

Q3 2016 INTERIM REPORT



Gaming Innovation Group Inc.

2ND NOVEMBER 2016

THIS IS GAMING INNOVATION GROUP

VISION

Making iGaming an open and connected Eco-System, for the benefit of all.

OPERATIONS

Gaming Innovation Group Inc. operates its iGaming business out of Malta divided into the Business to Consumer (B2C) and Business to Business (B2B) segments.

Operators (B2C)

GIG is offering Business-to-Consumer (B2C) casino and sports betting services through its six brands, guts.com, betspin.com, rizk.com, kaboo.com, thrills.com and superlenny.com. All brands will use iGaming Cloud and operate on GIG's own licenses from Malta Gaming Authorities (MGA) and the United Kingdom Gaming Commission (UKGC).

GIG's operators have a vision to deliver the best user experience in the industry by offering a supreme customer service, innovative and immersive user interfaces, and exciting and attractive stories and offerings.

iGaming is one of the most compelling entertainment options available and GIG sees our operators as creative studios that seek to make digital connections with people through real money games.

Cloud based services (B2B)

iGamingCloud (iGC) is an open cloud based platform, offering the full range of services needed for an iGaming operator.

iGC's vision is to make the iGaming industry lean. The iGC-platform is integrating application developers that can access an eco-system of operators through a single integration. The operators on their end can utilize open APIs to connect their front-end website and CMS to the system and gain access to all the GSPs, PSPs, and ancillary services.

The iGC casino solution gives operators access to around 2000 casino games from industry leading suppliers, including a large catalogue of the most renowned mobile games. With iGC's Sportsbook solution, the operator has access to over 170,000 world wide sporting events, all being controlled by an innovative back office. All features and functionality are offered through a Software-As-A-Service (SaaS).

The performance of the platform has proven to increase gross gaming. The iGC platform itself is fully scalable both horizontal and vertical with individual modules being scalable in anticipation of increased load.

Digital marketing services (B2B)

GIG's digital marketing services (Innovation Labs) refer traffic across casino, poker and sports betting by operating websites who rank high in search results for specific keywords.

The vision of Innovation Labs is to improve the touchpoints where people are finding iGaming online. This is done through highlighting educational, informational and valuable content about the industry online, promoting the best of the breed games, operators and offerings through reviews, articles, guides and comparisons made available on various web portals.

Innovation Labs revenues are generated through shares of perpetual revenues, Cost Per Action (CPA), or a hybrid between revenue share and CPAs.

Innovation Labs is one of the top three affiliates in the Nordics in terms of traffic driving capability.

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HIGHLIGHTS

- Continued strong growth in revenues, EUR 14.5 million in third quarter 2016, an increase of 201 per cent over third quarter 2015, and 50 per cent quarter over quarter. GIG's organic revenue growth was 23 per cent quarter over quarter
- Full year 2016 revenues expected to exceed the guided 100 per cent organic growth
- The Company's revenue will exceed 120 million in 2017
- Acquisition of Betit Holdings, adding three brands to the Company's B2C gaming operations and significantly strengthening its position as a Nordic operator
- EBITDA of EUR 1.07 million in third quarter 2016, compared to EUR 0 in third quarter 2015 and EUR 0.96 million in second quarter 2016. EBITDA has been negatively affected with EUR 0.34 million in transaction expenses related to the Betit acquisition
- Betit was acquired effective from 1 September 2016, adding EUR 2.66 million to revenues in the quarter and EUR 0 to EBITDA.
- iGamingCloud signed two new clients in second quarter. 18 external clients are operational on the iGC platform.
- Innovation Labs referred 9,620 First Time Depositors to GIG's own and external brands in the third quarter

KEY FIGURES

EUR 1000	Q3 2016	Q3 2015	9M 2016	9M 2015	2015
Revenue	14 533	4 832	32 110	11 335	17 749
EBITDA	1 068	0	1 954	19	-2 062
Pre tax profit (loss)	139	129	611	724	-2 058

ABOUT GIG

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

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OPERATIONAL UPDATE

Gaming Innovation Group Inc. (GIG) continued its growth across its business areas in the third quarter 2016. The acquisition of Betit Holdings Ltd. (Betit) during the quarter almost doubled the Company's gaming operations, adding three additional brands to its operations – SuperLenny.com Thrills.com and Kaboo.com. Main achievements during the quarter were:

- Continued growth in deposits and GGR (gross gaming revenues) for the operators and an increase in active users from 81,645 in second quarter to 177,587 in the third quarter (95,401 excluding Betit)
- Gaming Cloud (iGC) had 18 external operators live at the end of the quarter and two new agreements were entered into during the quarter
- Growth for the affiliate business in Innovation Labs through an increased customer base

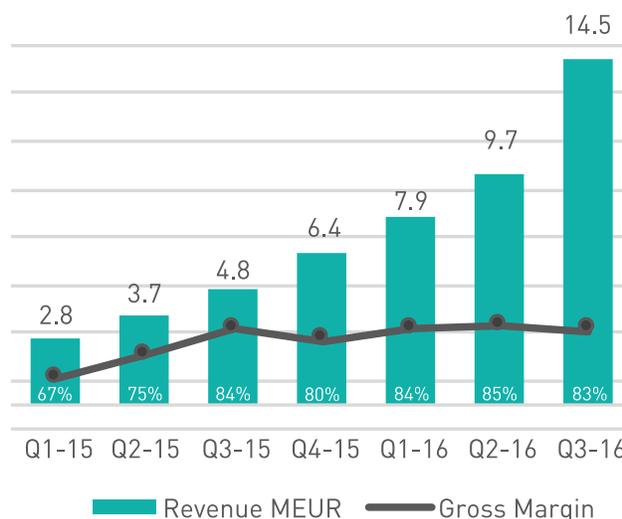
Following the strong growth, the Company is undergoing an organizational change. A group management is being formed which will oversee the management of its subsidiaries. Mikael Ångman commenced as Chief Operation Officer in September. Mr. Ångmans former role was CEO of Mobile Sportsbook provider and Playtech subsidiary, Mobenga AB. The Company expects additional senior hires to be made in the upcoming period.

B2C

The B2C segment include Gaming Innovations Groups six gaming operators, Rizk.com, Betspin.com, Guts.com, Kaboo.com, Thrills.com and Superlenny.com .

MEUR	Q3 2016	Q3 2015	2015
Revenue	11.36	3.78	14.43
Marketing expense	5.39	1.97	7.82
EBITDA	-0.45	1.13	-4.33
Total deposits	42.1	13.7	53.6

REVENUES AND GROSS MARGIN



Gaming operators

GIG's casino brands Guts.com, Rizk.com and Betspin.com continued its positive progress in the third quarter with all time high deposits and Gross Gaming Revenue (GGR). Betit Holding Ltd. was acquired during the quarter, adding Betit's casino brands SuperLenny.com, Thrills.com and Kaboo.com to existing brands from 1 September 2016.

