 2015.

The Nio subsidiary Candid's online gaming site, Betspin.com, was successfully launched on February 2, 2015, as the first user on the iGC platform, after having been thoroughly tested through a soft launch in January. Betspin.com has been well received both with customers and in the gaming industry, confirming that the brand is on a right track. Betspin.com had 3,662 active players and 7,617 registered users as of March 31, 2015.

GIG acquired the domain Rizk.com in January, and is developing a new Casino and Sportsbook brand. With an increased focus on «Gamification», the general trend towards the use of game playing as an online marketing technique to encourage engagement with a product or service, and an innovative user interface, this brand will differentiate its target audience from the two other brands. Rizk is expected to launch in the autumn of 2015.

Performance Marketing

GIG's subsidiary Innovation Labs, is aiming at becoming a leading online performance marketing firm. Innovation Labs serves both the Company's own brands and external operators. Adding to Innovation Labs's existing operations, the acquisition of Spaseeba AS is expected to be finalized towards the end of May 2015. Spaseeba is a sizable performance-marketing firm for online gaming, and generated an EBIT of NOK 8 million in 2014 and is rapidly growing. All assets of Spaseeba will be merged into Innovation Labs and the combined activities is expected to generate more than 40,000 new real money players to the Company's brands as well as external clients over the next 3 years.

Following the expanding external customer base Innovation Labs is expected to constitute a significant part of the GIG's revenues in 2015 Innovation Labs is looking to further strengthening its capability of referring iGaming customers through organic growth and new acquisitions.

Easy Payment Gateway

In April, GiG signed an agreement for 10% of the shares in Easy Payment Gateway for a consideration of GBP 500,000. As part of the agreement GiG obtained an option to purchase an additional 15% of the shares. The transaction is expected to be finalized mid May.

The investment will see iGamingCloud integrating the application into its services and will provide an immediate cost saving for gateway fees in excess of EUR 60,000 annually for Nio Inc's B2C brands.

Outlook

For the combined Nio and GIG, operations in the first quarter have been positively affected by the launch of Betspin and the iGC platform as well as management focus on the acquisitions and transactions being contemplated. The company expects the positive strategic and operational development to continue during 2015. With the migration of Guts to the iGC platform from June, all own operating segments are fully operational on the GIG platform. This is expected to result in stronger growth going forward.

The overall short term focus for the combined Nio, is to increase the number of players on the Company's brands, as well as attracting new operators to the iGC platform, and to increase the number of monthly referrals to external clients and in-house brands through Innovation Labs. The development so far in 2015 support the view that the Company is well positioned to deliver on its ambitious growth strategy. The company expect to reach 50,000 quarterly real money active players across its operators by the end of the year, and iGC expect to sign between 5-10 B2B clients in 2015.

FINANCIAL REVIEW

Nio's results for the first quarter 2015

Nio's operating revenues in the first quarter of 2015 ended at USD 0.61 million, compared to USD 2.41 million in the first quarter of 2014. Revenues consist of income from the Company's gaming site Betspin.com and services to the sports betting market. Costs of sales amounted to USD 0.26 million or 43 per cent of total operating revenues in the first quarter of 2015. This is a reduction from USD 1.00 million or 41 per cent in the first quarter of 2014.

Marketing expenses related to Betspin.com amounted to USD 0.18 million in the first quarter of 2015. Other operating expenses amounted to USD 0.90 million during the first quarter, compared to USD 1.40 million in the corresponding quarter in 2014. Operating expenses include non-cash share based compensation expense of USD 0.14 million. Other operating expenses are mainly related to salaries, rent and general corporate expenses, and the reduction from the first quarter in 2014 result from the sale of Flamingo and Larventech in June 2014.

EBITDA for the period ended negative at USD 0.73 million, compared to USD 0.01 million in the first quarter of 2014. After depreciation, EBIT ended negative at USD 0.81 million, compared to a negative USD 0.70 million in the first quarter of 2014.

