

GiG

Q2 2018

**INTERIM
REPORT**

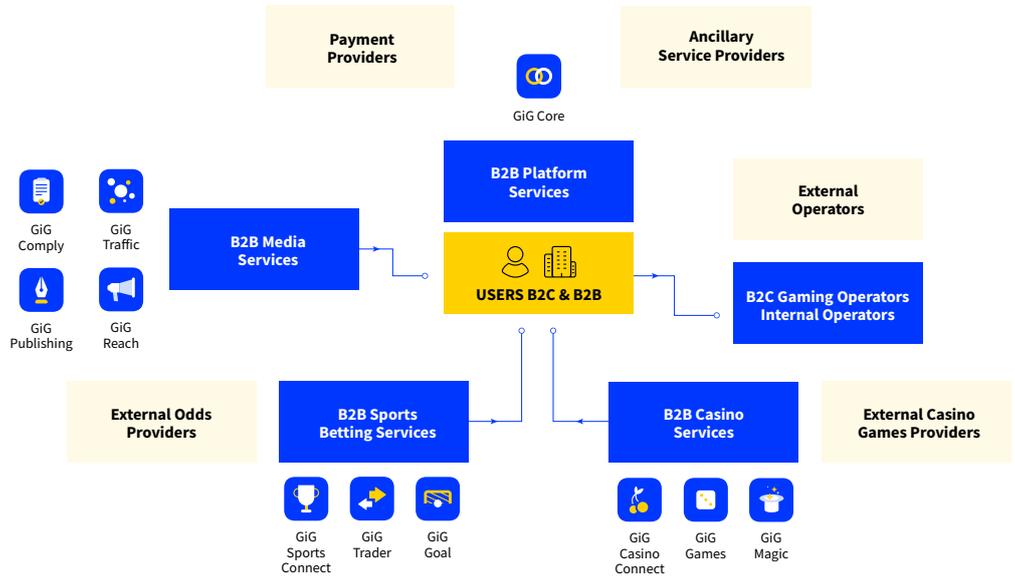
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GiG'S ECOSYSTEM EXPLAINED

GiG's vision is: "Opening up iGaming, making it fair and full for all". The Company's ecosystem consists of a range of products and services which are connecting end users, operators and suppliers, creating synergistic effects and margin potential for all.

GiG B2B iGaming products and services are sold both as part of the ecosystem and independently.



"WE ARE BECOMING THE ONE STOP SHOP FOR EVERY COMPANY SERIOUS ABOUT ITS iGAMING BUSINESS"

GiG'S VALUE CHAIN

GiG's in-house developed products and services are present in the entire iGaming value chain:

				
Value Chain	Lead Generators	Platform Suppliers	Odds & Games Developers	Gaming Operators
What	Finding & referring end users to operators	Cloud based platform services	Sports & Casino Services	In-house operators
Business model	Revenue share & fixed fees	Revenue share & fixed fees	Revenue share & fixed fees	Bets minus Wins
Customer	Gaming operators	Gaming operators	Gaming operators & platform suppliers	Direct end users
Business type	B2B	B2B	B2B	B2C
GiG Verticals	Media Services	Platform Services	Sports Betting Services & Casino Services	Gaming Operators

CATEGORY	PRODUCT	BUSINESS DESCRIPTION
Platform Services (B2B)	 GiG Core	GiG Core is a cloud-based solution licensed in multiple jurisdictions. It provides iGaming operators with the technical foundation they need for their operations. Operators can access any GiG product through GiG Core, including third party game suppliers, multiple payment options and added features such as our front end solution, GiG Magic.
Media Services (B2B)	 GiG Publishing	GiG Publishing is an extensive network of multilingual and multi-market editorial websites. It is built on Search Engine Optimization (SEO) principles to answer user queries and keyword searches in Google.
	 GiG Traffic	We generate high-quality iGaming customer leads across casino and sportsbook verticals via paid digital marketing campaigns. With GiG Traffic we engage by using data-driven campaign optimisation.
	 GiG Reach	This is a 360° media offer, where we put together all our media capabilities and partner with our customers to understand their goals and challenges, form a strategy, build the marketing machine and then power.
	 GiG Comply	Comply monitors advertising partners with respect to regulatory requirements to ensure compliance, it is fully customisable to each respective client's needs or market standards. Operators can protect their brands by automatically monitoring, controlling and managing where and how they are being advertised across thousands of websites.
Casino Services (B2B)	 GiG Games	GiG Games is a Games studio creating a new generation of games, we are here to disrupt the market, bringing a new user-first approach. Our games include a variety of slots, leading table games and instant win games.
	 GiG Magic	GiG Magic turns the operators' casino front end into a best-in-class user experience across all devices. Our extensive technical client library gives operators building blocks to create a mobile-first website, complete with features such as content handling, demographic filters and game management.
	 GiG Casino Connect	Casino connect is a scalable aggregator platform where GiG can sell both in-house developed games and games from third party game suppliers. The operator only needs to integrate with one partner – GiG - and get access to multiple game providers.
Sports Betting Services (B2B)	 GiG Sports Connect	Our odds and data services give operators proprietary odds generated in real time using computer algorithms and data feeds. This service also aggregates odds and data from third party providers. It covers fixtures, futures, pre-match, live betting and settlement.
	 GiG Goal	This is our cutting-edge front end with easy navigation and an optimised user journey. It is responsive and mobile first with a learning recommendation to engine to where the operator can tailor make its marketing efforts and increase player lifetime value.
	 GiG Trader	These are our state-of-the-art trading tools and risk management services, built from the ground-up, responsive with exceptional UX for optimising. They are a complete trading tool.

Gaming Operators (B2C)



GAMING INNOVATION GROUP INC.

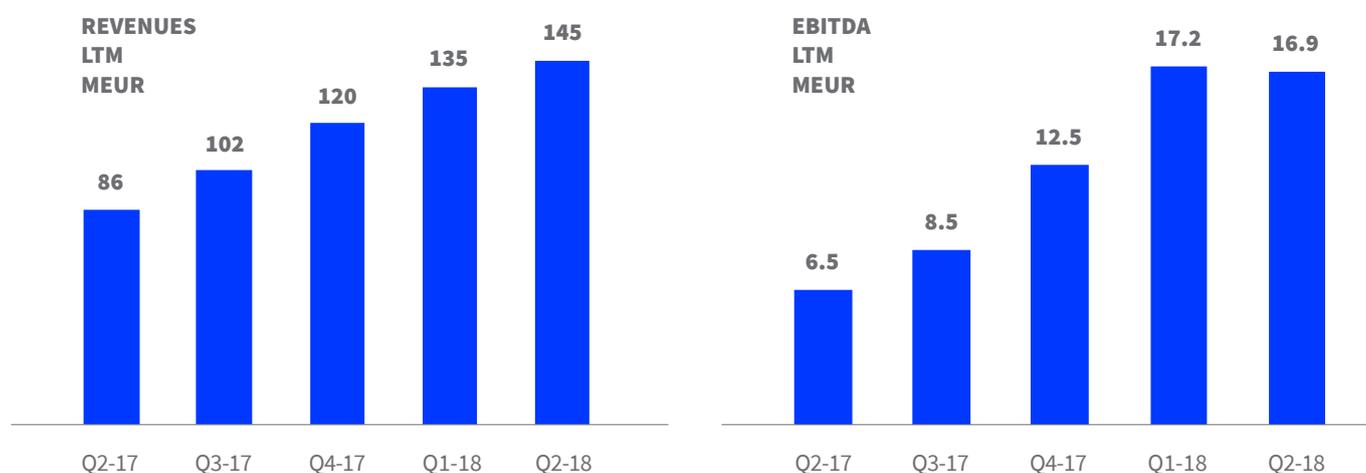
Q2 2018 INTERIM REPORT

Key Figures

MEUR	Q2 2018	Q2 2017	6M 2018	6M 2017	2017
REVENUE	36.9	26.6	74.2	49.7	120.4
GROSS PROFIT	30.5	21.9	61.0	40.6	99.9
MARKETING EXPENSES	13.2	11.1	25.0	22.0	47.1
OPERATING EXPENSES	15.7	8.9	30.0	17.0	40.3
EBITDA	1.7	1.9	6.0	1.6	12.5

HIGHLIGHTS

- Revenues were EUR 36.9 million (EUR 26.6), a 39% increase over Q2 2017, whereof 30% was organic
- EBITDA was EUR 1.7 million, compared to EUR 1.9 million in Q2 2017
- Revenues for the B2B segment amounted to EUR 15.6 million in the second quarter 2018, an increase of 84% compared to Q2 2017. EBITDA was EUR 4.4 million, compared to EUR 3.9 million in Q1 2017
- Media Services reached quarterly all-time-high revenues of EUR 8.7 million, 99% growth from Q2 2017
- New Sport Betting Services launched, live on in-house operator Rizk.com and offered to clients from July
- Platform Services licensed in New Jersey (US), live with HardRockCasino.com
- GiG Comply: new website monitoring compliance tool developed and ready for to launch in September, two external clients expected to sign soon
- Process for listing at NASDAQ Stockholm proceeding according to plan
- Full year 2018 guidance, revenues EUR 155 - 162 million, EBITDA EUR 16 - 20 million





LETTER FROM THE CEO

“Dear Shareholders,

A few years ago, we set out on an ambitious journey to expand across all verticals of iGaming. By controlling the value chain we lose dependencies, improve margins, and gain synergies.