For the quarter, total deposits were EUR 42.1 million, up 61% from EUR 26.1 million in the second quarter 2016, whereof Betit's casino brands contributed with EUR 10.4 million in the month of September. Organic growth from the second quarter was 21%.

Revenues for the B2C segment ended at EUR 11.4 million in the third quarter, including EUR 2.6 million from Betit in September. Organic growth from the second quarter 2016 was 35%.

The operator business had margins of 3.74% in casino and 8.38% in sports betting in the third quarter, compared to 3.33% for Casino and 7.00% for Sports in the previous quarter.

The number of active users for GIG's brands Guts.com, Rizk.com and Betspin.com were all time high of 95,401 in third quarter 2016, compared to 81,645 in second quarter 2016 and 35,590 in third quarter 2015. Including Betit, the number of active users in the third quarter 2016 were 177,587.

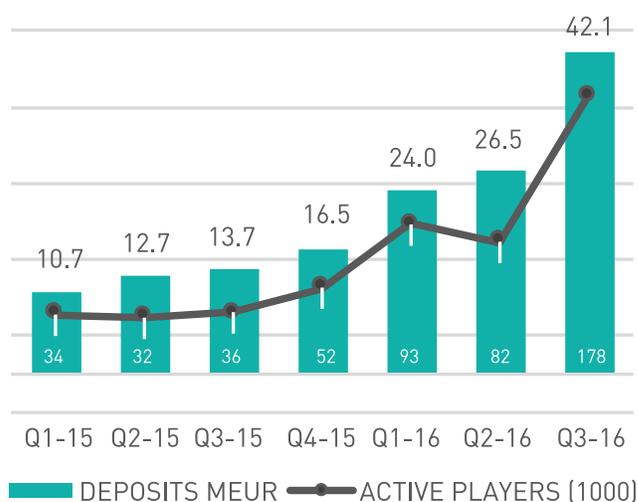
Rizk.com was launched in January 2016, and the performance over the first nine months has exceeded expectations. By utilizing the possibilities in the iGC platform, to offer a highly immersive and engaging casino product, deposits and conversion numbers have been high, which adds to a range of positive KPIs. Rizk.com has targeted just a few markets so far, but based on the success, the brand will be launched in more markets going forward, and has prepared by making initial trial investments into some markets during the quarter, which has negatively affected profitability in the period.

As a result of a larger operation, and entry to new markets, the operators have absorbed higher than usual costs of chargebacks in the period, which negatively affected profitability. To avoid such cost going forward the company is in the process of integrating new ancillary services for Risk & Fraud. Integrations are expected to be completed in Q4 2016.

TV campaigns have continued for Guts.com and Rizk.com during the quarter, resulting in total marketing expenses of EUR 5.4 million for B2C in the third quarter compared to EUR 3.75 million in the second quarter. This represents 47 per cent of B2C revenues in third quarter, down from 58 per cent in second quarter 2016. GIG focuses on growth for its operators, and prioritize reinvesting revenues into marketing, resulting in a negative EBITDA for the B2C segment of EUR -1.1 million in the third quarter.

Of the total marketing expenses, 68% was attributable to up front payments (incl. TV), while 32% are allocated revenue share agreements. In the second quarter, 24% were attributable to revenue share agreements. The increase is due to the BetIt brands who were having nearly 50% of their marketing expenses in revenue share agreement. While marketing paid up front is significantly more expensive short-term, it improves margin and lifetime values. The company will continue to focus on increasing the proportion of marketing paid up front, as this will result in better long term customer value.

DEPOSITS & ACTIVE PLAYERS



B2B

This segment includes Gaming Innovation Groups cloud based services (iGamingCloud) and digital marketing services (Innovation Labs).

MEUR	Q3 2016	Q3 2015	2015
Revenue	4.34	1.67	4.86
EBITDA	1.52	1.13	2.27

Cloud Based Services

GIG's cloud based platform services, iGamingCloud (iGC), continued its growth in the third quarter. In addition to the Company's own brands, 11 external brands were operational at the beginning of the third quarter. During the quarter, another seven external brands started their operations, increasing the number of live external brands to 18 as of 30 September 2016. In addition, Betit's three brands will migrate to iGC in November.

Total database transactions increased 33% from 983 million to 1.3 billion, reflecting rapidly increasing overall activity in the eco-system.

In the third quarter two new agreements were signed, adding to a total of 18 external agreements as of 30 September 2016. Some agreements include more than one brand, and in total 27 brands or casinos are projected to operate on the iGC platform by the end of 2016, including GIG's own brands.

iGC has seen rapid increase in activity in 2016, with additional clients going live month by month. To meet current demand, and capitalise on the opportunity to establish the Company as a large services provider for the sector, the Company has gone through a surge in staff count over the last two quarters. The influx of staff has negatively affected the profitability in Q3. Hiring activity has decreased towards the end of the period, and so far in Q4. The Company sees the hiring strategy as successful and is now focused on operational excellence going forward.

The Company continues to develop the iGC platform including hardware, features, functionality and third hand party services available through the platform. Such development and integration of clients incur significant operational expenses, but with minimal variable expenses. It helps current clients generate more revenues while broadening the potential client base. The Company expect a positive contribution going forward.

As part of GIG's ambition to offer a leading platform for Sportsbooks through iGC, the sports betting technology company OddsModel AS was acquired in March 2016. OddsModel has developed software used for automated and manual pricing of global betting markets, and produces data utilized to generate real-time pricing of Pre-Match and In-Play sports events through the use of quantitative methods and proprietary analytical models - complementary to third party odds providers.

As a result of this transaction iGC is developing a new proprietary B2B Sportsbook engine, which will replace its current Sportsbook offering. The new Sportsbook engine will allow the company to sell proprietary odds on a range of markets, with no third hand party cost, and will yield significant operational advantages, and an improved offering for end users. The new Sportsbook engine will be sold as part of the iGC platform bundle, but will also be offered independently to operators using a proprietary, or third hand party platform. The company is aiming for a limited commercial launch in Q1 2017, however might incur delays, pending the scope of the project as it materialises.

Digital Marketing Services

In March 2016, GIG's subsidiary Innovation Labs acquired two additional affiliate networks, Delta Markets in the Netherlands and Magenti Media in Sweden. The acquisitions were integrated in the second quarter, and included a four-figured number of referral sites, a highly experienced team of Search Engine Optimization (SEO) experts and recurring revenues from the existing portfolio of affiliate accounts with partnering operators.

