2017 ANNUAL REPORT

Gaming Innovation Group Inc.

gig.com

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CEO LETTER TO SHAREHOLDERS

Dear Shareholders,

On 6 of March, GiG celebrated its Five-year anniversary during the annual conference 'GiGsters Connect'. More than 600 GiGsters from our 6 locations gathered for presentations, workshops and a product road show featuring an astonishing breadth of products launched, or in the making. It was a true display of the powerhouse offering and organisation of GiG. The highlight of the show was the fireside chat with Steve Wozniak.

The Apple founder and tech wizard, known just as much for his work ethics, and philanthropy, as he is for his engineering merits, came to GiG to talk about the importance of social responsibility and good conduct in the tech industry. We were honoured that 'Woz' chose to visit our company, in what was a timely appearance.

GiG, alongside the online gambling and tech as a whole, is undergoing disruptive transformation: Regulation is coming into full force. Payment Services Directive 2(PSD2), Anti Money Laundering directive 4(AML4), and General Data Protection regulation (GDPR), are fundamentally changing the requirements for conducting digital business within the EU. Additionally, the gambling industry is subject to a wind of re-regulation worldwide. We are poised for this step.

In 2017, GiG developed its vision: 'Opening up iGaming, to make it fair and fun for all'. Our mission is to have a stake in every digital fun and fair bet in the world. We are now positioning the company to capitalise on, rather than being side lined by, the regulation. We must be patient whilst undergoing this transformation. Compliance is a demanding exercise, and potentially very rewarding.

By operating in accordance with the expectations from society, our industry and company can achieve greater recognition and acceptance from the mass market. It provides long-term predictability and stability. It helps us tap into a larger talent pool and it allows the institutional investors and funds to take long-term strategic positions in our company. It opens up new marketing channels and allows us a potential reach that is unprecedented, in comparison to the past.

GiG is at the start of its regulatory journey, a travel in which we expect to take years. Ultimately, 100% of our revenues will be generated from regulated markets.

Despite the increased regulatory burden, our business grew tremendously in 2017. And it was profitable growth. We reached €120m(2017: €54m) in revenues whilst generating an EBITDA of €12m(2017: €5.8m).

We finished the year with our strongest quarter ever, both in terms of top and bottom line. It was a result of growth across all business areas. I am especially proud to have generated this result, whilst at the same time investing heavily into future products and the operation as a whole.

At its very foundation, GiG has aimed to collapse the value chain

in iGaming by owning all of it. By doing so, we can achieve the highest margins and control of our product, whilst harvesting synergetic effects and nurturing innovation.

At the end of 2017, we were operating one of the largest digital marketing channels in our industry, the fastest growing B2B Platform, in Rizk.com one of the most successful consumer facing brands launched in recent history, whilst developing a complete sportsbook and games offering for both our B2B customers, and our B2C brands.

We initiated these development in 2015 and in 2018 they are all coming to fruition. By the end of H2, all our products will have been launched and we can then focus our efforts on optimising our operations, products, our organic and accretive growth, for the years to come.

Dear shareholders, I would like to thank you for the trust and confidence you are displaying to the management who have embarked on such a journey. We are very happy with the performance of our company in 2017 and are looking forward to continue serving you in 2018.

Robin Reed
CEO

€120.4M
+125% Y/Y
2017 revenues

€12.5M
+115% Y/Y
2017 EBITDA

34
Brands

636
Employees

THIS IS GAMING INNOVATION GROUP

VISION

"OPENING UP iGAMING, TO MAKE IT FAIR AND FUN FOR ALL"

THIS IS GAMING INNOVATION GROUP

Gaming Innovation Group Inc. ("GiG" or "the Company") is a technology company providing connecting products and services throughout the entire value chain in the iGaming industry. Founded in 2012, Gaming Innovation Group's vision is "Opening up iGaming, to make it fair and fun for all". Through the eco-system of products and services, GiG is connecting operators, suppliers and end users, to create the best iGaming experiences in the world. Gaming Innovation Group operates out of Malta and is listed at the Oslo Stock Exchange under the ticker symbol GiG.