In an industry subject to continuous disruptive transformation, controlling our destiny is key to challenge competition and future-proof the Company.

GiG has invested significantly to achieve this vision. We are now approaching the home straight. In Q3, we will put our first in-house developed casino game live; we are then present with an offering across the entire value chain.

While we have pursued this vision, we have reached several strategic milestones. In Q2, we entered the largest category in iGaming: Sports betting, with a portfolio full of products. These were launched with good results at our internal brand Rizk.com. Subsequently, we are in the process of reaching agreements to sell these B2B services to the first external customers.

We launched our platform service GiG Core into the regulated US market of New Jersey through our partnership with Hard Rock International. GiG’s aim is to power Hard Rock in its ambition to be the leading online casino operator in New Jersey. And more states are opening up. The supreme court’s repeal of the federal ban on sports betting will pave the way for further opportunities to expand our business in the US states as they regulate.

In Q2, our revenues grew 39%, however, with the strong focus on investments and expansion, EBITDA came in at the same level as the second quarter last year, and somewhat behind Q1 this year. For the full year we expect revenues of between EUR 155m and EUR 162m with an EBITDA between EUR 16m and EUR 20m. Margins will improve as a consequence of increased revenues and a lower increase in operating expenses going forward.

In April I took the job as interim CMO, spearheading our gaming operator business. I want to ensure the long term growth and profitability for our operator business, while quickly addressing the losses in this segment, which have offset the positive development across the balance of the business.

We have kept ourselves more than busy with a range of key initiatives: We have consolidated our brand positioning with an increased focus on fewer brands in key markets. We have developed our marketing strategy and organisation with a strong focus on agile performance marketing. We have launched the new sportsbook on our flagship brand Rizk.Com and our operator Guts is set to go live next week with its V2.0. We have high hopes for Thrills which is being relaunched as a ‘Pay N Play’ casino at the end of this month, and our media department has seen good potential in turning SuperLenny into an affiliate website.

Finally, we have focused heavily on compliance, introduced a new player safety team with a strong focus on responsible gaming and sustainability.

These initiatives are paying off and we have seen healthy KPIs going into Q3. With the majority of the heavy-lifting behind us and the strongest season ahead of us, we should see growth in both revenues and profits in the coming quarters, while working towards our goal of becoming the largest full service company to the iGaming industry.

Robin Reed

CEO

GAMING INNOVATION GROUP

Q2 2018 INTERIM REPORT

FINANCIAL HIGHLIGHTS

Consolidated revenues for Gaming Innovation Group Inc. (GiG) ended at EUR 36.9 million in the second quarter 2018. This is a 39% increase from the second quarter 2017 (EUR 26.6 million), and a 1% decline from EUR 37.3 million in the previous quarter. GiG Gaming Operators was the main cause for the quarter-on-quarter decline.

Gross profit for the group was EUR 30.5 million in the second quarter 2018, a 39% increase over the second quarter last year (EUR 21.9 million). Gross profit margin for the quarter came in at 83%, compared with 82% in the corresponding quarter last year.

Marketing expenses were EUR 13.2 million in the second quarter 2018, an 18% increase from EUR 11.1 million in the second quarter 2017. Marketing expenses' share of total revenues was 36% in the second quarter 2018, down from 42% in the second quarter 2017.

Other operating expenses amounted to EUR 15.7 million in the quarter, a 77% increase from EUR 8.9 million in the second quarter 2017. Operating expenses mainly increased as a consequence of a rise in employees from the second quarter 2017. After a period of strong growth, GiG is focusing on the overall cost structure and is planning for a reduction in operating expenses compared to revenues in the coming quarters.

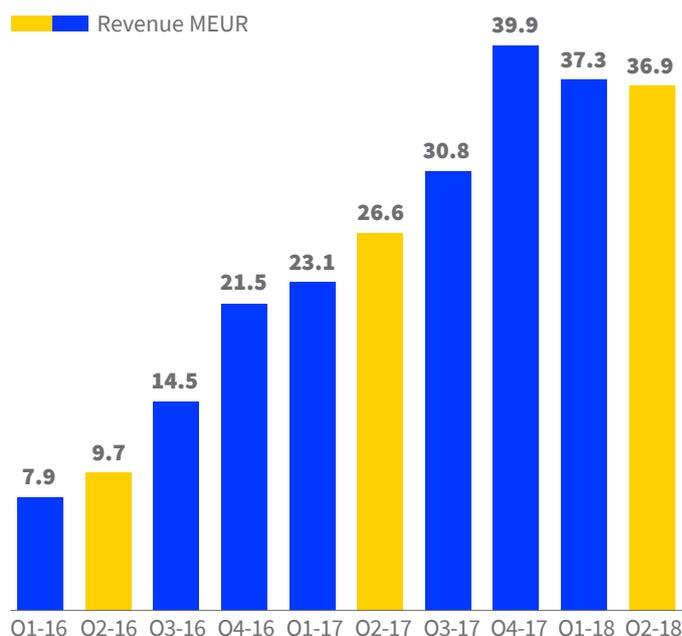
EBITDA for the second quarter 2018 was EUR 1.7 million, compared to EUR 1.9 million in the second quarter 2017.

Depreciation and amortisation amounted to EUR 4.9 million in the second quarter 2018, compared with EUR 2.2 million in the second quarter 2017. Depreciation and amortisation expenses are mainly related to amortisation of the intangible assets from affiliate acquisitions completed over the last three years and capitalised investments in core technology.

EBIT came in at EUR -3.2 million in the quarter, compared to EUR -0.2 in the second quarter 2017.

Net other income was EUR -1.0 million in the second quarter 2018, compared to EUR -0.0 in the second quarter 2017. The net result for the second quarter was EUR -4.5 million, compared to EUR -0.2 million in the second quarter 2017.

REVENUES (MEUR)



OPERATIONAL HIGHLIGHTS

Launch of Sports Betting Services

GiG launched its new proprietary sportsbook offering with in-house operator Rizk ahead of the FIFA World Cup in June. Performance has been according to expectations. The Company has started selling the portfolio of products to external operators, expecting to sign clients in August. After two years of internal development, the monetisation of the new sports services marks an important milestone for GiG. See more details on the new Sports Betting Services in a separate section under the 'Products and Services Update'; 'FIFA World Cup - Strategy and learnings'.

Strategic review of Gaming Operators

GiG has started a restructuring process for its B2C advertising and marketing, including a change of mix in marketing from TV advertising to affiliate marketing, social media and other channels, to improve delivery.

GiG has concluded a strategic review of its Gaming Operators vertical to make it more sustainable long term and increase profitability. Some of GiG's targeted markets are re-regulating, leading to industry consolidation. To improve competitiveness and efficiency, GiG will strengthen its brand positioning by prioritising its strongest brands.

Within this strategy, SuperLenny.com will be converted to an affiliate website operated by Media Services. Players at SuperLenny.com will be migrated to other GiG brands. The expected impact on revenues will be insignificant while the Company is expecting a positive EBITDA contribution over a six months period.

Hard Rock International

GiG is supporting the growth of the leisure group's digital gaming division with its technical platform and GiG Magic and has, in collaboration with the Hard Rock team, designed and developed the front end solutions for its casino offering.

GiG went live with its partner Hard Rock on 3 July. The impact on the third quarter revenues is expected to be limited. We expect business to pick up from September onwards with a small positive contribution in the fourth quarter. Hard Rock International has an ambition to become the leading operator in New Jersey, and potentially launch into other markets. Over time, the agreement presents an opportunity to drive revenues for GiG.

The potential of US sports betting

In May the US Supreme Court repealed the federal ban on sports betting, paving the way for individual member states to regulate. A few states have already introduced new legislation, nearly half of the states are expected to open up by end of 2020. The US is a highly competitive market. GiG is well positioned with its full range of B2B services through the provision of Casino Services in New Jersey. The US market presents a significant opportunity for GiG and the Company will continue to invest and add resources to further develop and position its B2B services in the US for the long term. GiG will apply for any further licences in the US market on a customer led basis.

Germany

GiG obtained a sports betting licence in the German state Schleswig-Holstein through the acquisition of the German sports betting company Nordbet in March 2018. The licence facilitates integrations with larger payment and marketing providers and makes the offering more accessible and compliant to the end users.

Update on the listing at NASDAQ Stockholm

Work is progressing according to plan and GiG is aiming to list in Stockholm as soon as possible when the necessary corporate formalities are finalised. GiG will communicate further details to the market in due course.

EVENTS AFTER Q2

GiG has submitted an RFI (Request For Information) to the Finnish government lottery, Veikkaus Oy, for the provision of Sports Betting Services.

GiG has submitted licence applications to the Swedish Gambling Authority (Lotteriinspektionen) for two licences on 1 August 2018, one for white label operators and one for our in-house operators. Sweden will re-regulate the gambling market by introducing a new gambling law with effect from 1 January 2019, the new law will carry a betting duty of 18%.

OUTLOOK

GiG has invested significantly into the development of its ecosystem, these investments have peaked in the first half of 2018. Going forward, the Company's primary focus is to improve its products and services to claim market shares, increase revenues and reduce operating expenses compared to revenues.

With the launch of new proprietary games in Q3 GiG is now becoming a full service company for the iGaming industry.

After a period of heavy investments, the Company is set for growth in both revenues and profits in the coming quarters. For the full year 2018, GiG expects revenues between EUR 155m and EUR 162m and an EBITDA between EUR 16m and EUR 20m.