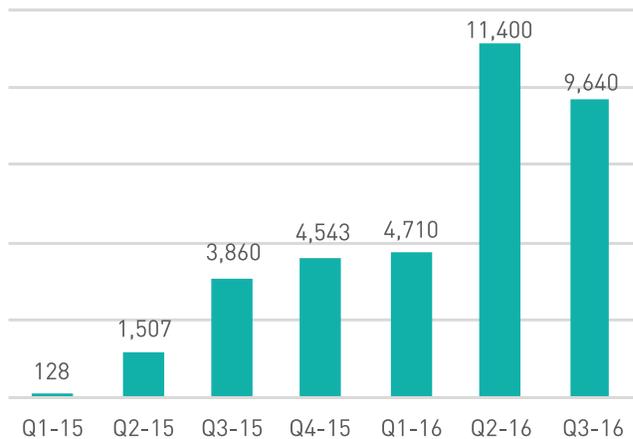
Innovation Labs achieved more than 9,600 new FTDs (First Time Depositor) referred to operators in the third quarter 2016, compared to 3,860 in the third quarter 2015 and 11,400 in the second quarter 2016. Of the new FTDs, 18 per cent were referred to own brands, 13 per cent to iGC clients and the remaining 69 per cent to other operators.

The drop in FTD's quarter over quarter has been a refocusing away from low value FTD's for one of the affiliate networks, aiming towards better value players that will benefit in the long run. Seasonality effects during summer has also had an impact on the numbers.

The acquisitions made earlier in 2016 have significantly strengthened Innovation Labs' presence as an online traffic driver for the iGaming industry, and the Company is increasing revenues month by month as the portfolio of players on perpetual revenue share agreements is increasing.

Revenues for the B2B segment ended at EUR 4.3 million in the third quarter, a 6% increase over the previous quarter. EBITDA ended at EUR 1.4 million, an EBITDA margin of 32%. The main expense in the B2B segment is employees and GIG has increased the number of employees during the last quarters to secure sufficient capacity to serve the rapidly increasing client-base and to perform further development of the iGC platform.

FTDs INNOVATION LABS



STRATEGIC UPDATE

Acquisition of Betit Group Ltd.

In June 2016, the Company signed a Letter of Intent to acquire all shares in iGaming company Betit Holding Ltd. (Betit), in pursuit of the goal to become the leading Nordic

iGaming operator. The acquisition was completed effective from 1 September 2016 and will significantly increase the Company's reach to users, marketing partners and highly competent staff.

Betit was founded in 2013 and owns the three iGaming operators Kaboo.com, SuperLenny.com and Thrills.com. Since then, Betit has seen rapid growth with an average quarterly growth of around 15% with revenues in 2015 of EUR 20.6 million and EUR 8.7 million in Q3 2016.

Throughout September, Betit's brands suffered a range of stability issues and downtime. This was caused by service interruptions from a current platform provider. Whilst the brands saw an increase in users sessions, important metrics such as time on site, and churn was adversely affected. This was a continuation of similar issues experienced throughout Q3, also prior to the acquisition completion. Despite these issues, the Company experienced an increase in GGR over Q2. The migration of the Betit brands on to the iGC platform is progressing well and is expected to conclude in Q4, and will then offer significant opportunities for operational advantages and product enhancements going forward.

The integration of staff has been initiated and GIG Gaming is currently undergoing a reorganisation project to prepare the company as a large-scale operator. The integration and reorganisation is expected to complete in the first half 2017. Whilst all staff of the merged entities will be retained, this integration and reorganisation is expected to improve the personnel to revenue ratio when growing further.

As a result of the increased volumes of the combined entities, the company is benefiting from improved rates with suppliers.

Betit's proprietary Ransom front-end platform enables synergies between the brands and provides powerful marketing capabilities such as innovative gamification and CRM features, in addition to providing a best in class mobile product for all brands. Following an integration of each of GIG's three operator brands, which is expecting to commence and complete in 2017, this will also enhance the offering of GIG's gaming brands going forward and is highly complementary to GIG's current offering.

OUTLOOK

The acquisition of Betit in Q3 has almost doubled the player base and operations for GIG's B2C segment. By operating six brands, GIG expects continued revenue growth for its own operated casino and sports betting services, through attractive commercial, operational and technological synergies between the brands. The customer base is increasing, and, fuelled by TV campaigns, expanded offerings, and an improved user interface, the Company will focus on player value by converting the large increase of new players to long term loyal users.

The Company has by now successfully developed technological and commercial platforms, which allows it to compete with the leading companies in the sector. It has proven a capability to organically outgrow the pace of the sector in general. As such the Company sees a window of opportunity and will continue to invest heavily into growth. GIG remains optimistic with regards to its strategic, operational and financial development into 2017. Given the identified growth potential and the acquisitions made in 2016, the Company expects to continue its revenue growth and expects 2017 revenues to exceed EUR 120 million.

FINANCIAL PERFORMANCE - Q3 2016

Third quarter 2016 results

Consolidated revenues for Gaming Innovation Group (GIG) ended at EUR 14.53 million in the third quarter of 2016, a sequential increase of 50 per cent from the second quarter of 2016 (EUR 9.69 million), and an increase of 201 per cent compared with the third quarter of 2015 (EUR 4.83 million). Revenues comprise income from the Company's gaming sites, from affiliate marketing in Innovation Labs, from B2B customers on the iGC platform and sport trading. Recently acquired gaming operator Betit was consolidated from 1 September 2016 and contributed with EUR 2.66 million to the third quarter revenues. Organic revenue growth for GIG excluding Betit was 23 per cent compared to second quarter 2016.

Cost of sales includes fees to game- and payment suppliers, as well as gaming taxes and other variable expenses. In the third quarter 2016, cost of sales amounted to EUR 2.49 million, compared to EUR 1.44 in second quarter 2016 and EUR 0.89 in third quarter 2015. Cost of sales for Betit amounted to EUR 0.77 million during the quarter. Gross profit for the group

ended at EUR 12.04 million during the quarter 2016, a 46 per cent increase from EUR 8.25 million in the previous quarter (EUR 8.25 million) and a 205 per cent increase from third quarter last year (EUR 3.94 million). Gross profit margin for the quarter came in at 83 per cent (86 per cent excluding Betit), compared to 85 per cent in second quarter 2016 and 82 per cent in corresponding quarter last year.

In November 2016, the Betit-operations will be migrated to the iGC platform, and it is expected that this will improve their gross margin.

Marketing expenses were EUR 5.15 million in third quarter 2016, an increase from EUR 3.60 million in second quarter 2016 and EUR 1.89 million in third quarter 2015. Marketing expenses' amount of total revenues was 35 per cent during the period, compared to 37 per cent in the previous quarter and 39 per cent in third quarter 2015. Betit contributed EUR 1.33 million in marketing expenses in the third quarter. Marketing expenses comprises both up-front payments such as TV campaigns and CPA (cost per acquisition) as well as affiliate commissions. Due to extensive TV campaigns for the Company's brands, marketing expenses have increased during the recent 12 months TV campaigns are planned to continue at approximately the same spending level going forward.