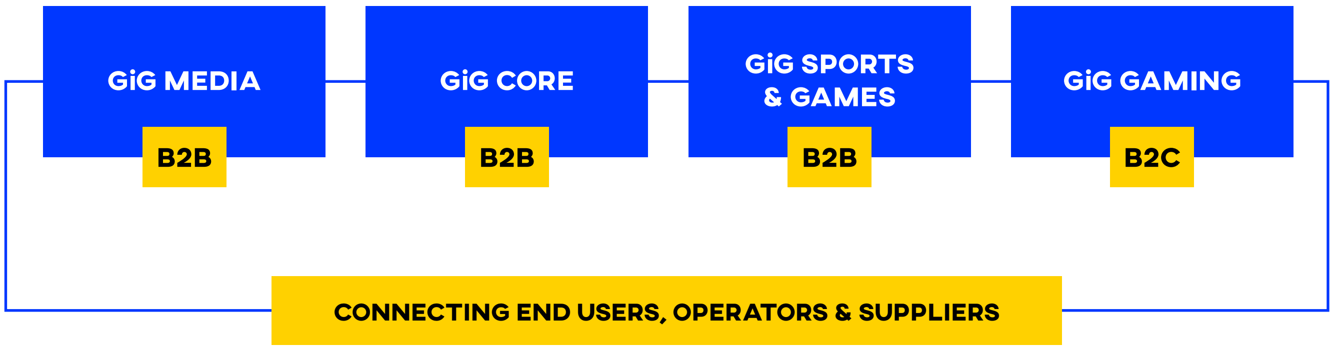
GiG'S ECO-SYSTEM

The Company's eco-system consists of a range of products and services, developed in-house which are connecting end users, operators and suppliers, creating synergistic effects and enhanced margin potential for all. The model enables GiG to enter the market at multiple points, each of which are mutually reinforcing, enabling the Company to take individual elements or aggregate slices of the market.

The eco-system consist of the following main parts:

- GiG Media – digital marketing and lead generation
- GiG Core – proprietary cloud based platform service
- GiG Sports and Games Services – odds and casino games
- GiG Gaming – seven consumer brands offering casino, sportsbook and poker to end users

Together, these complete GiG's presence throughout, and the disruption of, the value chain. A user might have been channeled from the lead generation service, to an internal or external operator using the GiG platform and be playing an in-house game. In this case, excluding payment costs, GiG would have a 100% profit margin before operating expenses and taxes. It is unique in the world of iGaming and explains the GiG strategy and equity story.



GiG MEDIA

Through online media buys and publishing, GiG Media finds leads that are referred to operators on a perpetual revenue share and/or a flat fee for each provided lead converted to a customer. GiG Media is a good and profitable business model in itself and the true potential lies in the strategic value. By expanding the digital reach and footprint, GiG can channel more users to its eco-system of clients and services, creating a network effect and scale advantage for all.

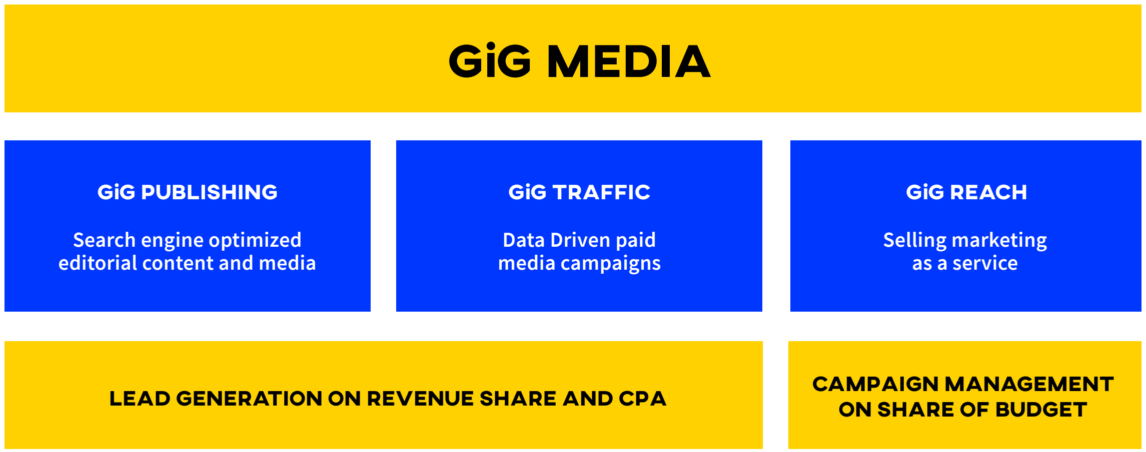
GiG Media is committed to comply with all applicable gaming laws, regulations and licence conditions, and follows the regulatory developments in its markets and is prepared to adjust the way it operates, if necessary. A new product to identify non-compliant advertising on the internet will be offered to operators for a monthly fee in 2018.