PRODUCTS AND SERVICES UPDATE

Gaming Operators

GiG is transforming two of its brands. 'SuperLenny' is changing to an affiliate site under Media Services. 'Thrills' will become a pure 'Pay N Play' operator with no need for the end user to open an account with the operator as the issuing bank will guarantee the person's identification and signature. The end user can in an instant safely be online on any mobile device with direct approval and access to his/her account.

We expect these measures to improve efficiency and profitability in this vertical for the long term.

GiG's new Sports Betting Services (available to external operators from August 2018)

We built the new sportsbook on completely new technology, the platform, the trading tools and the front end, making it as fast and responsive as is possible. It is a multi-tenant system which gives scalability, speed to market and simplifies B2B management. It gives operators the freedom to take control of their offer, choose their odds, margins and limits for every sporting event and market, without being dependent on their supplier.

We created three different products, offered as standalone modules or together as a complete product:

GiG Sports Connect, a proprietary odds feed combined with an odds aggregation system, creating scalability and flexibility for our operators.

GiG Trader, a new set of intelligent trading tools built with our in-house knowledge, created by traders for traders.

GiG Goal, the intelligent middleware and mobile first front end solution built to enhance mobile users' betting experiences, featuring intuitive front end learnings for every element of user behaviour and ease of navigation.

FIFA World Cup - Strategy and learnings

The World Cup was the perfect event to launch and test new services and tools as it is both the most popular and demanding sporting event. Our new sportsbook was launched with our internal brand Rizk.com a day before the start of the World Cup.

The new sportsbook performed to our expectations, gaining positive and encouraging feedback. Ongoing learning will safeguard a state-of-the-art service to our operators and deliver unique betting experiences to their end users.

Casino Services – GiG Games

GiG Games is our proprietary casino games studio, we have developed both a games framework and a Remote Gaming Server (RGS).

The games framework allows us to rapidly produce innovative casino games such as table games and video slots. There are currently six games under development, with the launch of the first game before the end of Q3 pending licence approval, the launch of the others will follow successively during Q4 and H1 2019. These games will be distributed and sold using the RGS to any operator in the industry.

Independent game studios will also be able to build games directly into the RGS using our own games framework. This is a proven valuable segment, we have a healthy pipeline of ongoing discussions with game studios.

Work has commenced to move games currently integrated in GiG Core to the RGS allowing us to sell aggregated games as an independent service to customers operating on a proprietary platform system. GiG will charge a revenue share on the service.

Media Services – GiG Comply (available to external operators from September 2018)

Compliance, regulation and responsibility are central to GiG and more important than ever for the iGaming market. The number of websites operators are advertised on continually increases,

driving a need for further control of the exposure of their brands, in particular with affiliate and display marketing.

GiG Comply is our new B2B compliance tool, based on proprietary technology. This scalable multi-channel tool provides a self-service platform, with the widest reach in the market.

Comply monitors advertising partners with respect to regulatory requirements to ensure compliance and is fully customisable to each respective client's needs or market standards. With this tool, operators can protect their brands by automatically monitoring, controlling and managing where and how they are being advertised across thousands of websites.

RESPONSIBLE GAMING

GiG is building a sustainable business, we provide a fair and safe gaming environment for our customers, suppliers and end users, adding long-term value to all our stakeholders. In the Q1 report this year, we highlighted our clear direction to put compliance at the heart of the business. We are investing in the legal, regulatory and compliance team under the 'One GiG' organisation.

During the quarter, we have added resource to the dedicated technical compliance team by introducing a proactive customer-facing safety and responsible gaming team, branded Player Safety Analysts. This team daily monitors and assesses trading patterns, identifying and actively contacting customers showing patterns of problematic gambling behaviour, offering help and support.

The technical compliance team has also introduced tools to daily monitor, detect and alert on suspected fraudulent or criminal activity. Similar tools identify when spending per individual reaches certain thresholds instigating an automatic system audit for documents showing evidence of source of funds.

OPERATIONAL REVIEW

B2B SERVICES

This segment includes GiG's Media, Platform, Sports and Games services.

MEUR	Q2 2018	Q2 2017	6M 2018	6M 2017	2017
REVENUE	15.6	8.5	30.9	14.8	44.4
EBITDA	4.4	3.9	8.6	6.2	21.6

Revenues for the B2B segment amounted to EUR 15.6 million in the second quarter 2018, an 83% increase over the second quarter 2017 whereof 53% was organic. EBITDA was EUR 4.4 million in the quarter with an EBITDA margin of 28%, an increase from EUR 3.9 million in the second quarter 2017 (45% margin). The reduction in EBITDA margin is mainly explained by the addition of paid media business in Media Services and the allocation of costs in GiG Magic to B2B in 2018.

MEDIA SERVICES

Revenues in Media Services were at a quarterly all-time-high of EUR 8.7 million in the second quarter 2018, a 99% increase over EUR 4.4 million in the second quarter 2017. Organic growth was 32% from the second quarter 2017.

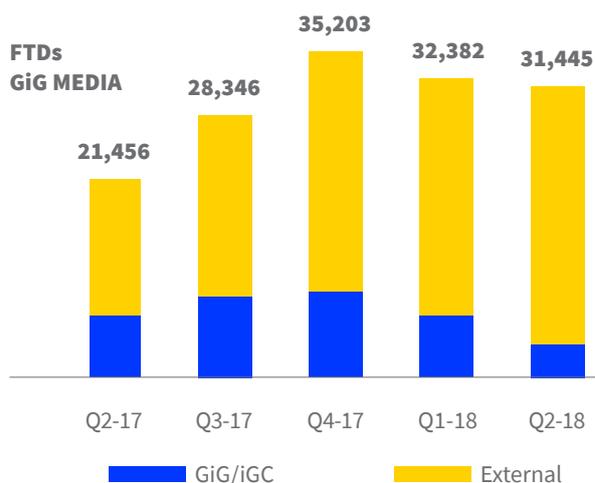
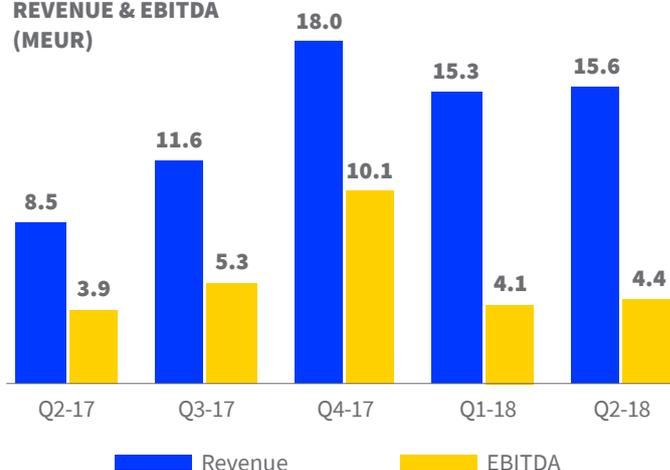
Media Services referred 31,445 new FTDs (First Time Depositors) to operators in the second quarter 2018, a 47% increase from 21,456 in the second quarter 2017. Of the new FTDs in the quarter, 6% were referred to GiG's own brands, 6% to GiG Core clients and the remaining 88% to other operators. The increase in FTDs referred to external clients was due to a better competitive landscape for external traffic in the quarter, coupled with an acceleration in sportsbook customer acquisition prior to the World Cup.

70% of revenues in the second quarter came from revenue share agreements (78% in the second quarter 2017), 11% from CPA (Cost per Acquisition) (17%) and 19% from listing fees (8%).

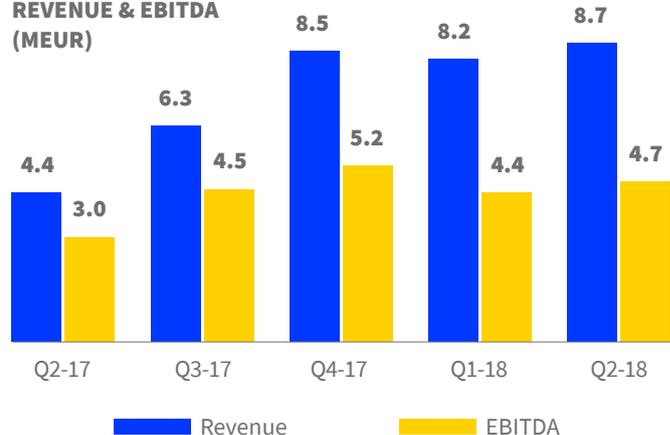
The paid model represented 17% of Media Services revenues with the remaining 83% from GiG's traditional SEO (Search Engine Optimisation) publishing services. Media's paid services are trending well, preparations and investments are being made to ensure when new markets regulate and channels open up, further opportunities can be realised.

EBITDA for the quarter was EUR 4.7 million with an EBITDA margin of 55%, compared to EUR 3.0 million (68%) in the second quarter 2017. The reduction in the EBITDA margin is mainly explained by the paid media business acquired in September 2017 which has

**B2B SEGMENT
REVENUE & EBITDA
(MEUR)**



**GiG MEDIA
REVENUE & EBITDA
(MEUR)**



expenses related to purchase of media space which are standard for paid digital marketing channels. Media has also invested in staff to ensure sustainability and growth for the future.