Other operating expenses amounted to EUR 5.82 million in third quarter 2016, a 62 per cent increase compared with EUR 3.69 million in second quarter 2016, and 191 per cent from EUR 2.05 million in third quarter 2015. Included in operating expenses are non-recurring transaction expenses related to the acquisition of Betit of EUR 0.34 million. Betit contributed with EUR 0.58 million in the third quarter, and organic increase in operating expenses excluding the transaction expenses was 37 per cent compared to the second quarter 2016. Operating expenses are mainly related to salaries, rent and general corporate expenses, and the increase is a result of increased activity and an increase in the number of employees from 207 to 377 during the quarter, whereof 98 are in Betit. The numbers include full time consultants.

EBITDA for the third quarter 2016 ended at EUR 1.07 million, compared to EUR 0.96 million in second quarter 2016 and EUR 0.00 million in third quarter 2015. Adjusted for Betit and transaction expenses, EBITDA was EUR 1.43 million, a 33% increase over second quarter 2016.

Depreciation and amortization amounted to EUR 0.28 million in third quarter 2016, compared to EUR 0.18 million in second quarter 2016 and EUR 0.07 million in third quarter 2015, leaving an EBIT of EUR 0.79 million in third quarter 2016 (EUR 1.00 million adjusted), compared to EUR 0.78 in second quarter 2016 and EUR -0.07 in third quarter 2015.

Net other income was negative by EUR 0.65 million in third quarter 2016, mainly due to foreign exchange losses due to the strengthening of the NOK versus EUR. Net other income was EUR 0.03 in second quarter 2016 and EUR 0.20 million in third quarter 2015.

Net result for the second quarter ended at EUR 0.08 million (EUR 0.30 million adjusted), compared to EUR 0.75 million in second quarter 2016, and EUR 0.13 million in third quarter 2015.

January-September 2016

Consolidated revenues for the first nine months of 2016 came in at EUR 32.11, a 183 per cent increase from EUR 11.35 million in the first nine months of 2015. Cost of sales amounted to EUR 5.23 million for the period, compared to EUR 2.73 million for the corresponding period last year. Gross profit ended at EUR 26.88 million, up 212 per cent from EUR 8.63 million for the first nine months of 2015.

Marketing expenses amounted to EUR 12.09 million in the first nine months of 2016 (38% of revenues), compared to EUR 3.90 million in the first nine months of 2015 (34% of revenues). The increase is mainly due to the TV marketing campaign, initiated in the second half of 2015. Other operating expenses amounted to EUR 12.99 million in the first nine months of 2016, compared to EUR 4.70 million in the first nine months of 2015. The higher operating expenses is a result of an overall increased activity and a higher number of employees.

EBITDA for the first nine months of 2016 ended at EUR 1.95 million, compared to EUR 0.00 million in the corresponding period in 2015.

Net other income was negative by EUR 0.78 million during the period, compared to EUR 0.86 million in the first nine months of 2015.

Net result ended at EUR 0.50 million in the first nine months of 2016, compared to EUR 0.68 million in the first nine months of 2015.

Cash Flow

The consolidated net cash flow from operational activities amounted to EUR 2.68 million for the third quarter 2016 (EUR 0.39 million in third quarter 2015). Operational cash flow for the first nine months of 2016 amounted to EUR 1.93 (EUR 0.55 million).

The net cash flow from investments was EUR 0.97 million in third quarter 2016, (EUR -0.71 million in third quarter 2015). Cash flow from investments for the first nine months of 2016 amounted to EUR -3.24 million (EUR -1.67 million).

Net cash flow from financing activities was EUR 1.34 million in third quarter 2016 (EUR 0.29 million in third quarter 2015). Cash flow from financing activities for the first nine months of 2016 amounted to EUR 7.50 million (EUR 1.55 million).

The net increase in cash and cash equivalents in third quarter 2016 amounted to EUR 5.21 million (EUR -0.01 million in third quarter 2015).

As of 30 September 2016, holdings of cash and cash equivalents amounted to EUR 8.30 million compared to EUR 1.10 million as of 30 September 2015. Cash holdings include EUR 1.98 million in fiduciary capacity, which are customer monies, whose use is restricted according to the Remote Gaming Regulations.

Financial position

As of 30 September 2016, GIG had total assets of EUR 123.2 million, including goodwill resulting from the acquisition of Betit of EUR 34.7 million (see note 5).

Net interest bearing debt as at 30 September 2016 was EUR 6.38 million, compared to EUR 2.65 million as at 30 September 2015.

SHAREHOLDER MATTERS

During the period, GIG's share price varied between NOK 3.10 and NOK 4.08. The final price at the close of the quarter was NOK 3.97. At the close of the previous quarter, the share price stood at NOK 3.40.

A special meeting of the shareholders was held on 31 August 2016, increasing the Company's authorized shares from 750,000,000 to 950,000,000 shares of common stock (par value USD 0.10). Further, the special meeting of

shareholders elected Mr. Andre Lavold as new member to the board, increasing the board to five members as follows; Helge Nielsen (chairman), Jon B. Skabo, Morten Soltveit, Kjetil Myrliid Aasen and Andre Lavold. Lavold is Partner & Co-founder at Optimizer Invest Ltd., the main shareholder in Betit Holdings Ltd.

In September 2016, the Company issued 210,000,000 new shares of its common stock, whereof 153,500,000 shares as payment for the acquisition of Betit Holding Ltd. and 56,500,000 shares for the acquisition of the 10% minority interest in GIG's subsidiary iGaming Cloud Ltd.

At the end of the period, the total number of shares outstanding in GIG was 818,556,266 (par value USD 0.10), divided between approximately 3,650 shareholders.

In July, employees holding options have exercised their rights to buy 950,000 shares in Gaming Innovation Group Inc. at share prices of NOK 1.25 and NOK 1.50 per share. GIG has transferred part of its treasury shares to the optionees, decreasing the holding of treasury shares from 8,915,000 to 7,965,000 as of 30 September 2016.