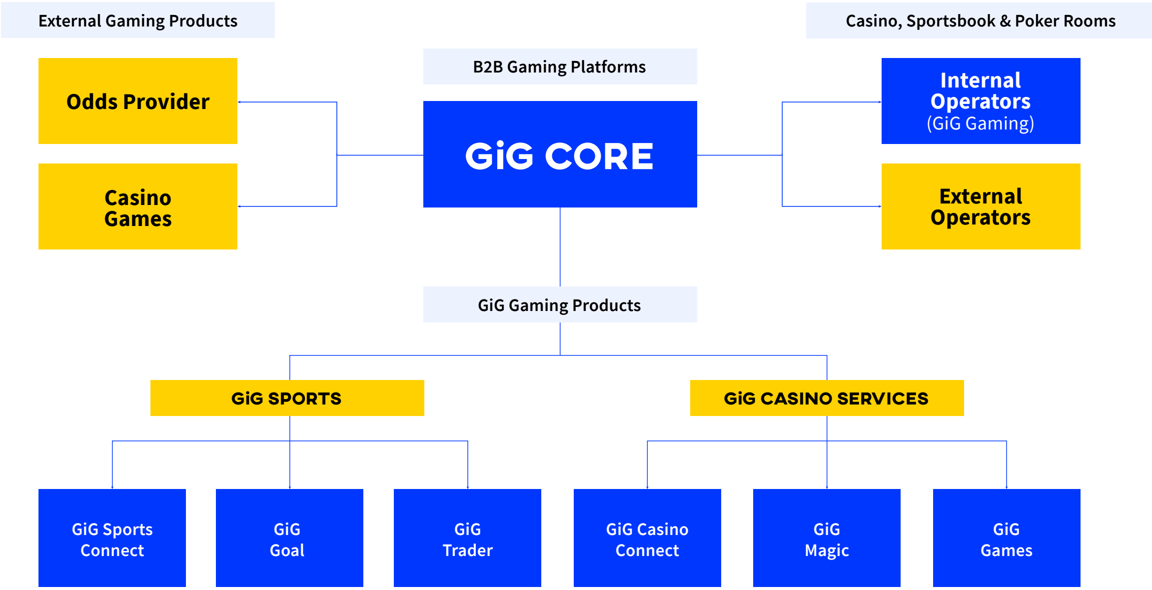
Ten acquisitions have been concluded over the last three years, and GiG Media's offering has been expanded to include media campaigns and campaign management.

GiG Media started out as an affiliate, referring end users to operators from casino and sportsbook websites, with editorial content optimised for search engines on terms related to iGaming. The structure works with on and off-page SEO techniques to obtain high ranking in search engines. Users are referred on perpetual revenue share, for a one-time payment (CPA – cost per acquisition) or a combination of both (hybrid). This is now **GiG Publishing**, a network of websites in many geographic regions referring users to iGaming operators.

New to the lead generation business is the paid model, initiated through the acquisition of the digital media buy company Rebel Penguin in 2017. **GiG Traffic** has proprietary technology to support paid media - digital marketing through data driven campaigns on channels such as Google, Facebook and Display Advertising. The service targets casinos and sportsbooks in multiple markets and increases GiG's reach in regulated markets.

GiG Reach offers marketing agency, combining GiG's knowledge and expertise to serve clients' paid media needs both in iGaming and non-gaming verticals. Current client portfolio ranges from external iGaming operators, B2B partners on GiG Core to government contracts and high-end fashion houses.





GiG CORE

The platform is the heart of an iGaming operators business – containing the user database, the transactional engine handling bets and payments, the wallet holding players funds, as well as a range of ancillary features.

In 2015, GiG launched its cloud-based platform service iGamingCloud. The product is one of the fastest growing software launches ever in iGaming. The product is empowering operators with all the hardware, software, tools, features and integrations needed to start and operate as an iGaming operator. The product was previously labelled iGamingCloud and has now been renamed GiG Core. The name change is explained by the growing number of services offered independently or as a platform bundle.

GiG has developed an open platform from the first line of code. It is powering the Company's internal brands and is sold to external operators on a revenue share model. Open because it is integrated with all the major suppliers of games, services, odds and data within the industry, which operators can choose from at their own discretion.

By connecting multiple operators to the platform, the cost of development is divided on all and creates scalability. The solution produces a network effect, where single operators can benefit from a sharing economy. More operators contribute to an increasingly powerful offering. It is the leverage of the platform that provides the operator or the supplier with the edge.

The business model consists of recurring revenue share – contracting and reselling the services of the suppliers. By more revenues brought through the sharing economy model, better rates are procured. With better rates, better price points can be offered and thus attract increasingly larger clients.

By channeling users from the lead generation in GiG Media to the platform clients in GiG Core, GiG captures a larger part of the customers' wallet, whilst driving distribution and growth for its partners and suppliers. GiG Core empowers the operators to create their own, unique offering and user experience to their end users. The Company first earns from the market rates being paid for the referred traffic, then from the markup charged when a user is playing with one of the platform clients. Finally, suppliers see increased volumes that helps to procure better rates, and as such cost of sales are decreasing as a proportion of revenues.