PLATFORM SERVICES - GiG Core

Two new brands started their operations on the platform in the second quarter 2018, resulting in 35 brands operating on the platform in the quarter including GiG’s seven own brands. Three brands have started operations so far in the third quarter. Total database transactions increased by 92% to 4.6 billion compared to 2.4 billion in the second quarter 2017. NGR from the external customer base in the ecosystem was up by 5% compared to the first quarter 2018.

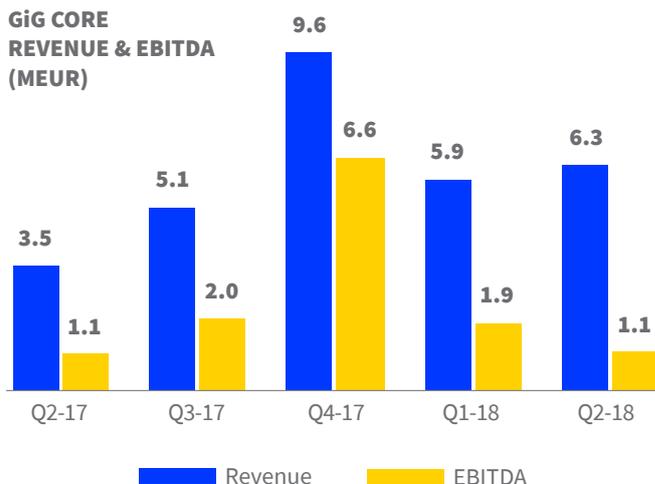
Revenues for GiG Core were EUR 6.3 million in the second quarter 2018, an 80% increase over EUR 3.5 million in the second quarter 2017, whereof 80% was external revenues from clients with the balance from GiG’s own brands. All growth was organic. EBITDA for the quarter was EUR 1.1 million, with an EBITDA margin of 17%, compared to EUR 1.1 million and 30% margin in the second quarter 2017. EBITDA margin has dropped as a consequence of up-front costs related to the development of the website for GiG’s partner Hard Rock International, including the New Jersey Division of Gaming Enforcement certification.

GiG Magic has signed agreements to design, develop and host the front end websites for three external operators: Dunder, Rolla and Hard Rock International in addition to GiG’s internal operators Kaboo, Thrills and SuperLenny. The development work was delivered at cost, impacting EBITDA. The Company expects GiG Magic to power all internal brands plus a range of external brands, leading to scalability and profitability.

GiG started its new sports betting services in the second quarter and effective from April, sports-related revenues have been allocated to Sports Betting Services. This amounted to EUR 0.4 million in the second quarter. Including related cost of sales, the net EBITDA effect for GiG Core was EUR -0.3 million in the quarter.

Effective from January 2018, GiG converted one GiG Core customer to a flat fee structure. At the same time, the fees paid by its internal brands were adjusted to reflect current standard market rates, resulting in reduced revenues for GiG Core. This is to support the long-term revenue and earnings growth of its operators by the application of increased economies of scale.

One new brand signed in the second quarter 2018, and one more so far in the third quarter. Two brands discontinued their operations in the second quarter due to the migration of players to another brand operating on the platform. Seven brands are currently in the pipeline, six of these are expected to go live in the second half of 2018. Existing live clients and the signed pipeline adds up to a total of 43 brands operating on the platform, including GiG’s own brands.

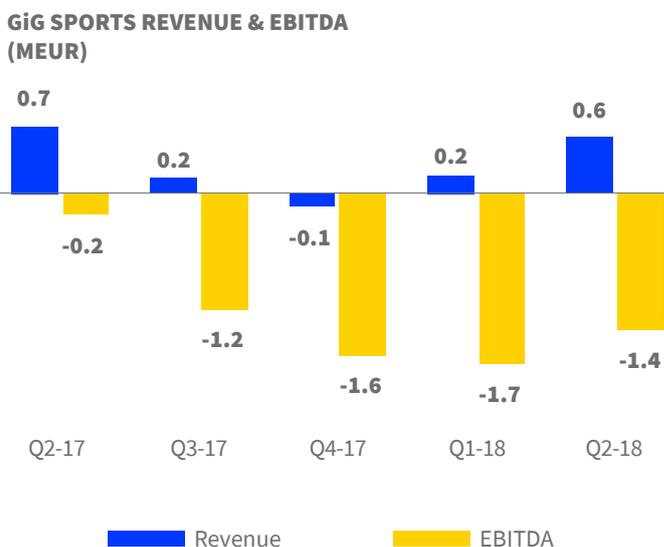


SPORTS BETTING SERVICES

Sports Betting Services includes both sports related revenues from B2B operators and GiG’s in-house generated revenues, where GiG is placing bets against the sports betting market using robots and manual traders.

With Sports Betting Services now being offered as a full B2B product, sports related revenue from existing GiG Core clients has been shifted from Platform Services to Sports Betting Services effective from the second quarter 2018. This revenue stream amounted to EUR 0.4 million in the second quarter 2018. In total, Sports Betting Services showed a EBITDA of EUR -1.4 million in the second quarter 2018, compared to a EUR -0.2 million in the second quarter 2017. The negative EBITDA relates to increase in resource from fully scaling up and the preparation for the launch in May.

For comparison, EBITDA would have been EUR 0.0 million in the second quarter 2017 and EUR -1.3 million in the first quarter 2018 by using the same allocation between GiG Core to GiG Sports.



GiG's own trading operations yielded a return of EUR 0.2 million in the quarter, down from EUR 0.7 million in the second quarter 2017. The margin of 30% achieved vetting other bookmakers, showcases the potential of the odds, as additional margin would be included in the odds offered to end users through Sports Betting Services.

GAMING OPERATORS (B2C)

The B2C segment include GiG's seven in-house gaming operators; Rizk.com, Betspin.com, Guts.com, Kaboo.com, Thrills.com, Superlenny.com and Highroller.com.

MEUR	Q2 2018	Q2 2017	6M 2018	6M 2017	2017
REVENUE	24.2	20.1	49.6	38.7	86.0
MARKETING EXPENSE	13.1	11.6	24.8	22.7	48.8
EBITDA	-2.8	-1.9	-2.6	-4.6	-8.9
TOTAL DEPOSITS	104.5	80.4	207.5	153.6	352.3

Revenues for the B2C gaming segment amounted to EUR 24.2 million in the second quarter, a 20% increase from EUR 20.2 million in the second quarter 2017, all organic growth. In 2017, GiG closed non-core markets which were active in Q2 2017. Adjusted for revenues from these markets, revenues increased 33% on a like-for-like basis. Seasonality, unusually hot weather in the main market (Scandinavia), competition from the governmental monopoly in Norway (Kong Kasino) and increased compliance, all had a negative impact on the performance for the gaming sites.

45% of revenues came from regulated, soon-to-be regulated or locally taxed markets, compared to 51% in the second quarter 2017. Revenues were split with 76% (64%) from the Nordics, 14% (10%) from Western Europe, 5% (12%) from Central Europe and the balance, 5% (14%) from non-core markets.

Up-front marketing investments increased in the second quarter, resulting in a total B2C marketing expense of EUR 13.1 million, an increase from EUR 11.6 million spent in the second quarter 2017 and EUR 11.8 million spent in the first quarter 2018. This increase relates to a temporary increase in TV advertising this quarter due to the launch of the new sportsbook ahead of the World Cup. Of the total B2C marketing expense, EUR 3.8 million or 29%, was related to revenue share agreements (33% in Q2 2017), with the balance attributable to up-front payments including TV campaigns.

Gaming Operators showed an EBITDA for the quarter of EUR -2.8 million, compared to EUR -1.9 million in the second quarter 2017. A EUR 0.5 million allowance to UK Gambling Commission is included in expenses, this predominantly relates to the former Betit brands and predates GiG's acquisition in 2016 and is an initial estimation.

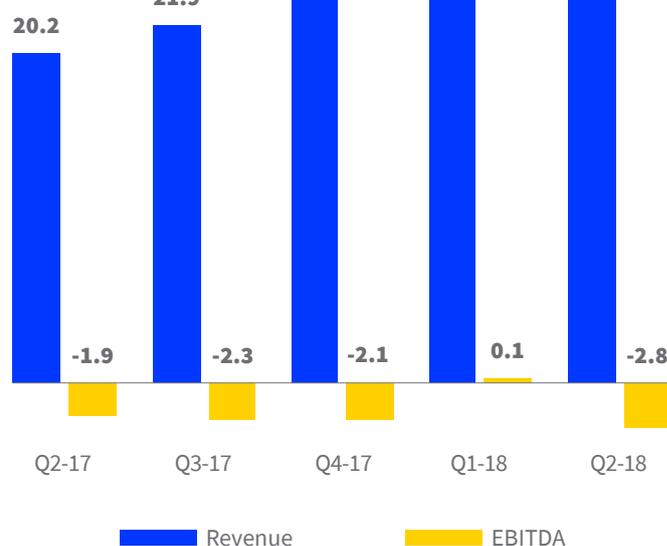
GiG's focus on reducing bonus and free-spin players has resulted in higher deposits and NGR from each active player. Gross deposits were EUR 104.5 million in the second quarter, up 30% from EUR 80.4 million in the second quarter 2017. The number of active users for the B2C segment was 173,612 in the second quarter, a decrease from 183,295 in the second quarter 2017.

The casino margin in the operator business was 3.46% in the second quarter, compared to 3.53% in the second quarter 2017. Sports betting had a margin of 7.4% in the quarter, a blend of both the old and the new sportsbooks, this compares to 6.5% in the second quarter 2017. Betting duties were 2.7% of gaming revenues compared to 3.2% in the second quarter 2017.