Net other income ended at USD 0.11 million in the quarter, leaving pre-tax loss at USD 0.70 million. In the corresponding quarter 2014, net other income amounted to a negative USD 0.06 million and the pre-tax loss ended at USD 0.76 million. Net loss ended at USD 0.69 million in the first quarter 2015, compared to a net loss USD 0.76 million for the first quarter 2014.

The minority interests in Candid Gaming was acquired effective from January 23, 2015 and Candid has been presented with a minority interest of USD 0.01 million in the first quarter of 2015.

Cash flow & financial position

Consolidated net cash flow from operational activities amounted to USD 0.01 million during the first quarter of 2015 (USD 1.57 million in Q1 2014). Net cash flow used by investing activities was USD -0.03 million for the quarter (USD -0.49 million in 2014). Net cash flow used by financing activities was USD -0.18 million for the quarter (USD -1.25 million in 2014).

Net change in cash and cash equivalents amounted to USD 0.16 million during the quarter (USD -0.17 million in 2014), and by March 31, 2015 holdings of cash and cash equivalents amounted to USD 0.31 million (USD 0.27 million as of March 31, 2014).

Nio had total assets of USD 3.21 million and net interest bearing debt of USD 1.90 million as of March 31, 2015 (USD 7.48 million and USD 0.55 million as of March 31, 2014).

As of March 31, 2015, net equity was negative USD 0.70 million. As of March 31, 2015 Nio owned 22,000,000 treasury shares and are not shown as an asset in the Company's balance sheet according to IFRS.

SHAREHOLDER MATTERS

In December 2014, Nio purchased the minority interest in Nio's subsidiary Candid Gaming Ltd. for a consideration of 41,000,000 new Nio shares. These new shares were issued in January 2015, increasing the number of outstanding shares from 159,974,952 to 200,974,952.

Also in January 2015, a lender in the June short term loan facility converted his NOK 1 million part of the loan into 2 million shares. Existing treasury shares were used for the conversion, and no new shares were issued. Nio reduced its holding of own shares from 24,000,000 to 22,000,000, or from 11.9 % to 10.9 % of the new number of outstanding shares in Nio.

In February, holders of warrants exercised their rights to buy 5,125,000 shares at a share price of NOK 1.30 per share, increasing the number of outstanding shares to 206,099,952. The new shares will be issued in connection with the share issue for the acquisition of GIG.

A Special Meeting of Shareholders on March 15, 2015 approved to increase the number of authorized shares from 250,000,000 to 750,000,000.

200,974,952 shares were issued as of March 31, 2015, each with a par value of USD 0.10. The net outstanding number of shares after deducting the treasury shares was 188,974,952. In addition, 14,000,000 shares are held for the benefit of the the management team in Candid, and will be released in 2015, 2016 and 2017 contingent upon their continued employment with Candid.

A total of 2,600,000 options and 7,268,334 warrants were outstanding as of March 31, 2015.

In February 2015, Nio signed an agreement to exchange the entire issued share capital of Gaming Innovation Group Ltd. for shares in Nio. The agreement calls for Nio to issue 290 million new Nio shares as consideration for all shares in GIG, and in addition, GIG would be entitled to a variable consideration of up to a maximum of 125 million shares, provided that GIG reaches certain revenue targets in 2015 and 2016. Following the agreement, Nio submitted an account to the Oslo Stock Exchange regarding

continued compliance with the requirements for a continued listing. The Oslo Stock Exchange then requested a document corresponding to an application for listing on the Oslo Stock Exchange, as well as limited financial and legal due diligence investigations. The requested application and due diligence reports have been submitted to the Oslo Stock Exchange. The closing of the transaction will take place as soon as the stock exchange has approved the application and all necessary registrations with the authorities on Malta are in place.

GIG FINANCIAL STATEMENTS

The financial information for GIG presented below is unaudited and sourced from management accounts, and only presented for information purposes. See also note 13 for pro-forma information for the combined Nio and GIG for Q1 2015.