GiG SPORTS AND GAMES SERVICES

The Company is developing games services for both sports betting and casino; odds for sportsbooks and games for casino operators. Games services are licensed and certified odds or games that can be plugged directly into the consumer portal of any operator. These are core investment areas to complete the whole eco-system. By offering its own games and odds, GiG can drive disruption in the marketplace and capture an even larger part of the customers' wallet. GiG drives the content forward and can set its own rules, making the eco-system attractive to a larger demography of B2B and B2C clients.

Operators, who are using their own platforms, can connect to the eco-system by easily integrating directly to GiG's odds or game feeds.

GiG SPORTS

GiG Sports consists of **GiG Sports Connect**, **GiG Trader** and **GiG Goal**. All state of the art, newly created products that will be launched ahead of the upcoming World Cup in June 2018. All products can be sold stand alone or bundled together. Seamless integration with GiG Core for a complete turn key solution.

In GiG Sports Connect, GiG is using big data, models and mathematical algorithms to generate proprietary odds as well as aggregating odds from third party providers. All odds will be mapped through GiGs tools and gives operators full freedom to select providers all the way to event level. The business model will include revenue share and flat fees. The service will be launched ahead of the FIFA World Cup starting in June 2018.

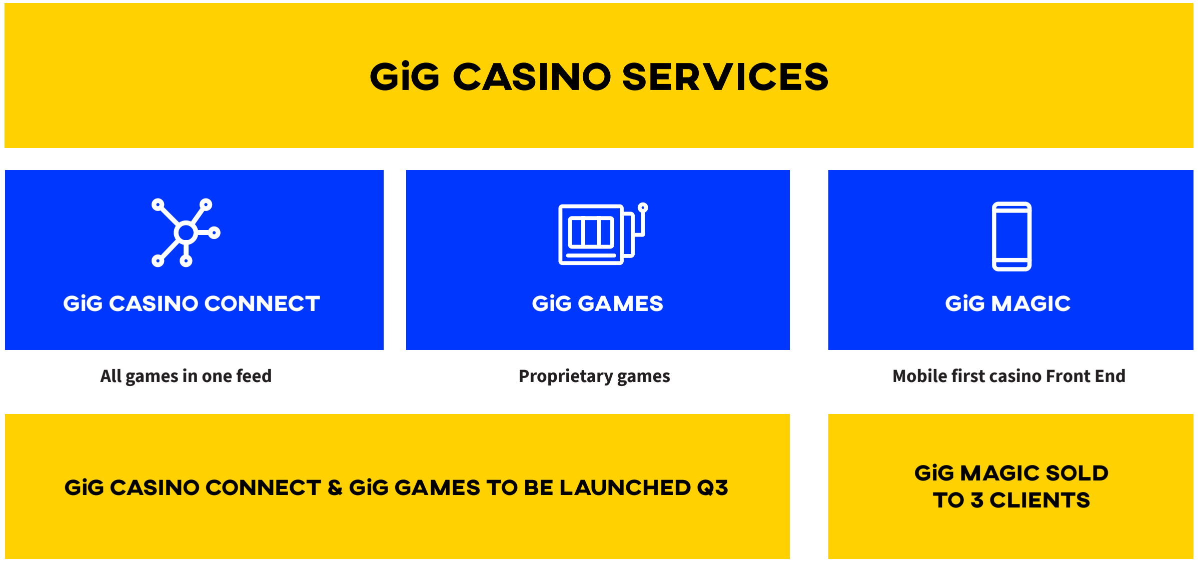
GiG SPORTS

GiG Sports Connect	GiG Trader	GiG Goal
In-House and aggregated odds & data	Full suit of trading and risk management tools	Mobile-first Sports Front End

3 new B2B products for sports to be launched in H1 2018

GiG Trader is state-of-the-art trading tools and risk management services. Responsive, with exceptional user experience for optimisation. Complete trading tool, with detailed risk management. This tool will be utilised by GiG Sports risk and operations team to increase performance for operators using this service. Clients not using our managed trading service can also get access through a revenue share program.

GiG Goal, a brand new modern looking, mobile first front end and middle ware solution, with easy navigation and an optimised user journey. This solution comes with a full set of retention and acquisition tools and easy customisation for new operators.



GiG CASINO CONNECT

Casino connect is an aggregator platform where GiG can sell both in-house developed games and games from third party game suppliers. The benefits for an operator is it only has to enter a contract and integrate with one partner and still get access to multiple game providers. The business model is based on a markup on the revenue share charged by the game suppliers.