GiG GAMING DEPOSITS (MEUR) & ACTIVES



GiG GAMING REVENUE & EBITDA (MEUR)



FINANCIAL REVIEW

SECOND QUARTER 2018

Revenues

GiG's revenues comprise income from the Company's gaming sites, affiliate marketing in Media Services, sports trading and B2B customers in the Company's ecosystem. Consolidated revenues amounted to EUR 36.9 million in the second quarter 2018, a 39% increase compared with the second quarter 2017 (EUR 26.6 million).

Lower year-on-year marketing spend compared to revenue, seasonality, source of funds checks and unusually hot weather in the main market (Scandinavia), all had a negative impact on the performance for the gaming sites.

Cost of Sales

Cost of sales include fees to game and payment suppliers, gaming taxes and other variable expenses. In the second quarter 2018, cost of sales amounted to EUR 6.4 million, an increase of 36% compared with EUR 4.7 million in the second quarter 2017. Compared with the first quarter 2018, cost of sales decreased by 7%, mainly due to game provider fees decreasing as a percentage of revenues, because of re-negotiation of agreements. Gaming taxes amounted to EUR 1.1 million, or 2.9% of total revenues, compared with EUR 0.6 million (2.4%) in the second quarter 2017.

The PSD2 Directive was introduced on 13 January 2018 which distorted comparable numbers year-on-year with an increase of around EUR 1.0 million per quarter in Q1 and Q2 this year. This effect will continue distorting the comparable numbers in the second half of 2018 at a similar level.

Gross profit

Gross profit for the group amounted to EUR 30.5 million during the second quarter 2018, a 39% increase over the second quarter of last year (EUR 21.9 million). Gross profit margin for the quarter was 83%, compared to 82% in the corresponding quarter last year.

Marketing expenses

Marketing expenses were EUR 13.2 million in the second quarter 2018, an increase from EUR 11.1 million in the second quarter 2017. Marketing expenses' share of total revenues were 36% in the quarter, down from 42% in the second quarter 2017. Marketing expenses are mainly associated with the Company's B2C operations and comprise both up-front payments such as TV campaigns, CPA (cost per acquisition) and affiliate commissions.

Operating expenses

Other operating expenses amounted to EUR 15.7 million in second quarter 2018, a 77% increase from EUR 8.9 million in second quarter 2017 (67% organic). Operating expenses are

mainly related to salaries, rent and general corporate expenses. The main component of the increase represents the raise in the average number of employees to 736 (462) over the quarter from 683 in the first quarter. These numbers include full time consultants. Personnel expenses were EUR 9.9 million in the second quarter, a 48% increase from EUR 6.7 million in second quarter 2017 and includes EUR 0.4 million in non-cash option expense.

Another component is cost related to the transition from servers to cloud-based services, EUR 635,000 in the second quarter. The move to cloud services is a result of growing data volumes, investments into future products, increased marketing activity and increased focus on regulatory compliance.

Capitalised expenses related to the Company's development of technology and future products amounted to EUR 1.3 in the second quarter, compared to EUR 1.2 million in the second quarter 2017, these are capitalised over 3 years. These costs are mainly related to development of GiG's platform and sports products.

EBITDA

EBITDA for the second quarter 2018 was EUR 1.7 million, down from EUR 1.9 million in the second quarter 2017. The decrease in EBITDA is mainly a result of increased operating expenses in Gaming Services.

D&A

Depreciation and amortisation amounted to EUR 4.9 million in the second quarter 2018, compared with EUR 2.2 million in the second quarter 2017. Depreciation and amortisation expenses are mainly related to amortisation of the affiliate acquisitions completed over the last three years, with EUR 1.0 million related to affiliate contracts and EUR 1.4 million to domains/SEO in the quarter. The balance is mainly related to capitalised development expenses.

EBIT

EBIT came in at EUR -3.2 million in the second quarter 2018, compared to EUR -0.2 million in the second quarter 2017.

Net result

Net other income was EUR -1.0 million in the second quarter 2018, compared to EUR -0.0 million in the second quarter 2017. Interest on the Company's bond was included with EUR 1.2 million in the quarter and the balance are net foreign exchange gains, mainly an unrealised gain on the bond due to the weakening of the SEK towards the EUR during the quarter.

The net result for the second quarter was EUR -4.5 million, compared to EUR -0.2 million in the second quarter 2017.

Cash flow

The consolidated net cash flow from operational activities amounted to EUR 8.2 million for the second quarter 2018 (EUR 3.1 million in the second quarter 2017). Included in the net cash flow from operational activities are changes in operating assets and liabilities, mainly consisting of the release of rolling reserves, marketing prepayments as well as payments of receivables.

The net cash flow used on investments was EUR 3.1 million in the second quarter 2018 (EUR 22.5 million in the second quarter 2017), whereof EUR 1.3 million were capitalised development expenses and EUR 0.6 million fixed assets.

The net cash flow from financing activities was zero in the second quarter 2018 compared to EUR -6.0 million in the second quarter 2017 when the Company repaid part of its short-term loans.

Cash and cash equivalents increased by EUR 5.3 million in second quarter 2018 (EUR -26.1 million decrease in second quarter 2017).

FINANCIAL POSITION

As at 30 June 2018, holdings of cash and cash equivalents amounted to EUR 16.0 million, compared with EUR 25.2 million as at 30 June 2017. Cash holdings include EUR 7.2 million in fiduciary capacity, which is customer monies, which use is restricted, in accordance with the Remote Gaming Regulations.

As at 30 June 2018, GiG had total assets of EUR 202.8 million, and shareholders' equity was EUR 106.3 (52%).

The interest-bearing debt as at 30 June 2018 was EUR 63.8 million, compared to EUR 41.4 million as at 30 June 2017.

JANUARY TO JUNE 2018

Revenues

Consolidated revenues amounted to EUR 74.2 million in the first six months of 2018, a 49% increase compared with the first six months of 2017 (EUR 49.7 million). Organic growth was 38%.

Cost of Sales

Cost of sales include fees to game and payment suppliers, as well as gaming taxes and other variable expenses. In the first six months of 2018, cost of sales amounted to EUR 13.2 million, compared with EUR 9.0 million in the first six months of 2017. Gaming taxes amounted to EUR 2.3 million, or 3.1% of total revenues, compared with EUR 1.3 million (2.6%) in the first six months of 2017.

Gross profit

Gross profit for the group amounted to EUR 61.0 million during the first six months of 2018, a 50% increase over the first six months of last year (EUR 40.6 million). Gross profit margin

for the first six months of 2018 was 82%, the same as for the corresponding period last year (82%).

Marketing expenses

Marketing expenses were EUR 25.0 million in the first six months of 2018, a 13% increase from EUR 22.0 million in the first six months of 2017. Marketing expenses' share of total revenues were 34% in the first six months of 2017, down from 44% in the first six months of 2017.

Operating expenses

Other operating expenses amounted to EUR 30.0 million in the first six months of 2018, a 77% increase from EUR 17.0 million in the first six months of 2017. Personnel expenses were EUR 19.7 million in the first six months of 2018, a 59% increase from EUR 12.4 million in the first six months of 2017. Non-cash expenses related to the Company's option plans was EUR 1.0 million in the first six months of 2018.

Capitalised expenses related to the Company's development of technology and future products amounted to EUR 2.6 million in the first six months of 2018, compared to EUR 2.1 million in the first six months of 2017, these are capitalised over 3 years. These costs are mainly related to the development of GiG's platform and sports products.

EBITDA

EBITDA for the first six months of 2018 was EUR 6.0 million, an improvement from EUR 1.6 million in the first six months of 2017.

D&A

Depreciation and amortisation amounted to EUR 9.6 million in the first six months of 2018, compared with EUR 3.4 million in the first six months of 2017. Depreciation and amortisation expenses are mainly related to amortisation of the affiliate acquisitions completed over the last three years, with EUR 2.1 million related to affiliate contracts and EUR 2.8 million to domains/SEO in the first six months of 2018. The balance is mainly related to capitalised development expenses.

EBIT

EBIT came in at EUR -3.6 million in the first six months of 2018, compared to EUR -1.8 million in the first six months of 2017. The reduction is due to the increase in depreciation and amortisation expenses.

Net result

Net other income was EUR -0.2 million in the first six months of 2018, compared to EUR -0.9 million in the first six months of 2017. Interest on the Company's bond of EUR 2.4 million was included in the period and the balance is net foreign exchange gains, mainly an unrealised gain on the bond due to the weakening of the SEK towards the EUR during the six months of 2018.

The net result for the first six months of 2018 was EUR -3.6 million, compared to EUR -2.7 million in the first six months of 2017.

Cash flow

The consolidated net cash flow from operational activities amounted to EUR 10.3 million for the first six months of 2018 (EUR 9.2 million in the first six months of 2017).

The net cash flow used on investments was EUR 6.6 million in the first six months of 2018 (EUR 24.5 million in the first six months of 2017), whereof EUR 4.6 million related to intangibles. The net cash flow from financing activities was zero in the first six months of 2018 compared to EUR 35.0 million in the first six months of 2017 due to issuance of the Company's SEK 400 million bond in March 2017.

Cash and cash equivalents increased by EUR 3.9 million in first six months of 2018 (EUR 19.2 million increase in first six months of 2017).