Subsequent to Q3 2016, an employee holding options exercised his right to buy 100,000 shares in Gaming Innovation Group Inc. at a share price of NOK 1.50. GIG transferred part of its treasury shares to the employee, decreasing its holding of treasury shares from 7,965,000 to 7,865,000. After the exercise, 9,320,000 options are outstanding

GAMING INNOVATION GROUP INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

EUR - UNAUDITED					
	Q3 2016	Q3 2015	9M 2016	9M 2015	2015
Revenues	14 533 153	4 831 952	32 110 232	11 354 888	17 749 037
Cost of sales	2 494 806	890 897	5 232 874	2 729 689	4 042 188
Gross profit	12 038 347	3 941 055	26 877 358	8 625 199	13 706 849
Operating expenses					
Marketing expenses	5 149 289	1 891 025	12 086 311	3 902 901	7 670 104
Other operating expenses	5 821 187	2 050 412	12 836 887	4 703 827	8 098 858
Total operating expenses	10 970 476	3 941 437	24 923 198	8 606 728	15 768 962
EBITDA	1 067 871	-382	1 954 160	18 471	-2 062 113
Depreciation & amortization	279 296	74 382	561 760	155 343	333 211
EBIT	788 575	-74 764	1 392 400	-136 872	-2 395 324
Other income (expense)	-649 883	203 369	-781 334	861 261	337 265
Result before income taxes	138 692	128 605	611 066	724 389	-2 058 059
Tax income/(expense)	-54 800	-3 256	-113 212	-40 400	-31 438
Net results	83 892	125 349	497 854	683 989	-2 089 497
Exchange differences on translation of foreign operations	220 989	-14 582	18 040	-69 953	-150 368
Fair value movement in available for sale investment	-	-	125 702	-	-
Total comprehensive income (loss)	304 881	110 767	641 596	614 036	-2 239 865
Total comprehensive income (loss) attributable to:					
Owners of the Company	364 930	93 181	757 060	357 122	-2 136 071
Non-controlling interests	-60 049	17 586	-115 464	256 914	-103 794
Total comprehensive income (loss)	304 881	110 767	641 596	614 036	-2 239 865
Earnings per share attributable to GIG Inc:					
Basic earnings (losses) per share	0.00	0.00	0.00	0.00	-0.01
Diluted earnings (losses) per share	0.00	0.00	0.00	0.00	-0.01
Weighted average shares outstanding	638 937 504	470 664 637	569 392 561	279 336 494	405 056 147
effect of dilutive shares	2,888,647	0	2,888,647	0	0
Diluted weighted average shares outstanding	641,826,151	470 664 637	572,281,208	279 336 494	405 056 147

GAMING INNOVATION GROUP INC.

CONDENSED STATEMENTS OF FINANCIAL POSITION

EUR - UNAUDITED			
	30 Sep 2016	30 Sep 2015	2015
ASSETS			
Non-current assets			
Goodwill	56 994 838	22 230 484	22 230 484
Intangible assets	44 985 643	5 997 906	5 906 768
Deposits and other non-current assets	1 847 255	1 399 368	1 426 611
Total non-current assets	103 827 736	29 627 758	29 563 863
Current assets			
Prepaid and other current assets	220 520	149 870	159 805
Trade and other receivables	10 828 091	2 812 806	3 474 238
Cash and cash equivalents	8 303 485	1 104 125	2 091 721
Total current assets	19 352 096	4 066 801	5 725 764
TOTAL ASSETS	123 179 832	33 694 559	35 289 627
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders' equity:			
Share capital	71 639 353	43 410 350	43 410 350
Share premium/reserves	29 757 420	-15 560 767	-14 040 547
Retained earnings (deficit)	-1 641 305	214 962	-2 197 816
Total equity attributable to GIG Inc.	99 755 468	28 064 545	27 171 987
Non-controlling interests	15 265	772 206	-102 156
Total shareholders' equity	99 770 733	28 836 751	27 069 831
Liabilities:			
Trade payables and accrued expenses	17 026 533	2 203 078	4 647 030
Short term loans	3 695 257	2 654 730	2 031 391
Total current liabilities	20 721 790	4 857 808	6 678 421
Long term loans	2 687 309	-	1 541 375
Total liabilities	23 409 099	4 857 808	8 219 796
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	123 179 832	33 694 559	35 289 627
CONDENSED STATEMENTS OF CHANGES IN EQUITY:			
Equity at beginning of period	27 069 831	2 703 766	2 703 766
Exchange of shares of GIG Ltd. for GIG Inc.	-	21 672 562	22 232 286
Sale of subsidiary interest	-	1 000 000	1 000 000
Exercise of warrants	-	914 794	914 794
Issuance of treasury shares in repayment of debt and purchase of affiliates	-	-	672 627
Issuance of shares for cash, in repayment of debt and purchase of subsidiaries and affiliates	71 784 412	1 877 066	1 662 448
Fair value movement in available for sale investments	125 702	-	-
Share compensation expense/adjustment	194 635	54 527	123 775
Non controlling interests	-115 464	256 914	-103 794
Exchange differences on translation of foreign operations	18 040	-69 953	-150 368
Net results	693 577	427 075	-1 985 703
Equity at end of period	99 770 733	28 836 751	27 069 831

GAMING INNOVATION GROUP INC.

CONDENSED STATEMENTS OF CASH FLOWS

EUR - UNAUDITED					
	Q3 2016	Q3 2015	9M 2016	9M 2015	2015
Cash flows from operating activities					
Results before income taxes	138 692	128 605	611 066	724 389	-2 058 059
Adjustments to reconcile profit before tax to net cash flow:					
Tax refund (expense)	-54 800	-3 256	-113 212	-40 400	-31 438
Depreciation and amortization	279 296	74 382	561 760	155 343	333 211
Other adjustments for non-cash items and changes in operating assets and liabilities	2 316 069	189 012	871 810	-288 713	567 542
Net cash provided by operating activities	2 679 257	388 743	1 931 424	550 619	-1 188 744
Cash flows from investing activities					
Cash acquired on acquisition of a subsidiary undertaking	1 482 509	-	1 533 316	-	-
Purchases of property, plant and equipment	-188 021	-91 058	-362 553	-289 307	-358 816
Purchase of affiliates	-	-	-3 910 792	-	-
Cash flow from other investing activities	-326 984	-615 002	-500 332	-1 379 636	-1 245 213
Net cash used by investing activities	967 504	-706 060	-3 240 361	-1 668 943	-1 604 029
Cash flows from financing activities					
Proceeds from Issuance of shares	135 777	-	4 692 861	-	145 047
Proceeds from loans	1 221 131	446 279	4 841 347	1 650 219	4 360 645
Repayment of loans	-16 118	-	-2 031 547	-	-752 944
Cash flow from other financing activities	-	-160 893	-	-95 893	-
Net cash provided by financing activities	1 340 790	285 386	7 502 661	1 554 326	3 752 748
Translation loss	220 989	-14 582	18 040	-69 953	-150 368
Net increase (decrease) in cash	5 208 540	-46 513	6 211 764	366 049	809 607
Cash and cash equivalents - beginning	3 094 945	1 150 638	2 091 721	738 076	1 282 114
Cash and cash equivalents - end	8 303 485	1 104 125	8 303 485	1 104 125	2 091 721

GAMING INNOVATION GROUP INC.

Selected notes to condensed consolidated financial statements as of and for the periods ending 30 September 2016 and 2015

1. GENERAL INFORMATION

Gaming Innovation Group Inc. (formerly Nio Inc.), ("GIG" or the "Company") is a US corporation incorporated in the state of Delaware and traded on the Oslo Stock Exchange with the ticker symbol "GIG". Gaming Innovation Group Limited ("Limited") is incorporated and domiciled in Malta, having a registered office at GB Buildings Penthouse, Watar Street, Ta' Xbiex, XBX 1301.