GiG GAMES

GiG has developed a remote gaming server (RGS) and games engine. The RGS allows GiG to design, host and distribute in-house developed games and third-party games to any operator, irrespective of whether they are integrated to GiG Core or not. A range of games is currently being developed including table games such as blackjack and roulette, as well as slots. Games will be offered on a revenue share basis.

In addition, GiG has developed a games engine on top of the remote gaming server, which allows us to rapidly produce innovative casino games such as table games and slots. These games will be distributed and sold using the remote gaming server to any operator in the industry. There are currently three games under development and a range of other games under development, which will be launched in the following quarters. GiG aims to develop a major games studio.

GiG MAGIC

As part of its platform services, GiG has launched a new offering, product and business line named “GiG Magic”, a Casino operator Front End development service and CMS. In short, GiG is delivering businesses the most innovative consumer portals for casino. Previously, customers of its platform service have been provided with back office tools, whilst building their own website. GiG can now offer both for its customers. The product is created on the back of the Betit acquisition in 2016, where an important aspect of the rational was to acquire the Middle-ware for the Casino “Ramson”. This IP has now largely been productised and commercialised and is already sold to three clients. This business line is maturing and GiG will continue to report the P&L as a bundle with GiG Core under platform services.

GiG GAMING

In its Business-to-Consumer segment, GiG operates seven consumer facing brands offering casino games, odds and poker tables. The brands are used to test and display the capabilities of the platform, to connect users and marketing partners to the Company's eco-system, and to keep the know-how of being an operator when designing B2B services. It features some of the most innovative products in the industry and the brands can evidence a very impressive growth rate. All brands use GiG Core and operate on GiG's own licenses from Malta Gaming Authorities (MGA) and the United Kingdom Gaming Commission (UKGC).

Guts.com was GiG's first brand and offers casino games, sports betting and poker. The brand was launched in May 2013 on an external platform and migrated successfully to GiG Core in 2015. Guts was GiG's second largest brand in 2017 despite not being included in any of the TV marketing campaigns. Guts sponsors the Norwegian Championship of Poker in Dublin every year.

Rizk.com launched in January 2016 and has become GiG's largest brand. The focus of this brand is "gamification", providing an innovative user interface with the "Wheel of Rizk" by using personalisation, big data and algorithms to enhance the gaming experience. The launch of Rizk.com has been supported by successful TV marketing campaigns in the Nordic market using well-known Hollywood stars, such as Kevin Dillon, Michael Madsen and Patrick Warburton. Rizk is also targeting other regulated European markets.

In late 2017, GiG launched its new proprietary brand Highroller.com – aiming to disrupt the online gaming world once more with a fully immersive casino experience and unique player interaction features through digital. The product is offering a very personalised, interactive and gamified experience with community features, fully utilising the gamification and customer-specific capabilities in GiG Core. Highroller.com launched in Sweden, Norway and Finland supported by affiliate channels, and a new TV commercial. It has also been live in the UK since January 2018, in compliance with the strict framework set out by the UK Gambling Commission.

Through the acquisition of the Betit Group in 2016, GiG added operators SuperLenny.com, Thrills.com and Kaboo.com to its portfolio. SuperLenny.com offers both casino and sportsbook, while Thrills.com is a pure casino. The brands target mainly the Nordic markets, and Thrills.com was supported by a TV commercial in 2017.

Kaboo.com offers a constantly evolving casino adventure - with missions and relics that unfold as the player progresses through the site. TV commercials started in the Nordics in the second half of 2017, together with the launch of Kaboo.com's new successful Metagame "Relics". Kaboo.com has grown to one of GiG's larger brands and TV campaigns have continued into 2018.

Finally, Betspin.com is GiG's smallest brand, and the first to operate on the GiG Core platform.

Affiliation is still a major acquisition channel in most countries, and all brands have increased presence in many different paid and unpaid digital and mobile channels. GiG Gaming has invested heavily in up-front marketing over the last two years, mainly through TV campaigns and intends to continue such campaigns in 2018, albeit at lower levels compared to revenue.

GiG GAMING BRANDS

KABOO CASINO

GUTS

HIGH ROLLER

betspin

Super Lenny
DEER TO BE DIFFERENT

RIZK™

THRILLS

SUSTAINIBILITY, RESPONSIBILITY AND RISK FACTORS

RESPONSIBLE GAMING

Under GiG's vision of "Opening Up iGaming, to make it fair and fun for all", GiG is continuing its work on the Responsible Gaming area. Putting corporate social responsibility and compliance at the heart of the business is one of three major objectives for everyone in the Company in 2018. It is a top priority throughout every department, team and employees.