PEOPLE AND ENVIRONMENTS

By the end of second quarter 2018, 742 employees were spread throughout Malta, Spain, Denmark, Norway and some satellite offices. 29% of the employees are female, high relative to the gaming sector. Approximately 225 are working in Gaming, 330 in Platform, Sports and Games and 105 in Media, with the balance in corporate functions.

We invest in our people and leaders. In H1 2018 more than 100 managers across all 'GiG countries' have been trained on communication and on the importance of performance management, including objective settings.

SHAREHOLDER MATTERS

As at 30 June 2018, the total number of shares outstanding in GiG was 895,656,266 (par value USD 0.10), divided between approximately 3,500 shareholders. The number of authorised shares is 950,000,000.

In February 2018, 2,300,000 new options were granted with an exercise price of NOK 6.50 per share and expiry on 31 January 2024, the options are exercisable with 20% after 1 February 2019, 30% after 1 February 2020 and 50% after 1 February 2021. In March 2018, an additional 2,100,000 options were granted with an exercise price of NOK 7.50 per share, and expiry on 31 March 2024. These options are exercisable with 20% after 1 April 2019, 30% after 1 April 2020 and 50% after 1 April 2021. All options are granted under the option plan approved by the board in February 2017 and are conditional upon employment at time of exercise.

In 2018, employees have exercised their options to buy a total of 2,200,000 shares in GiG. The Company has borrowed shares for the immediate transfer of the option shares to the employees and will issue new shares later. When issuing the new shares for the

option exercise, the outstanding number of shares will increase to 898,156,266.

In 2018, so far, 2,090,000 options have been cancelled, resulting in 17,410,000 options outstanding as at 14 August.

NOMINATION COMMITTEE

As a Delaware corporation, the governing law does not require a nomination committee. However, the Company has chosen to elect a nomination committee. The Committee is responsible for reviewing the size, structure and composition of the Board, succession planning, the appointment of replacement and/or additional directors and for making the appropriate recommendations to the Board.

The following members were elected at the AGM 23 May 2018:

Mr Kjetil Myrliid Aasen

Mr Aasen is a shareholder in, and represents Bryggen Holding AS, the Company's largest shareholder (13.2%).

Mr Mikael Riese Harstad

Mr Harstad is a shareholder in, and represents the investment company Optimizer Invest Ltd., the Company's second largest shareholder (11.5%).

Mr Kjetil Andreas Garstad

Mr Garstad represents Stenshagen Invest AS, a private investor holding 1.7%.

FINANCIAL CALENDAR

Q3 2018 Report	6 November 2018
Capital Markets Day	6 November 2018
Q4 2018 Report	13 February 2019

CONTACTS

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ABOUT GAMING INNOVATION GROUP

Gaming Innovation Group Inc. is a technology company providing products and services throughout the entire value chain in the iGaming industry. Founded in 2012, Gaming Innovation Group's vision is 'To open up iGaming and make it fair and fun for all'. Through our ecosystem of products and services, we are connecting operators, suppliers and users, to create the best iGaming experiences in the world. Our headquarters are based in Malta and the Company is listed on the Oslo Stock Exchange under the ticker symbol GiG.

LEGAL DISCLAIMER

Gaming Innovation Group Inc. gives forecasts. Certain statements in this report are forward-looking and the actual outcomes may be materially different. In addition to the factors discussed, other factors could have an impact on actual outcomes. Such factors include developments for customers, competitors, the impact of economic and market conditions, national and international legislation and regulations, fiscal regulations, the effectiveness of copyright for computer systems, technological developments, fluctuation in exchange rates, interest rates and political risks.

STATEMENT FROM THE BOARD OF DIRECTORS

The Board of Directors has today approved the condensed consolidated financial statements for the first six months of 2018 and the condensed consolidated balance sheet per 30 June 2018 for Gaming Innovation Group Inc.

We declare to the best of our belief that the condensed consolidated financial statements for the first half of 2018 gives a true and fair view of the Company's assets, liabilities, financial position and results of operations, and that the report is produced according to prevailing accounting standards. We also declare, to the best of our belief, that the half-year report provides a fair view of the information required under §5-6 (4) of the Norwegian Securities Act. We also confirm that any description of transactions with related parties are correct. The relevant risks the Company is exposed to are described in the Company's 2017 Annual Report.

14 August 2018

The Board of Directors of Gaming Innovation Group Inc.



Helge Nielsen
CHAIRMAN



Morten Soltveit
DIRECTOR



Andre Lavold
DIRECTOR



Henrik Persson
Ekdahl
DIRECTOR



Robin Reed
CEO

GAMING INNOVATION GROUP INC.

Condensed Statements of Operations

EUR 1000 - UNAUDITED					
	Q2 2018	Q2 2017	6M 2018	6M 2017	2017
REVENUES	36 885	26 579	74 224	49 653	120 423
Cost of sales	6 364	4 680	13 214	9 046	20 521
GROSS PROFIT	30 521	21 899	61 010	40 607	99 902
OPERATING EXPENSES					
Marketing expenses - revenue share	3 848	3 684	7 826	7 011	15 392
Marketing expenses - other	9 307	7 429	17 192	15 033	31 701
Other operating expenses	15 704	8 855	29 997	16 984	40 288
TOTAL OPERATING EXPENSES	28 859	19 968	55 015	39 028	87 381
EBITDA	1 662	1 931	5 995	1 579	12 521
Depreciation & amortization	4 890	2 152	9 590	3 392	10 912
EBIT	-3 228	-221	-3 595	-1 813	1 609
Other income (expense)	-972	-	352	-	-1 054
Unrealized gain (loss) on derivative asset	-48	-5	-143	-865	-
RESULT BEFORE INCOME TAXES	-4 248	-226	-3 386	-2 678	555
Tax income/(expense)	-202	-17	-180	-27	-973
NET RESULTS	-4 450	-243	-3 566	-2 705	-418
Exchange differences on translation of foreign operations	156	-1 987	242	-1 835	-2 571
Fair value movement in available for sale investment	-24	1 297	2	1 296	1 281
TOTAL COMPREHENSIVE INCOME (LOSS)	-4 318	-933	-3 322	-3 244	-1 708
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:					
Owners of the Company	-4 337	-936	-3 335	-3 246	-1 726
Non-controlling interests	19	3	13	2	18
TOTAL COMPREHENSIVE INCOME (LOSS)	-4 318	-933	-3 322	-3 244	-1 708
EARNINGS PER SHARE ATTRIBUTABLE TO GiG INC:					
Basic earnings (losses) per share	-0.00	-0.00	-0.00	-0.00	-0.00
Diluted earnings (losses) per share	-0.00	-0.00	-0.00	-0.00	-0.00
Weighted average shares outstanding (1000)	895 656	887 791	895 656	887 791	890 673
effect of dilutive shares (1000)	-	-	-	-	-
Diluted weighted average shares outstanding (1000)	895 656	887 791	895 656	887 791	890 673

GAMING INNOVATION GROUP INC.

Condensed Statements of Financial Position

EUR 1000 - UNAUDITED			
	30 JUN 2018	30 JUN 2017	31 DEC 2017
ASSETS			
NON-CURRENT ASSETS:			
Goodwill	69 653	63 675	69 444
Intangible assets	88 217	61 482	91 997
Deposits and other non-current assets	8 175	5 165	7 179
TOTAL NON-CURRENT ASSETS	166 045	130 322	168 620
CURRENT ASSETS:			
Prepaid and other current assets	52	180	194
Trade and other receivables	20 712	13 693	24 769
Cash and cash equivalents	16 024	25 195	12 079
TOTAL CURRENT ASSETS	36 788	39 068	37 042
TOTAL ASSETS	202 833	169 390	205 662
LIABILITIES AND SHAREHOLDERS' EQUITY			
SHAREHOLDERS' EQUITY:			
Share capital	78 483	78 483	78 483
Share premium/reserves	31 598	28 039	30 513
Retained earnings (deficit)	-3 812	-3 907	-236
Total equity attributable to GiG Inc.	106 269	102 615	108 760
Non-controlling interests	36	8	23
TOTAL SHAREHOLDERS' EQUITY	106 305	102 623	108 783
LIABILITIES:			
Trade payables and accrued expenses	31 570	24 661	28 568
TOTAL CURRENT LIABILITIES	31 570	24 661	28 568
Bond payable	62 798	41 405	66 466
Deferred tax liability	1 110	701	829
Other long term liabilities	1 050	-	1 016
TOTAL LONG TERM LIABILITIES	64 958	42 106	68 311
TOTAL LIABILITIES	96 528	66 767	96 879
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	202 833	169 390	205 662
CONDENSED STATEMENTS OF CHANGES IN EQUITY:			
EQUITY AT BEGINNING OF PERIOD	108 783	105 175	105 175
Issuance of shares for cash, in repayment of debt and purchase of subsidiary and affiliates	24	-	3 622
Fair value movement in available for sale investments	2	1 296	1 281
Share compensation expense	820	661	1 666
Non-controlling interests	13	2	18
Exchange differences arising from prior year adjustment	-	31	28
Exchange differences on translation of foreign operations	242	-1 835	-2 571
Net results	-3 579	-2 707	-436
EQUITY AT END OF PERIOD	106 305	102 623	108 783

GAMING INNOVATION GROUP INC.