GIG - Consolidated statements of operations (unaudited) - EUR	Q1 2015	Q1 2014	2014
Revenues	3 789 320	2 605 764	12 525 219
Cost of Sales	1 888 128	1 185 290	6 146 973
Gross profit	1 901 192	1 420 474	6 378 246
Marketing expenses	966 280	730 713	3 528 517
Other operating expenses	1 012 770	504 689	2 780 153
Total operating expenses	1 979 050	1 235 402	6 308 670
EBITDA	-77 858	185 072	69 575
Depreciation & amortization	31 492	21 999	137 918
EBIT	-109 350	163 073	-68 343
Other income (expense):	7 787	26	4 143
Income taxes	-24	-4	148 831
Net results	-101 587	163 095	84 631

GIG - Consolidated balance sheet (unaudited) - EUR	31.03.2015	31.03.2014	31.12.2014
ASSETS			
Non-current assets:			
Property, plant and equipment	298 283	158 445	212 662
Intangible assets	557 752	293 166	532 209
Other non-current assets	2 007	5 071	53
Total non-current assets	858 042	456 682	744 924
Current assets:			
Trade and other receivables	720 524	1 312 520	2 262 641
Loan to Candid Gaming	500 000	0	500 000
Cash and cash equivalents	988 966	986 250	751 104
Total current assets	2 209 489	2 298 769	3 513 745
TOTAL ASSETS	3 067 531	2 755 451	4 258 669
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)			
Capital and reserves:			
Share capital	1 743	1 743	1 743
Other equity	2 137 599	1 026 098	2 270 719
Attributable to GIG	2 139 342	1 027 841	2 272 462
Non-controlling interests	593 051	276 947	509 680
Total equity	2 732 393	1 304 788	2 782 142
Current liabilities:			
Trade and other payables	335 138	1 450 663	1 475 389
Deferred tax liability	-	-	1 138
Total current liabilities	335 138	1 450 663	1 475 389
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	3 067 530	2 755 451	4 258 669

NIO INC.
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
IN US DOLLARS
(Unaudited)

	Q1 2015	Q1 2014	2014
Revenues	608 982	2 413 351	5 317 978
Cost of winning customers	-	978 947	1 121 619
Cost of sales	261 750	22 123	155 581
Total Cost of Sales	261 750	1 001 070	1 277 200
Gross profit	347 232	1 412 281	4 040 778
Marketing expenses	176 009	103 714	362 250
Other operating expenses	901 319	1 294 757	4 368 324
Total operating expenses	1 077 328	1 398 471	4 730 574
EBITDA	-730 096	13 810	-689 796
Depreciation & amortization	81 069	575 093	1 357 180
Impairment of goodwill	-	137 431	3 495 150
Impairment of website costs	-	-	191 651
EBIT	-811 165	-698 714	-5 733 777
Other income (expense):			
Foreign currency exchange gain (loss)	160 400	-30 889	554 031
Interest Expense	-48 898	-26 049	-133 585
Other income/(expense)	-2 631	-178	24 530
Total other income	108 871	-57 116	444 976
Results before income taxes	-702 294	-755 830	-5 288 801
Income taxes	16 578	-1 769	-10 672
Net results	-685 716	-757 599	-5 299 473
Exchange differences on translation	42 859	3 500	-18 555
Total Comprehensive income (loss)	-642 857	-754 099	-5 318 028
Total comprehensive income (loss) attributable to:			
Non-controlling interests	-9 407	-	-161 332
Owners of the parent	-633 450	-754 599	-5 156 696
	-642 857	-754 599	-5 318 028
Earnings (losses) per share attributable to Nio Inc.:			
Basic earnings (losses) per share	-0.00	-0.00	-0.04
Weighted average shares outstanding	153 874 952	159 974 952	142 850 499

NIO INC.
CONDENSED CONSOLIDATED BALANCE SHEET
IN US DOLLARS
(Unaudited)