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

Pursuant to a reverse merger transaction consummated effective 17 June 2015, Limited became a wholly-owned subsidiary of GIG. In connection with the reverse merger, Nio Inc. changed its name to Gaming Innovation Group, Inc. The transaction resulted in the shareholders of Limited owning approximately 64% of GIG's post-transaction outstanding shares. Accordingly, although GIG is the legal parent, Limited is treated as the accounting acquiror and parent. According to reverse acquisition accounting Limited valued the Company's net outstanding 148,099,952 shares at their market price on the closing of the merger transaction, NOK 1.16 (EUR 0.133). These are the shares Limited is deemed to have issued to effect the merger. The aggregate fair value of these shares was EUR 19,697,294 and the fair value of the Company's assets net of its liabilities have been determined to be equivalent to their carrying values EUR -2,529,911, resulting in goodwill of EUR 22,227,205. The sellers received 290,000,000 shares and were entitled to a variable consideration of up to a maximum of 125 million earn-out shares, provided that Limited reached certain revenue targets in 2015 and 2016. Based on Limited's audited financial statements for 2015, 47,900,000 shares were issued in May 2016 based on 2015 performance.

In addition to the above described reverse merger, the Company entered into a series of mergers and acquisitions in 2015 and 2016 (see Note 4). The condensed consolidated financial statements of the Company as at and for the periods ended 30 September 2016 and 2015 are comprised of Limited, and its accounting basis subsidiaries: GIG, Candid Gaming Ltd ("Candid") and Gridmanager Ltd ("Grid") (corporations registered in Malta), GE Online Ltd ("Online") (a corporation registered in Gibraltar) and Les Encheres Bidou Inc. ("Bidou") (a corporation registered in Canada), MT Secure Trade Ltd, ("Secure") Innovation Labs Ltd, ("Labs") iGaming Cloud Ltd., ("iGC") BettingCloud Ltd. (formerly Gaming Exchange Ltd.) ("Exchange"), Zecure Gaming Limited (Zecure) (corporations registered in Malta), Spaseeba AS ("Spaseeba") (a corporation registered in Norway), NV SecureTrade Ltd ("Trade") and iGamingCloud NV ("Cloud") (corporations registered in Curacao), Online Performance Marketing

Ltd. (Performance) and Downright Marketing Ltd. ("Downright") (corporations registered in British Virgin Islands), 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) and Pronzo Entertainment B.V. (a corporation registered in Curacao).

2. BASIS OF PRESENTATION

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 30 September 2016 and 2015 have not been audited by the Company's auditors.

These unaudited interim condensed financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. The condensed consolidated financial statements report the nine months of 2016 and the full year of operations of 2015 of Gaming Innovation Group Inc and subsidiaries, Oddsmodel from May 2016, one month of activities at 100% of IGC for the month of September 2016 (previously owned 90%) and one month of activities of Betit for September 2016 along with activities for the four GIG subsidiaries noted above for the period 17 June to 31 December 2015 and the nine months of 2016 based on the fact that Limited has been determined to be the accounting acquiror and GIG has been determined to be the accounting acquiree.

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

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

The functional currencies of its subsidiaries are the United States dollar, the Euro and Norwegian Kroner which are translated into EUR at monthly average rates for revenues and expenses and at month end rates for assets and liabilities. Equity accounts are translated at historical rates. Exchange differences on translation of foreign operations are shown as a separate component of stockholders' equity (deficit) and reflected as other comprehensive income (loss) on the consolidated statement of comprehensive 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 ending 30 September 2016 and 2015 are consistent with those used in preparing the Company's consolidated financial statements as of and for the year ended 31 December 2015.

Revenue Recognition Policy

Revenue comprises the fair value of the consideration received or receivable for the supply of services in the ordinary course of the Company's activities. The Company recognizes revenue, including other operating revenue, when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and when specific criteria have been met as described below.

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

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

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

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

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

4. ACQUISITIONS

In April 2016, the Company completed the acquisition of affiliate network assets from Delta Markets N.V. for a total consideration of EUR 4,200,000. An amount of EUR 2,940,000 was settled in cash with the remaining consideration settled through the issuance of 4,336,314 new shares. The market value of the new shares in GIG as at the date of the purchase agreement was EUR 1,260,000. The acquired customer base amounted to EUR 210,000 and the ongoing amortization will impact the group's net income for a period of three years. The balance of the acquisition was allocated to domains in the amount of EUR 3,990,000.

In May 2016, the Company completed the acquisition of affiliate network assets from Magenti Media for a total consideration of SEK 47,500,000. An amount of SEK 13,500,000 was settled in cash with the remaining consideration settled through the issuance of 8,960,000 new shares. The market value of the new shares as at the date of the purchase agreement was EUR 3,619,205. The acquired customer base amounted to EUR 253,772 and the ongoing amortization will impact the group's net income for a period of three years. The balance of the acquisition was allocated to domains in the amount of EUR 4,821,665.

Oddsmodel AS

Also, in May 2016, the Company completed the acquisition of OddsModel AS, a sports betting technology company which has for several years developed software used for automated and manual pricing of global betting markets. The company produces data utilized to generate real-time pricing of Pre-Match and In-Play sports events through the use of quantitative methods and proprietary analytical models. The acquisition created commercial, operational and technological synergies. 21,739,000 new shares of the Company's common stock were issued as payment for the purchase. The market value of the new shares in GIG as at the date of the purchase agreement was EUR 8,585,700. The acquired technology platform amounted to EUR 2,113,750 and the ongoing amortization will impact the group's net income for a period of three year and the balance of EUR 6,447,762 was allocated to goodwill. The table below summarizes the price paid and the fair value of the acquired assets and assumed liabilities.

Purchase Price Allocation - Oddsmodel AS

Consideration	
Common stock issued	21,739,000
Consideration price (EUR 1000)	8,586
Asset valuation	
Cash and cash equivalents	51
Current assets	5
Liabilities	-32
Sportstechnology platform	2,114
Asset Valuation (EUR 1000)	2,138
Goodwill	6,448

Betit Holdings Ltd.

In September 2016, the Company completed the acquisition of 100 percent of the shares of a gaming company Betit Holdings Ltd. ("Betit"). Betit was founded in 2013 and owns the three iGaming brands Kaboo.com, SuperLenny.com and Thrills.com, mainly targeting the Nordic and UK markets. Betit had 83,000 active players as of September 2016. This acquisition will increase GIG's presence in its current markets. Combined, Betit and GIG will operate six brands, and the acquisition will create commercial, operational and technological synergies, as well as cost savings. 153,500,000 new shares of the Company's common stock were issued as payment for the purchase, valued at EUR 54,376,945. The acquired customer base amounts to EUR 1,492,355 and the ongoing amortization will impact the group's net income for a period of three years. The Ramson platform is valued at EUR 282,300 and will be amortized over 5 years. Brands are valued at EUR 19,517,722 are deemed to have indefinite useful life. Goodwill of EUR 34,666,162 is attributable to the acquired trademarks and synergies referring to the development of the Ransom platform. The table below summarizes the purchase price paid and the fair value of the acquired assets and assumed liabilities.