Condensed Statements of Cash Flows

EUR 1000 - UNAUDITED					
	Q2 2018	Q2 2017	6M 2018	6M 2017	2017
CASH FLOWS FROM OPERATING ACTIVITIES:					
Results before income taxes	-4 248	-226	-3 386	-2 678	555
Adjustments to reconcile profit before tax to net cash flow:					
Tax expense	-202	-17	-180	-27	-973
Depreciation and amortization	4 890	2 152	9 590	3 392	10 912
Other adjustments for non-cash items and changes in operating assets and liabilities	7 809	1 146	4 235	8 530	2 552
NET CASH PROVIDED BY OPERATING ACTIVITIES	8 249	3 055	10 259	9 217	13 046
CASH FLOWS FROM INVESTING ACTIVITIES:					
Purchases of intangible assets	-2 512	-1 549	-4 634	-2 792	-54 479
Purchases of property, plant and equipment	-556	-305	-1 164	-1 013	-3 817
Purchases of affiliates	-	-20 661	-500	-20 661	-9 120
Cash flow from other investing activities	-	-	-260	-	-200
NET CASH USED BY INVESTING ACTIVITIES	-3 068	-22 515	-6 558	-24 466	-67 616
CASH FLOWS FROM FINANCING ACTIVITIES:					
Proceeds from bond issue	-	-	-	41 016	66 956
Proceeds from loans	-	-	-	-	3 071
Repayment of loans	-	-5 967	-	-6 068	-8 123
NET CASH PROVIDED BY FINANCING ACTIVITIES	-	-5 967	-	34 948	61 904
Translation loss	156	-1 987	242	-1 835	-2 571
Fair value movements	-24	1 297	2	1 296	1 281
NET INCREASE (DECREASE) IN CASH	5 313	-26 117	3 945	19 160	6 044
Cash and cash equivalents - beginning	10 711	51 312	12 079	6 035	6 035
CASH AND CASH EQUIVALENTS - END	16 024	25 195	16 024	25 195	12 079

GAMING INNOVATION GROUP INC.

Selected Notes to Condensed Consolidated Financial Statements as of and for the Periods Ending 30 June 2018 and 2017

1. GENERAL INFORMATION

Gaming Innovation Group 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 Plc. (“Plc”) is incorporated and domiciled in Malta, having a registered office at GB Buildings Penthouse, Watar Street, Ta’ Xbiex, XBX 1301.

The Company’s principal activity is to provide a platform for and facilitate internet gambling, gaming and sports betting.

The consolidated financial statements of the Company as at and for the periods ended 30 June 2018 and 2017 are comprised of Plc and its accounting basis subsidiaries: GiG, Candid Gaming Ltd (“Candid”) and Gridmanager Ltd (“Grid”), MT Secure Trade Ltd, (“Secure”) Innovation Labs Ltd, (“Labs”) iGaming Cloud Ltd., (“iGC”) BettingCloud Ltd. (formerly Gaming Exchange Ltd.) (“Exchange”), Zecure Gaming Limited (Zecure), GiG Properties Inc (Properties) (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), iGamingCloud Services SLU (“SLU”) (a corporation registered in Spain), and Oddsmodel AS (“OM”) (a corporation registered in Norway). Betit Holdings Ltd. (a corporation registered in Malta) and its subsidiaries (“Betit”), Betit Operations Ltd., Haus of Lenny Ltd. (corporations registered in Malta), Mavrix Activities Ltd., Mavrix 5x5 Ltd., Mavrix Services Ltd. Mavrix Promotions Ltd. Mavrix Holding Ltd. (corporations registered in Gibraltar), Mavrix Technologies SL (a corporation registered in Spain), Pronzo Entertainment B.V. (a corporation registered in Curacao) and Rebel Penguin ApS (a corporation registered in Denmark).

2. BASIS OF PREPARATION

The condensed consolidated 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 30 June 2018 and 2017 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 six months of operations of both 2018 and 2017 and the full year of 2017 of Gaming Innovation Group Inc. and subsidiaries, and

Rebel Penguin from Sept 2017.

The Company’s condensed 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 and Norwegian and Danish Kroners 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 condensed consolidated statement of comprehensive income (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 30 June 2018 and 2017 are consistent with those used in preparing the Company’s consolidated financial statements as of and for the year ended 31 December 2017.

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.

GiG Gaming:

Gaming transactions that are not deemed to be financial instruments, where the Company revenues stem from commissions. The revenue recognized in this manner relates to Poker.

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 and casino.

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 commission arising on transactions where the Company does not take open position against players, such as poker, is recognized when players place wagers in a pool.

GiG Core:

In contracting with white label operators, the Company considers that it is acting as an intermediary between the third party platform and the related service providers. On this basis revenue is recognized net of payments made to service providers.

In contracting with own license operators, the Company generates revenue by entering into a revenue share deal or a fixed deal where such revenue is apportioned on an accrual basis over the whole term of the contract.

GiG Media:

For a revenue share deal, the Company receives a share of the revenues that the gaming operator has generated as a result of a player playing on their iGaming site. Revenue is recognized in the month that it is earned by the respective gaming operator.

For a cost acquisition deal, a client pays a one-time fee for each player who deposits money on the client's site. Cost per acquisition contracts consist of a pre-agreed rate with the client. Revenue from such contracts is recognized in the month in which the deposits are made.

For a listing deal, a client pays a fixed fee to be listed and critically reviewed on the Company's websites. Such revenue is apportioned on an accrual basis over the term of the contract.

Other 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.

Standards, Interpretations and Amendments to Published Standards Effective in 2018 and 2017

In 2018 and 2017, the Company adopted new standards, amendments and interpretations to existing standards that are mandatory for the Company's accounting period beginning 1 January 2018 and 2017. The adoption of these revisions to the requirements of IFRS as adopted by the EU did not result in substantial changes to the Company's accounting policies.

Standards, Interpretations and Amendments to Published Standards that are not yet Effective

IFRS 16, a new and revised accounting standard and interpretation is not mandatory for the preparation of the consolidated financial statements for 2018. Management has begun to assess the impact of IFRS 16 on leases (effective date 1 January 2019) on the future financial reporting. Management has not yet assessed the full impact of the new standard on the Company's financial statements but believes that IFRS 16 will impact its financial statements.

4. SEGMENT INFORMATION

The Company operates two segments, the Business to Consumer ("B2C") segment which includes the gaming operations directed towards end-users, and the Business to Business ("B2B") segment which includes its platform offering, sports trading and affiliate marketing. Segment information relating to balance sheet and geographical sales will be disclosed annually in the annual report.

Q2 2018 (EUR 1000)	B2C	B2B	ELIMINATION	TOTAL
REVENUE	24,192	15,595	-2,902	36,885
COST OF SALES	7,250	152	-1,038	6,364
MARKETING COST	13,077	1,407	-1,329	13,155
EBITDA	-2,780	4,405	37	1,662
EBIT	-3,089	-176	37	-3,228

Q2 2017 (EUR 1000)	B2C	B2B	ELIMINATION	TOTAL
REVENUE	20,181	8,540	-2,142	26,579
COST OF SALES	5,798	216	-1,334	4,680
MARKETING COST	11,562	351	-800	11,113
EBITDA	-1,936	3,876	-9	-1,931
EBIT	-1,891	1,679	-9	-221

6M 2018 (EUR 1000)	B2C	B2B	ELIMINATION	TOTAL
REVENUE	49,610	30,854	-6,240	74,224
COST OF SALES	15,051	352	-2,189	13,214
MARKETING COST	24,831	2,868	-2,681	25,018
EBITDA	-2,633	8,554	74	5,995
EBIT	-3,296	-373	74	-3,595

6M 2017 (EUR 1000)	B2C	B2B	ELIMINATION	TOTAL
REVENUE	38,674	14,831	-3,852	49,653
COST OF SALES	11,383	274	-2,611	9,046
MARKETING COST	22,685	594	-1,235	22,044
EBITDA	-4,613	6,207	-15	1,579
EBIT	-4,781	2,983	-15	-1,813

2017 (EUR 1000)	B2C	B2B	ELIMINATION	TOTAL
REVENUE	85,843	49,127	-14,547	120,423
COST OF SALES	25,554	957	-5,990	20,521
MARKETING COST	48,806	2,069	-3,782	47,093
EBITDA	-8,855	21,481	-105	12,521
EBIT	-9,875	11,589	-105	1,609

5. 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. As of 30 June 2018, the Company had 18,510,000 options outstanding.

6. CHANGES IN EQUITY

540,000 options were exercised in the second quarter 2018 resulting in 18,510,000 options outstanding as of 30 June 2018. GiG borrowed shares for the immediate transfer of the option shares to the employees during the second quarter and will issue new shares at a later date.

895,656,266 shares (par value USD 0.10) were outstanding as of 30 June 2018, where of the Company owned no treasury shares. When the new shares are issued for the option exercises from the first and second quarters, the outstanding number of shares will increase to 897,056,266.

7. LOANS PAYABLE SHAREHOLDERS

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, that was increased to NOK 19,200,000 in July 2016. These two loan facilities were repaid in April 2017.

In July 2017, the Company, utilizing the revolving loan facility with a shareholder noted above, borrowed an additional NOK 15,000,000 and, in August 2017, borrowed an additional NOK 4,000,000. This loan facility was repaid in September 2017.

In December 2017, the Company, utilizing the revolving loan facility with a shareholder noted above, borrowed NOK 10,000,000 with an interest rate of 10% per annum due on demand at monthly intervals.