The aim is to improve the regulatory standing and social impact of the industry by adopting the best practices in responsible gaming to minimise the risk of players becoming addicted to gambling and finding themselves in financial and/or psychological trouble.

GiG recently appointed a responsible gaming manager to oversee compliance operations and further develop the responsible gaming team in 2018. There is a broad range of topics under focus, both improvements and new developments. The Company organises regular in-house training sessions for all employees and is also seeking to host high quality responsible gaming seminars to enhance the focus on this topic.

Current compliance operations and processes are being continuously internally audited. GiG is increasing the resources used in 2018 in order to meet social responsibility standards imposed by various regulators. Stricter rules will greatly improve the attention to gambling behaviors which is important for reducing the risk of gambling addiction.

Responsible gambling is overlapping with anti-money laundering, and the Company's compliance team is dedicated to both. The function is audited by an independent board.

RISK

The continuation of the Company as a going concern is dependent on its ability to generate revenues and profits from its operations, and its ability to raise sufficient funding to meet any short-term needs. There is no assurance that the Company will continue to be profitable in the future, which could obstruct the raising of new capital, if necessary.

The Company faces competition from current competitors, as well as potential new competitors, which could result in loss of market share and diminished profits for its operations. The Company's main markets are characterized by technological advances, changes in customer requirements, and frequent new product introductions and improvements. The Company's future success will depend mainly on its ability to enhance its current products, to maintain relations with existing and new providers, as well as a positive cash flow, and to develop and introduce new products and services. In addition, there is risk associated with the marketing and sale of new products.

Gaming Innovation Group Inc. is a holding company and does not conduct any operations itself. Through its subsidiaries, GiG is active in a highly regulated online gaming market. Depending on the regulatory structure of a given jurisdiction, GiG may require licenses to offer its various services. Obtaining and maintaining such licenses is therefore essential to the achievement of commercial success for GiG.

Any changes in regulations, changes in law or other political decisions in the jurisdictions where the Company operates, may have a positive and/or a negative effect on its operations.

GiG conducts B2C (Business-to-Consumer) activities through its group-owned online gaming websites. The websites are licensed and regulated by the Malta Gaming Authority (MGA) for customers everywhere, except the United Kingdom, and by the United Kingdom Gambling Commission (UKGC) for customers in the United Kingdom. MGA licenses cover all product lines (casino, sports betting, poker), whereas the UKGC license covers only online casino and sports betting. For various commercial and/or legal/regulatory reasons, GiG has also restricted the availability of all or some of its products in some countries.

GiG conducts B2B (business-to-business) activities through the offer of its in-house developed online gaming platform software, GiG Core. The software has been certified as compliant with the Remote Gaming Regulations of Malta. According to UK laws and regulations, a company that manufactures, supplies, installs or adapts gambling software (such as GiG Core) used in connection with remote gambling, must have a remote gambling software license. GiG has such a license, and is therefore able to supply gambling software to UKGC licensed B2C operators, as well. Some of the B2B activities carried out by GiG involves the provision of white label services, whereby clients of GiG Corewould also conduct their own gaming activities in reliance of licenses held by GiG. Whilst contractual arrangements are in place to limit liability and indemnities have been received in case of any breaches which singly relate to one B2B customer, ultimately the responsibility is of GiG.

GiG is dependent on the stability of its IT systems. Failure of the IT systems can have an adverse effect on the business and financial performance. In case of failures, there are systems put in place to detect and prevent adverse effects should they occur.

GiG operates in a tightly regulated environment and regulators in certain regulated markets have increased their supervisory activities recently, especially in the areas of social responsibility, anti-money laundering and marketing compliance. We have witnessed several competing operators active within the same markets and adopting common systems and procedures formerly prevalent within the industry become subject to sanctions due to regulatory failings. Whilst GiG has been working closely with expert advisors in order to upgrade its systems and procedures to achieve compliance, given the high standard and expectations of regulators, GiG cannot be certain that it will not be subject to regulatory sanctions.

GiG conducts affiliate marketing activities, by directing Internet users to online gaming websites through various group-owned websites. Affiliate marketing business is currently not subject to specific gaming laws and regulations in the markets where GiG is active, but it is possible that, in the future, some countries will extend the scope of gaming laws and regulations to cover this type of business also. The affiliate business generates most of its revenues from users received from Internet searches, and any changes in the way Internet searches are regulated or carried out, may impact this activity.

The Company is exposed to exchange rate fluctuations, with revenues and operating expenses divided primarily between EUR, NOK, SEK, GBP, NZD, AUD and USD.