	3-31-15	3-31-14	12-31-14
ASSETS			
Non-current assets:			
Goodwill	1 934 400	3 357 719	1 934 400
Website, net	-	840 345	-
Capitalized customer lists, net	106 835	724 983	171 746
Other intangible assets	138 927	-	138 927
Deposits and other non-current assets	267 823	271 626	261 762
Total non-current assets	2 447 985	5 194 673	2 506 835
Current assets:			
Prepaid and other current assets	168 503	255 148	44 214
Trade accounts receivable	281 612	1 760 259	24 747
Cash and cash equivalents	314 539	267 824	470 787
Total current assets	764 654	2 283 231	539 748
TOTAL ASSETS	3 212 639	7 477 904	3 046 583
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)			
Shareholders' equity (deficit):			
Share Capital	18 697 495	15 997 495	15 997 495
Share premium (adjustment)	2 925 317	3 687 915	5 445 376
Accumulated translation income	45 032	24 229	234
Accumulated deficit	-21 553 319	-16 325 727	-20 704 329
Treasury stock at cost (22,000,000 shares) Attributable to Nio Inc.	-793 481	-	-865 616
	-678 956	3 383 912	-126 840
Non-controlling interests	-	-	-161 332
Total equity (deficit)	-678 956	3 383 912	-288 172
Current liabilities:			
Dividends payable to former shareholders of Flamingo Invest Ltd	-	1 160 539	-
Trade payables and accrued expenses	665 293	1 381 026	381 408
Liability for repurchase of treasury stock	690 711	-	744 909
Short term loans	1 362 184	549 042	1 602 926
Other current liabilities	636 263	1 003 385	-
Total current liabilities	3 354 451	4 093 992	2 729 243
Long term liabilities: long term loan	537 144	-	605 512
Total liabilities	3 891 595	4 093 992	3 334 755
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY (DEFICIT)	3 212 639	7 477 904	3 046 583
Equity at beginning of period	-288 172	4 098 283	4 098 283
Issuance of stock options	46 992	39 728	206 338
Issuance of warrants	-	-	138 927
Issuance of shares	2 700 000	-	-
Less share premium adjustment, including cost of stock Issuance	-2 717 197	-	-
Re-issue of treasury shares for repayment of loans	129 421	-	2 497 875
Purchase of treasury shares	-	-	-1 911 567
Comprehensive gain (loss) on translation	30 912	3 500	-20 495
Share compensation expense	92 857	-	-
Non-controlling interests	-9 407	-	-161 332
Net results	-664 362	-757 599	-5 136 201
Equity (deficit) at end of period	-678 956	3 383 912	-288 172

NIO INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
IN US DOLLARS
(Unaudited)

	Q1 2015	Q1 2014	2014
Cash Flows from Operating Activities			
Results before taxes	-702 294	-755 830	-5 288 801
Taxes	16 578	-1 769	-10 672
Impairment loss on goodwill	-	137 431	3 495 150
Impairment loss on website costs	-	-	191 651
Amortization	64 910	549 563	1 296 484
Depreciation	16 159	25 530	60 696
Share based compensation	139 849	39 728	206 338
Changes in other assets	8 074	30 738	10 200
Changes in trade and other receivables	-256 865	1 007 454	1 609 952
Changes in prepaid and other current assets	-124 289	-52 610	10 719
Changes in trade payables and accrued expenses	266 689	434 504	555 800
Changes in liability for repurchase of treasury stock	-54 198	-	-1 794 589
Changes in liability for exercise of options	636 263	-	-
Changes in deferred revenues	-	151 556	-337 145
Net cash provided (used) by operating activities	10 876	1 566 295	5 783
Cash Flows from Investing Activities			
Payments for development of website cost	-	-134 921	-311 521
Payments for capitalized customer lists	-	-354 579	-558 408
Purchase of property, plant and equipment	-30 294	-90	-213 744
Net cash used by investing activities	-30 294	-489 590	-1 083 673
Cash Flows from Financing Activities			
Issuance of shares for cash	-	-	283 011
Cash of subsidiaries given for repurchase of treasury stock	-	-	-79 525
Repayments of short term borrowings	-179 689	-1 271 633	-1 675 085
Proceeds from shareholder loan	-	-	2 573 213
Change in due to shareholders	-	17 148	23 514
Net cash provided (used) by financing activities	-179 689	-1 254 485	1 125 128
Translation gain (loss)	42 859	3 500	-18 555
Net increase (decrease) in cash	-156 248	-174 280	28 683
Cash and cash equivalents - beginning	470 787	442 104	442 104
Cash and cash equivalents - end	314 539	267 824	470 787
Non-Cash Investing and Financing Activities:			
Forgiveness of debt and accrued interest due to sellers	-	-	538 052
Book value of assets less liabilities, including cash transferred	-	-	89 879
Liability to sellers of treasury stock	-	-	-2 539 498
Non-Cash Cost of Treasury Stock	-	-	-1 911 567
Issuance of treasury stock & shares for purchase of assets & debt	129 421	419 923	4 149 266