In March and May 2016, the Company entered into loan agreements with shareholders for NOK 17,500,000 and EUR 300,000 with an interest rate of 10% per annum. The loans had maturity dates ranging from 31 May 2016 through 31 December 2016. In December 2016, this loan facility was refinanced and increased by NOK 13,000,000 for a total of NOK 31,500,000 as of 31 December 2016, and maturity was extended to 30 June 2017. Close associates of Helge Nielsen and Jon Skabo, board members of the Company, participated in the loan with NOK 3,500,000 and NOK 1,500,000 respectively. These loan agreements were repaid in April 2017.

Short-term loans outstanding balances at 30 June 2018 and 2017 were EUR 0 for both periods with accrued interest of EUR 0 for both periods. Long term loans outstanding balances at 30 June 2018 and 2017 were EUR 1,049,770 and EUR 0, respectively with accrued interest of EUR 8,628 and EUR 0, respectively.

8. SENIOR SECURED BOND

In March 2017, GiG issued a SEK 400 million senior secured bond in the Nordic bond market, with a SEK 1,250 million borrowing limit and fixed interest of 7% per annum with maturity in March 2020. Net proceeds from the bond issue have been used for acquisition of affiliate markets, paying off existing debt in full, as well as towards general corporation purposes. The bond was initially drawn on 6 March 2017 with a subsequent issue of SEK 250 million on 14 September 2017 for a total of SEK 650 million. The outstanding balance at 30 June 2018 was EUR 62,797,953 with accrued interest of EUR 1,838,359. The bonds are registered in the Norway Central Securities Depository and listed on the Oslo Stock Exchange.

9. ACQUISITIONS

There were no acquisitions in the second quarter 2018.

10. RELATED PARTY TRANSACTIONS

There were no other material related parties' transactions in the second quarter 2018 than reported above in Note 7.

11. SUBSEQUENT EVENTS

1,100,000 options have been exercised subsequent to the quarter resulting in 17,410,000 options outstanding as of today.

There have been no material subsequent events after 30 June 2018.

12. ALTERNATIVE PERFORMANCE MEASURES

Certain financial measures and ratios related thereto in this interim report are not specifically defined under IFRS or any other generally accepted accounting principles. These measures are presented in this report because they are the measures used by management and they are frequently used by other interested parties for valuation purposes. In addition, the Company provides information on certain costs in the income statement, as these are deemed to be significant from an industry perspective.

Active customers: A customer having played with money deposited or with winnings from free spins or bonuses during the three month period

Deposits: Money deposited in the customer accounts

EBIT: Operating profit

EBITDA: Operating profit less depreciation and amortization

First Time Depositor (FTD): A first time depositor is a person who places wagers or deposits an amount of money for the very first time.

Gaming tax: Taxes paid on revenues in regulated markets

Gross profit: Operating revenue less cost of sales

Gross margin: Gross profit in percent of revenues

Interest bearing debt: Other long-term debt and short-term borrowings

Organic growth: Growth excluding acquisitions.

Net Gaming Revenue (NGR): Total cash deposits less all wins payable to customers after bonus costs and external jackpot contributions.

GAMING INNOVATION GROUP PLC.

Gaming Innovation Group Plc has issued a SEK 650 million senior secured bond with a SEK 1,250 million borrowing limit. The bond issue has a fixed coupon of 7.0% p.a. with maturity in March 2020. The bond is listed on the Oslo Stock Exchange with ISIN NO0010787120. As per the bond terms, the interim condensed

consolidated accounts for the issuer for the second quarter 2018 are stated below. Please refer to the selected notes to condensed consolidated financial statements for the parent Gaming Innovation Group Inc. for more information.

Condensed Statements of Operations

EUR 1000 - UNAUDITED					
	Q2 2018	Q2 2017	6M 2018	6M 2017	2017
REVENUES	36 885	26 579	74 224	49 653	120 423
Cost of sales	6 364	4 680	13 214	9 046	20 521
GROSS PROFIT	30 521	21 899	61 010	40 607	99 902
OPERATING EXPENSES					
Marketing expenses - revenue share	3 848	3 684	7 826	7 010	15 392
Marketing expenses - other	9 307	7 430	17 192	15 033	31 701
Other operating expenses	15 333	8 495	29 295	16 339	38 995
TOTAL OPERATING EXPENSES	28 488	19 609	54 313	38 382	86 088
EBITDA	2 033	2 290	6 697	2 225	13 814
Depreciation & amortization	4 880	2 143	9 571	3 373	10 874
EBIT	-2 847	147	-2 874	-1 148	2 940
Other income (expense)	-972	-	352	-	-1 719
Unrealized gain (loss) on derivative asset	-7	-692	-61	-1 349	-
RESULT BEFORE INCOME TAXES	-3 826	-545	-2 583	-2 497	1 221
Tax income/(expense)	-202	-17	-180	-27	-973
NET RESULTS	-4 028	-562	-2 763	-2 524	248
Exchange differences on translation of foreign operations	156	-783	242	-614	-523
Fair value movement in available for sale investment	-24	1 298	2	1 296	1 281
TOTAL COMPREHENSIVE INCOME (LOSS)	-3 896	-47	-2 519	-1 842	1 006
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:					
Owners of the Company	-3 915	-50	-2 532	-1 844	988
Non-controlling interests	19	3	13	2	18
TOTAL COMPREHENSIVE INCOME (LOSS)	-3 896	-47	-2 519	-1 842	1 006

GAMING INNOVATION GROUP PLC.

Condensed Statements of Financial Position

EUR 1000 - UNAUDITED			
	30 JUN 2018	30 JUN 2017	31 DEC 2017
ASSETS			
NON-CURRENT ASSETS:			
Goodwill	53 965	47 987	53 756
Intangible assets	81 792	55 013	85 553
Deposits and other non-current assets	7 965	5 164	7 178
Total non-current assets	143 722	108 164	146 487
CURRENT ASSETS:			
Prepaid and other current assets			
Trade and other receivables	20 713	13 693	24 769
Cash and cash equivalents	15 954	12 830	11 785
Total current assets	36 667	26 523	36 554
TOTAL ASSETS	180 389	134 687	183 041
LIABILITIES AND SHAREHOLDERS' EQUITY			
SHAREHOLDERS' EQUITY:			
Share capital	51	52	54
Share premium/reserves	647	-5 405	-417
Retained earnings (deficit)	-3 522	-3 118	-749
TOTAL EQUITY ATTRIBUTABLE TO GG PLC.	-2 824	-8 471	-1 112
Non-controlling interests	36	8	23
TOTAL SHAREHOLDERS' EQUITY	-2 788	-8 463	-1 089
LIABILITIES:			
Trade payables and accrued expenses	31 035	24 487	28 367
Inter-co GiG Inc.	88 234	76 557	88 468
TOTAL CURRENT LIABILITIES	119 269	101 044	116 835
Bond payable	62 798	42 106	66 466
Deferred tax liability	1 110	-	829
TOTAL LONG TERM LIABILITIES	63 908	42 106	67 295
TOTAL LIABILITIES	183 177	143 150	184 130
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	180 389	134 687	183 041
CONDENSED STATEMENTS OF CHANGES IN EQUITY:			
EQUITY AT BEGINNING OF PERIOD	-1 089	-7 362	-7 362
Issue of share capital	-	79	3 601
Fair value movement in available for sale investments	2	1 296	1 281
Share compensation expense	820	662	1 666
Non-controlling interests	13	2	18
Exchange differences on translation of foreign operations	242	-614	-523
Net results	-2 776	-2 526	230
EQUITY AT END OF PERIOD	-2 788	-8 463	-1 089

GAMING INNOVATION GROUP PLC.

Condensed Statements of Cash Flows

EUR 1000 - UNAUDITED					
	Q2 2018	Q2 2017	6M 2018	6M 2017	2017
CASH FLOWS FROM OPERATING ACTIVITIES:					
Results before income taxes	-3 826	-545	-2 583	-2 497	1 221
Tax expense	-202	-17	-180	-27	-973
Depreciation and amortization	4 880	2 143	9 571	3 373	10 874
Other adjustments for non-cash items and changes in operating assets and liabilities	7 660	1 397	6 354	9 679	2 554
NET CASH PROVIDED BY OPERATING ACTIVITIES	8 512	2 978	13 162	10 528	13 676
CASH FLOWS FROM INVESTING ACTIVITIES:					
Purchases of intangible assets	-2 512	-1 249	-4 634	-2 492	-54 479
Purchases of property, plant and equipment	-556	-305	-1 164	-1 013	-3 817
Purchases of affiliates	-	-	-500	-	-9 120
Cash flow from other investing activities	-	-	-260	-	-200
NET CASH USED BY INVESTING ACTIVITIES	-3 068	-1 554	-6 558	-3 505	-67 616
CASH FLOWS FROM FINANCING ACTIVITIES:					
Proceeds from bond issue - net	-	-	-	-	66 956
Loan from related party	-238	494	-2 679	-751	-7 867
Increase in share capital	-	-	-	48	50
NET CASH PROVIDED BY FINANCING ACTIVITIES	-238	494	-2 679	-703	59 139
Translation loss	156	-783	242	-614	-523
Fair value movements	-24	1 298	2	1 296	1 281
NET INCREASE (DECREASE) IN CASH	5 338	2 433	4 169	7 002	5 957
Cash and cash equivalents - beginning	10 616	10 397	11 785	5 828	5 828
CASH AND CASH EQUIVALENTS - END	15 954	12 830	15 954	12 830	11 785

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