The Company is dependent on the ability of key personnel such as the Board of Directors, the CEO, the rest of the management team and other key individuals to perform relevant duties. If they are unable to continue fulfilling their duties or were to resign, this might have an adverse effect on the Company's reputation and financial performance.

See also description of risk factors in note 4.

OUR PEOPLE

At GiG, we pride ourselves in what we do. More than 700 GiGsters from 35 different countries are going all in to make a whole industry open and connected, like never before. We do great stuff and never settle for anything ordinary. We are game changers, because what else is there? Our vision is why we all come to work each day: "Opening up iGaming to make it fair and fun for all". To get there, we are guided by our Values which also set us apart and are the foundation for our culture.

Our five Values are: Make great Stuff, Get Sh*t Done, Go All In, Challenge the Ordinary and Think About It and explained below:

Make Great Stuff
The value that rules them all. Seriously, every team in the company is obsessed with this. We pride ourselves in the quality and impact of our products. Our high standards of operation mean that everyone in the company plays their part in making great quality stuff: from Facilities creating the ultimate office spaces, to our developers and designers blazing new trails in areas of iGaming like gamification, interconnectivity and design to deliver a greater than ever user experience.

Get Sh#t Done
We GiGsters play hard, but we work even harder. We take personal responsibility for our deliverables every day, and we're killing it. We work as One GiG, from teams to individuals, we share a common goal. We love what we do and we get it done.

Go All In
Every day is our best day. We really love what we do and we put ourselves 100% into it. We never stand still. We celebrate what we achieve and are hungry for more. We are ready to learn from our mistakes and continuously improve our performance. This includes speaking plainly to each other, giving and receiving open and honest feedback.

Challenge Ordinary
We dream big to think beyond what is currently possible. It is in our name. Innovation. Each GiGster, no matter what their role, is empowered enough to be disruptive. And we are agile enough to make it happen. We are front-runners and deliver the best, always, no compromises.

Think About It
Before we do anything, we stop and think about the impact this will make on the social environment. Despite being innovators, we understand the need to balance our creativity with convention and standards to maintain our high standards of integrity. We understand our responsibilities to the brands we market, the platform our clients use, our end users, and our GiGster family - and we take them seriously.

GiG Life
Working for GiG is a lifestyle. We call this the #GiGLife and a big part of it is offering the most inspiring workplaces in the industry. Some of the things we value:

Communication: Since we value an open and transparent culture, employees are brought together regularly for events, including our quarterly GiGsters Connect, an industry-leading communication event. Along with regular 1:1s and quarterly objectives, this helps all our people to understand how to contribute to the bigger picture and ensure that everyone is working to the same goals. Teams have a budget for regular team building events so that they can have fun together.

Diversity: We value all of our employees equally, and actively promote and insist on a culture of inclusivity and acceptance across all of our operations. Employees come from 35 different countries, giving us a wide range of perspectives. We employ 31% female employees and are committed to increasing this. We highly support the goal to improve diversity in iGaming, being a Founding Member of All In Diversity, Platinum Sponsor of Girls in Tech Gibraltar and the main sponsor of Malta Pride 2018. Our paternity policy entitles fathers (biological and adoptive), husbands, civil partners and partners of either sex who live with the mother or adopter in an enduring family relationship 30 days paid paternity leave.

People development and performance: We are committed to helping individual employees perform to the best of their ability. Rewards are linked to performance and include financial benefits and career opportunities. GiGsters can benefit from our training budget to attend both internal and external training opportunities. Leaders take training to develop soft skills and leadership skills. We also look for opportunities for teams to attend training and conferences; for example we sent 40 GiGsters in 2017 to Web Summit Lisbon to learn more about tech trends, and in 2018 so far GiGsters have been attending some of the most important tech and iGaming events happening in Europe.

Health and wellbeing: We offer a flexible environment. Employees decide along with their managers when, where and how they work. We put the emphasis on individual responsibility, opportunity and autonomy. We offer all GiGsters a fitness benefit, that can be used to fund sports, fitness classes or gym. We have over 30% of our office space in our Malta headquarters dedicated to fitness and recreation and onsite meals are healthy, using organic local produce where possible.

Commitment to the community: GiG Gives is a recently launched program, which supports our employees to make a positive social impact in the locations where we have offices. Focusing on social impact, we fundraise, with the company matching every cent raised; we offer time and expertise from employees to local organisations; and we offer support to employees with a great idea that will make a positive social impact in their community. We have also recently signed as main sponsor of the GiG Malta Marathon for the next five years, and will be focusing on using this as an opportunity to get the whole community together.