SELECTED NOTES TO NIO INC. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE PERIODS ENDED MARCH 31, 2015 AND 2014

1. GENERAL INFORMATION

Nio Inc. is a US corporation incorporated in the state of Delaware, and is traded on the Oslo Stock Exchange with the ticker symbol "NIO".

The condensed consolidated financial statements of Nio Inc. as at and for the periods ended March 31, 2015 and 2014 are comprised of Nio Inc. and its subsidiaries GE Online Ltd (a corporation registered in Gibraltar), Les Encheres Bidou Inc. (a corporation registered in Canada), Candid Gaming Ltd and Gridmanager Ltd (corporations registered in Malta) as well as Flamingo Intervest and Flamingo's subsidiaries Larventech and Auction Management and the following companies directly or indirectly owned by Nio Inc.: New World Sapphire Mountain S.A., Nio iGaming Ltd, Envi Payments Ltd, UM Payments Ltd, and Anbling Management Ltd. thru the date of their sale on June 24, 2014 (see note 9) and are included up to that date. During 2014 and through January 23, 2015, Nio determined that its interest in Candid represented a controlling interest and therefore consolidated the financial statements of Candid and presented a non-controlling interest for the 27% portion of Candid not owned by Nio.

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, 2015 and 2014 have not been audited by the Company's auditors.

The Company's consolidated financial statements are presented in US dollars (USD), which is the presentation and functional currency of the Company. The functional currencies of its subsidiaries are the United States dollar, the Euro, the Philippine peso and the Canadian dollar which are translated into USD at monthly average rates for revenues and expenses and at month end rates for assets and liabilities. 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, 2015 and 2014 are consistent with those used in preparing the Company's consolidated financial statements as of and for the year ended December 31, 2014.

Revenue Recognition Policy

The Company's online sports betting service operations operated by its subsidiary Gridmanager recognizes revenues when calculations of odds on sporting events are both: a) prepared and provided to its customers and b) the calculated odds provide profits to its customers on the related sporting events betting sold to the public by Gridmanager's customers. The Company's internet gaming operations started in fiscal year 2015 by its subsidiary Candid recognizes revenues when a customer deposits and pays to play games online less all winnings payable to players, bonuses and jackpot contributions.

The Company's internet operations operated by its subsidiaries GE Online and Bidou recognized revenues when earned after the customers agree to membership or buy bids or products on its websites. Membership revenues were recognized over the life of the membership while other revenues are recognized upon the shipment of the products to the customers. Any revenues collected but not yet earned were recorded as deferred revenues.

Goodwill

In the fourth quarter of 2014, after the sale of Flamingo in June 2014, the Company made a fair value allocation study of the auction business, and an impairment loss was determined to have occurred, resulting in a write down of Goodwill from \$3,037,577 to \$0. In addition, USD 191,651 net website cost asset related to GE Online and Bidou was written off by the Company.

In connection with the formation of Gridmanager as a sports betting service company, Nio acquired an online sports betting operating platform in July, 2014 that enables Gridmanager to operate its business. Nio re-issued twenty four million of its treasury shares to acquire the platform. The shares were valued at the market price of shares at the closing date of the acquisition for USD 1,934,400. The acquisition

cost was recorded to goodwill until the Company further analyzes the allocation into various intangibles, if any.