Purchase Price Allocation - Betit Holdings Ltd.

Consideration	
Common stock issued	153,500,000
Consideration price (EUR 1000)	54,377
Asset valuation	
Cash and cash equivalents	1,482
Current assets	3,704
Non-current assets	315
Liabilities	-7,082
Ransom Platform	282
Brand value	19,518
Customer database	1,492
Asset Valuation (EUR 1000)	19,711
Goodwill	34,666

The acquired operations of Oddsmodel and Betit contributed EUR 2.7 million to GIG's revenue, and EUR 0.2 million loss to GIG's net profit. The tables show how the acquisitions have contributed to GIG in 2016:

Q3 2016 (EUR 1000)	GIG excl. Odds-model and Bett	Oddsmodel	Betit	GIG
Revenue	11,874	-	2,659	14,533
EBITDA	1,142	-243	19	918
EBIT	880	-243	2	639
Net profit	402	-243	6	164

9M 2016 (EUR 1000)	GIG excl. Odds-model and Bett	Oddsmodel	Betit	GIG
Revenue	29,451	-	2,659	32,110
EBITDA	2,174	-389	19	1,804
EBIT	1,630	-389	2	1,242
Net profit	884	-389	6	501

GIG if Oddsmodel and Betit had been acquired before 1. January 2016:

9M 2016 (EUR 1000)	GIG excl. Odds-model and Bett	Oddsmodel	Betit	GIG
Revenue	29,451	82	23,700	53,233
EBITDA	2,174	-394	-4,849	-3,069
EBIT	1,630	-394	-5,009	-3,773
Net profit	884	-394	-4,971	-4,481

Minority interest in iGaming Cloud Ltd.

Finally, in September 2016, the Company acquired an additional 10% of the issued shares of iGamingCloud Limited for 56,500,000 GIG Inc. shares which carried a value of EUR 20,014,967. The Company now owns 100% of iGaming Cloud. The Company de-recognized the non-controlling interest in iGC, which had a debit balance of EUR 115,464 on the date that the Company acquired the additional shares, and a decrease in equity attributable to owners of the parent of EUR 20,130,431. The effect on the equity attributable to the owners of iGamingCloud Limited during the year is summarized as follows:

EUR 1000	2016	2015
Carrying amount of non-controlling interest acquired	115	-
Consideration paid to non-controlling interests	20,015	-
Excess of consideration paid recognized in the transactions with non-controlling interests reserve within equity	20,130	-

5. GOODWILL AND INTANGIBLES

Under IFRS 3, goodwill is the excess of consideration paid in a business combination over the fair value of the net tangible and intangible assets acquired. Pursuant to reverse acquisition accounting, Limited has valued the Company's net outstanding 148,099,952 shares at their market price on the closing of the merger transaction, NOK 1.16 (EUR 0.133). These are the shares Limited is deemed to have issued to effect the merger. The aggregate fair value of these shares was EUR 19,697,294 and the fair value of the Company's assets net of its liabilities have been determined to be equivalent to their carrying values EUR -2,529,911, resulting in goodwill of EUR 22,227,205. This goodwill has been allocated by management to identifiable intangibles totaling EUR 6,349,570 with the balance of EUR 15,877,635 as goodwill. The above allocation process was completed during the second quarter 2016, see below for the breakdown of intangibles identified.

Consideration:

Equity instruments issued 148,099,952

Consideration price (EUR 1000) 19,697

Asset valuation:

Cash and cash equivalents 95

Current assets 529

Liabilities -3,154

Brands 6,349

Asset Valuation (EUR 1000) 3,820

Goodwill 15,878

In May, 2015 the Company completed the acquisition of Spaseeba AS. The shares issued as consideration have valued at their market price on the closing of the transaction and the aggregate fair market value of these shares was EUR 3,589,891 resulting in domains of EUR 3,589,891.

In Q3 2015, the Company acquired the assets of two affiliate networks (Joonas & Adarma) including a large amount of websites with guides and quality content for the gaming industry and existing portfolios of affiliate accounts with partnering operators. The combine purchase price of EUR 1,599,130 is booked as domains.

In Q2 2016, the Company acquired the assets of two additional affiliate networks (Delta & Magenti) including a large amount of websites with guides and quality content for the gaming industry and existing portfolios of affiliate accounts with partnering operators. The combined purchase price of EUR 9,275,437 is booked as domains and customer database.

In Q2 2016, the Company completed the acquisition of 100 percent of the shares of Oddsmodel AS. The shares issued as consideration have been valued at their market price on the closing of the transaction and the aggregate fair value of these shares was EUR 8,585,700 and the fair value of Oddsmodel's assets net of its liabilities have been determined to be equivalent to their carrying values (EUR 24,188), resulting in goodwill of EUR 6,447,762 and platform of EUR 2,113,750.

In Q3 2016, the Company completed the acquisition of 100 percent of the shares of a gaming company Betit Holdings Ltd. The shares issued as consideration have been valued at their market price on the closing of the transaction and the aggregate fair value of these shares was EUR 54,376,945 and the aggregate fair value of Betit's liabilities net of its assets have been determined to be equivalent to their carrying values (EUR 1,581,594), resulting in goodwill of EUR 34,666,162, domains of EUR 19,517,722, platform of EUR 282,300 and customer database of EUR 1,492,355.

As of 30 September 2016, management does not believe any impairment of goodwill has occurred.

EUR 1000	Goodwill	Domains	Platform	Customer database	Computer Software	Total
Balance 1 January 2015	-	171	-	-	354	525
Internally developed domains & software	-	-	270	-	-	270
Additions	-	3	58	-	22	83
<i>Assets, acquisitions and business combinations:</i>						
Betspin	15,878	6,350	-	-	-	22,228
Spaseeba	-	3,590	-	-	-	3,590
Affiliate assets	-	1,599	-	-	-	1,599
Amortization change	-	-8	-27	-	-31	-66
Balance 30 Sep 2015	15,881	11,760	243	-	345	28,229
Internally developed software & domains	-	-	26	-	-	26
Additions	-	8	-	-	-	8
Amortization charge	-	-	-123	-	-3	-126
Balance 30 Dec 2015	15,881	11,768	146	-	342	28,137
Internally developed software & domains	-	-	233	-	-	233
Additions	-	40	-	-	277	317
<i>Assets, acquisitions and business combinations</i>						
Delta affiliate	-	3,990	-	210	-	4,200
Magenti affiliate	-	4,822	-	254	-	5,075
Oddsmodel	6,448	-	2,114	-	-	8,562
Betit	34,666	19,518	282	1,492	-	55,959
Exchange differences	-	-105	-	-	-	-105
Amortization change	-	-	-225	-61	-112	-398
Balance 30 Sep 2016	56,995	40,033	2,550	1,895	507	101,980

6. SEGMENT INFORMATION

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 iGC platform offering, sports trading and affiliate marketing. Previous periods have been restated accordingly. Geographical sales will be disclosed annually in the annual report.