In connection with the purchase of Bidou in March 2013, the shares issued to acquire Bidou were valued at the market price of Nio's shares on the closing of the merger transaction, NOK 2.45 (\$419,923). The aggregate value of the assets and liabilities was determined to be equivalent to their carrying values, resulting in goodwill of \$320,142. In the fourth quarter 2014, the company made a fair value allocation study of the auction business and an impairment loss was determined to have occurred, resulting in a full write down of the Goodwill from \$320,142 to \$0. Similarly, the Company's payment of \$137,431 for the Luna Casino website was recorded to Goodwill in March of 2013. In 2014, the Company entered into an agreement to return the website back to the gaming provider, Skill On Net, effective from June 1, 2014, resulting in a full write down of Goodwill and was recorded as an impairment loss of \$137,431 as of December 31, 2014.

4. INTANGIBLE ASSETS OTHER THAN GOODWILL

In connection with the issue of warrants to Gaming Innovation Group and Mr Hirvonen in August 2014, the value of the warrants has been calculated using the Black-Scholes model and the value USD 138,927 was recorded as an intangible asset.

5. SEGMENT INFORMATION

Nio operated a single segment in 2015 and 2014 and as such, segment information is not presented. For the Internet auction and gaming sites, users are connecting to the site from all over the world. The sports betting service will continue to be evaluated in the future to determine if segment reporting becomes appropriate. Geographical sales will be disclosed annually in the annual report.

6. DEPOSITS AND OTHER NON-CURRENT ASSETS

Other assets include 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 net loss in 2015 and 2014, outstanding common stock options and warrants were anti-dilutive and accordingly were excluded from this calculation.

8. SALE OF SUBSIDIARIES

In June 2014, the Company entered into agreements with previous shareholders Silva Holdings Ltd., Viva Holdings Ltd. and Contaza Holdings Ltd. where Nio sold its subsidiaries Flamingo Intervest Ltd and New World's Sapphire Mountain SA including subsidiaries. In addition, a NOK 3 million short-term loan and balances due to shareholders (advances made by shareholders, not subject to interest) were assumed by Flamingo. Simultaneously, Nio purchased 53,000,000 Nio shares at a share price of NOK 0.21. The transaction had effect as of June 30, 2014. Treasury stock liability represents approximately 50% of the balance due on the purchase of the treasury stock and is due in June 30, 2015. Receivables from the payment providers will be shared 50/50 between Nio and Flamingo from June 30, 2014.

In connection with the NOK 8 million loan entered into in August 2013 the lenders received call options to purchase 6.15 million Nio shares from previous shareholders Silva Holdings Ltd., Viva Holdings Ltd. and Contaza Holdings Ltd. at a share price of NOK 1.30 per share. These options were assumed by Nio as part of the transaction.

9. CHANGE IN EQUITY

In January 2015, 27,000,000 new Nio shares were issued for the purchase of the minority interest in Candid at a share price of NOK 1.30 per share. In addition, as part of the transaction, 14,000,000 shares were issued and kept in treasury to be used by Nio for future compensation of Candid employees. Nio now owns 100% of Candid. In February 2015, 5,125,000 warrants were exercised at a share price of NOK 1.30 per share. The new shares will be issued in Q2 2015.

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.

	Common Stock Shares	Common Stock Amount USD	Treasury Shares	Share Premium (Adj)	Non- controlling interest	Translation Reserve	Retained Earnings (Deficit)	Total Equity (Deficit)
Balances at January 1, 2014	159 974 952	15 997 495	-	3 648 187	-	20 729	-15 568 128	4 098 283
Issuance of warrants				138 927				138 927
Purchase of treasury stock			-1 911 567					-1 911 567
Re-issue of stock treasury stock			1 045 951	1 451 924				2 497 875
Issuance of stock options				206 338				206 338
Net loss					-163 272		-5 136 201	-5 299 473
Exchange diff. on translating foreign operations					1 940	-20 495		-18 555
Balances at December 31, 2014	159 974 952	15 997 495	-865 616	5 445 376	-161 332	234	-20 704 329	-288 172
Issuance of shares for purchase of minority interests in Candid and recording of related share issuance costs	27 000 000	2 700 000		-2 717 194	170 739	13 887	-184 629	-17 197
Share compensation expense				139 849				139 849
Re-issue of treasury stock for debt			72 135	57 286				129 421
Net loss					-21 354		-664 362	-685 716
Exchange diff. on translating foreign operations					11 947	30 911		42 858
Balances at March 31, 2015	186 974 952	18 697 495	-793 481	2 925 317	-	45 032	-21 553 319	-678 956