Q3 2016 (EUR 1000)	B2C	B2B	Eiminations	TOTAL
Revenue	11,356	4,342	-1,165	14,533
Cost of sales	3,119	165	-789	2,495
Marketing cost	5,387	138	-376	5,149
EBITDA	-301	1,369	-	1,068
EBIT	-433	1,222	-	789

9M 2016 (EUR 1000)	B2C	B2B	Eiminations	TOTAL
Revenue	24,470	10,553	-2,913	32,110
Cost of sales	7,211	165	-2,143	5,233
Marketing cost	12,504	352	-770	12,086
EBITDA	-2,368	4,322	-	1,954
EBIT	-2,620	4,012	-	1,392

2015 (EUR 1000)	B2C	B2B	Eiminations	TOTAL
Revenue	14,432	4,856	-1,539	17,749
Cost of sales	5,166	-	-1,124	4,042
Marketing cost	7,821	264	-415	7,670
EBITDA	-4,331	2,269	-	-2,062
EBIT	-4,477	2,082	-	-2,935

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 loss in 2015, outstanding common stock options and warrants were anti-dilutive and accordingly were excluded from this calculation. For the nine months ended at 30 September 2016, the Company had 9,420,000 options outstanding.

8. CHANGES IN EQUITY

In January 2015, the Company purchased the minority interest in its subsidiary Candid for a consideration of 41,000,000 new shares. Of such shares, 27,000,000 shares were issued to acquire Candid and 14,000,000 were issued to a trust for the benefit of key Candid employees. In August 2015, 5,000,000 shares were returned to the Company as treasury shares and 500,000 shares were allocated to employees, and in May 2016, the remaining 8,500,000 shares were returned to the Company.

Pursuant to the reverse merger agreement the sellers are entitled to a variable consideration of up to a maximum of 125 million earn-out shares, provided that Limited reached certain revenue targets. Based on Limited's audited financial statements for 2015, 47,900,000 shares were issued in May 2016 based on 2015 performance. The Company recorded the issue for EUR 4,273,528 in a credit to common stock and a debit to paid in capital.

During January 2016, 23,000,000 new shares of its common stock were issued for cash at NOK 1.95 per share.

In April, 2016 the Company completed the acquisition of affiliate network assets from Delta Markets N.V. for a total consideration of EUR 4,200,000 of which EUR 1,260,000 was settled through the issuance of 4,336,314 new shares.

In May 2016, the Company completed the acquisition of affiliate network assets from Magenti Media for a total consideration of SEK 47,500,000 of which EUR 5,075,437 was settled through the issuance of 8,960,000 new shares.

Also, in May 2016, the Company completed the acquisition of OddsModel AS, a sports betting technology company for a total consideration of EUR 8,585,700 which was settled through issuance of 21,739,000 new shares.

Pursuant to a special shareholders' meeting on 31 August 2016, the Company's number of authorized shares increased from 750,000,000 to 950,000,000 each with a par value of \$0.10.

In September 2016, the Company completed the acquisition of the gaming company Betit Holdings Ltd. for a total consideration of EUR 54,376,945 which was settled through issuance of 153,500,500 new shares.

	Treasury shares	Common Stock Shares issued	Common Stock Shares Outstanding	Common Stock Amount	Share Premium/ Adjusted	Non-controlling interest	Translation reserve	Retained Earnings (Deficit)	Total Equity
Balance at 1 January 2016	9,415,000	502,120,952	492,705,952	43,410,350	-13,900,611	-102,156	-139,936	-2,197,816	27,069,831
Issuance of shares	-1,450,000	23,000,000	24,450,000	2,146,050	2,477,419	-	-	-	4,623,469
Exercise of options	-	500,000	500,000	-	69,392	-	-	-	69,392
Earn out shares issued	-	47,900,000	47,900,000	4,273,528	-4,273,528	-	-	-	-
Purchases of companies	-	245,035,316	245,035,316	21,809,425	45,419,193	-	-	-137,066	67,091,552
Change in value of available for sale financial assets	-	-	-	-	-107,183	232,885	-	-	125,702
Share compensation expense	-	-	-	-	194,634	-	-	-	194,634
Net results	-	-	-	-	-	-115,464	-	693,577	578,113
Exchange differences on translating foreign operations	-	-	-	-	-	-	18,040	-	18,040
Balance at 30 September 2016	7,965,000	818,556,266	810,591,266	71,639,353	29,879,316	15,265	-121,896	1,641,305	99,770,773

Finally, in September 2016, the Company acquired an additional 10% of the issued shares of iGamingCloud Limited for a total consideration of EUR 20,014,967 which was settled through issuance of 56,500,000 new shares.

As of 30 September 2016, the Company owned 7,965,000 treasury shares.

9. LOANS PAYABLE SHAREHOLDERS

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

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

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

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

In March 2016, the Company entered into loan agreements for NOK 17,500,000 and EUR 300,000 with an interest rate of 10% per annum. The loans had maturity ranging from 31 May 2016 through 31 December 2016. Thereafter, this loan facility was increased by a total of NOK 16,000,000 and maturity was extended for the loans maturing 31 May 2016. Close associates of Helge Nielsen and Jon Skabo, board members of the Company, participate in the loan with NOK 3,500,000 and NOK 3,000,000 respectively.

In July 2016, the revolving loan facility of NOK 9,700,000 entered into by the Company in December 2015 was increased to NOK 19,200,000. All terms and conditions in the revolving loan facility remained the same.

Short-term loans outstanding balances at 30 September 2016 and 2015 were EUR 3,695,257 and 2,654,730, respectively. Long

term loans outstanding balances at 30 September 2016 and 2015 were EUR 2,687,309 and EUR 0, respectively. The strengthening of the NOK towards the EUR during the quarter has resulted in a foreign exchange loss of approximately EUR 250,000.

10. RELATED PARTY TRANSACTIONS

Andre Lavold was appointed as board member in GIG on 31 August 2016. Lavold is a shareholder in Optimizer Invest Ltd., the previous main shareholder in Betit. Optimizer Invest received 131,173,297 shares in GIG in connection with GIG's acquisition of Betit.

Close associates of Christopher Langeland, board member and primary insider of GIG up until 10 May 2016, owned 46% of OddsModel AS and received 10,060,200 new GIG shares on 20 May 2016.

There were no other material related parties' transactions in the third quarter of 2016 than reported above in Note 9.

11. SUBSEQUENT EVENTS

There have been no material subsequent events after 30 September 2016.



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