10. LOANS PAYABLE SHAREHOLDERS

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

In August 2013, Nio entered into a new NOK 8 million loan agreement with an interest rate of 6 % per annum and maturity on May 1, 2014 collateralized by certain assets of the Company. The lender received call options to purchase 6.15 million Nio shares from Nio's three principal shareholders at a share price of NOK 1.30 per share. The call options were exercisable commencing on March 1, 2014 and expiring on August 31, 2015. This loan was repaid in full during the first six months of 2014 along with interest of USD 37,800.

In November 2013, Nio entered into a new NOK 3 million loan agreement with a shareholder with an interest rate of 10 % per annum and maturity on December 31, 2014. This loan, including accrued interest of USD 27,600, was assumed by Flamingo in June 2014 as part of the sale of subsidiary. (See note 9)

Short-term loans outstanding balances at March 31, 2015 and 2014 were USD 1,362,184 and USD 549,042 respectively.

In October 2014, Candid entered into a new EUR 500,000 loan agreement with Gaming Innovation Group Ltd. with an interest rate of 6.5% per annum with monthly installments of EUR 30,000 due beginning October 2016. The lender was granted an option to convert the loan into shares in Nio up until August 18, 2016 at a share price of USD 0.10.

Long-term loans outstanding balances at March 31, 2015 and 2014 were USD 537,144 and USD 0 respectively.

11. RELATED PARTY TRANSACTIONS

There were no other material related parties' transactions in the fourth quarter of 2014 than reported above in Note 8 and 10.

12. SUBSEQUENT EVENTS

On February 15, 2015 Nio signed an agreement to exchange the entire issued share capital of Gaming Innovation Group Ltd. (GIG) for shares in Nio. Nio will issue 290 million new Nio shares as consideration for all shares in GIG, and in addition, GIG may be entitled to a variable consideration of up to a maximum of 125 million shares, provided that GIG reaches certain revenue targets in 2015 and 2016. The closing of the transaction is subject to approval from the Oslo Stock Exchange and Nio's Board of Directors and is expected to close in May 2015. Close associates of Kjetil Aasen, CEO of Nio, and Christopher Langeland, board member of Nio, own approximately 7.0% and 1.1% respectively of the shares in GIG and will receive new shares in Nio as consideration for their shares in GIG.

13. PRO-FORMA FINANCIAL INFORMATION

The following are pro-forma financial information reflecting the reverse merger of GIG with Nio assuming the transaction occurred on January 1, 2015:

Unaudited and pro-forma consolidated statement of operations (USD)	Q1 2015	Unaudited and pro-forma consolidated balance sheet (USD)	31.03.2015
Sales	4 928 806	CURRENT ASSETS	2 581 619
Cost of sales	2 414 216		
Gross profit	2 514 590	Unallocated excess purchase price over net assets acquired and goodwill	26 209 482
Marketing expenses	1 277 568	Other non-current assets	1 296 441
Other operating expenses	2 091 778	TOTAL NON-CURRENT ASSETS	27 505 923
Operating expenses	3 369 346		
EBITDA	-854 756	TOTAL ASSETS	30 087 542
Depreciation and amortization	81 069	Share capital	51 409 758
EBIT	-935 825	Share premium (adjustment)	-22 458 853
Other income (expense)	117 749	Accumulated translation income	-138 137
Income tax expense	27	Accumulated earnings	3 650
Profit (loss) from operations	-818 103	Treasury shares at cost	-4 533 481
Per share data:		Attributable to equity holders of parent	24 282 937
Basic and diluted loss per share	(0.00)	Non-controlling interests	637 107
Basic and diluted weighted average common shares outstanding	514 097 580	TOTAL SHAREHOLDERS EQUITY	24 920 044
		CURRENT LIABILITIES	5 167 498
		TOTAL LIABILITIES AND EQUITY	30 087 542

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