"OPENING UP iGAMING TO MAKE IT FAIR AND FUN FOR ALL"


CAN LEAVE


GiG

#GiGLIFE


GiG


G UP IGAMING


START
POKER STARS
SPRNT
TEAMSPORT
REFLEX
I AM
GiG
FIT

BOARD OF DIRECTORS
2017 REPORT

DESCRIPTION OF THE BUSINESS

Gaming Innovation Group ("GiG" or "the Company") is headquartered and operates out of Malta. The parent in the group, Gaming Innovation Group Inc., is US corporation incorporated in the state of Delaware, USA, and traded on the Oslo Stock Exchange with the ticker symbol "GiG".

The Company is working towards a vision of opening up iGaming, in order to make the industry fair and fun for all. To reach this vision, GiG uses its own proprietary technology and products to re-invent and distrupt the value chain of the industry, replacing it with an open and connected eco-system, benefitting users, suppliers and operators alike. This model is unique and is enabling a range of synergies, scale opportunities and improved margins, for all. GiG capitalise on this unique positioning and opportunity by investing for growth.

Gaming Innovation Group's operations are divided into two segments across different iGaming business areas:

Business-to-Business (B2B):

- GiG Media - Digital Marketing Services
- GiG Core - Cloud Based Services
- GiG Sports and Games Services

Business-to-Consumer (B2C):

- GiG Gaming – End user operators

GiG MEDIA

GiG Media (previously Innovation Labs) refers traffic across casino, poker and sports betting, mainly by operating websites that rank high in search results for specific keywords, and pay-per-click advertising.

GiG Media's vision is to improve the touch-points where people are finding iGaming online. This is done by highlighting educational, informational and valuable content about the industry online, and promoting best-of-breed games, operators and offerings through web portals. GiG Media's revenues are generated through shares of perpetual revenues, cost per acquisition (CPA), or a combination of these. In terms of traffic driving capability, GiG Media is a leading affiliate in the Nordics.

GiG CORE

GiG Core (previously iGamingCloud) is an open cloud based platform, offering the full range of services needed for an iGaming operator. GiG Core's vision is to make the iGaming industry lean. The platform is integrating application developers such as game providers, that can access an eco-system of operators through a single integration. The operators on their end can utilise open APIs to connect their front-end website and CMS to the system and gain access to all the game service providers (GSPs), payment service providers (PSPs), and ancillary services. 28 different GSPs, 25 PSPs and 14 auxiliary services including live chat, email systems, affiliate systems, CRM have been integrated.

GiG Core gives operators access to more than 3,000 casino games from industry leading suppliers, including a large catalogue of the most renowned mobile games, as well as around 200,000 world-wide sporting events, all being controlled by an innovative back office. All features and functionality are offered as a Software-as-a-Service (SaaS). The platform itself is fully scalable both horizontal and vertical with individual modules being scalable in anticipation of increased load.

GiG SPORTS AND GAMES SERVICES

GiG is currently developing gaming services for both sports betting and casino; odds for sportsbooks and games for casino operators. Gaming services are licensed and certified odds or games, that can be plugged directly into the consumer portal of any operator. These are key investment areas to complete GiG's eco-system. By offering its own games and odds, GiG can drive disruption in the marketplace and capture an even larger part of the customers' wallet. By driving the content forward, the eco-system will be more attractive to a larger demography of B2B and B2C clients. These features will broaden the market, allowing to connect operators who are using their own platform to GiG's eco-system by easy integration directly to GiG's odds or game feeds.

GiG GAMING

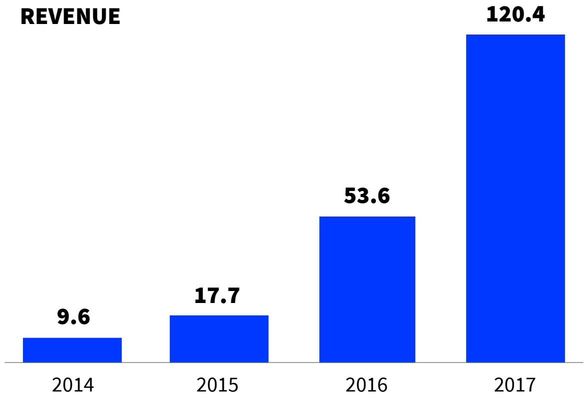
GiG offers Business-to-Consumer (B2C) casino and sports betting services through seven brands, all using GiG Core and operating on GiG's own licenses from Malta Gaming Authorities (MGA) and the United Kingdom Gambling Commission (UKGC).

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, exciting and attractive stories and offerings. iGaming is a compelling entertainment option, and GiG sees its operators as creative studios that seek to make digital connections with people through real money games.

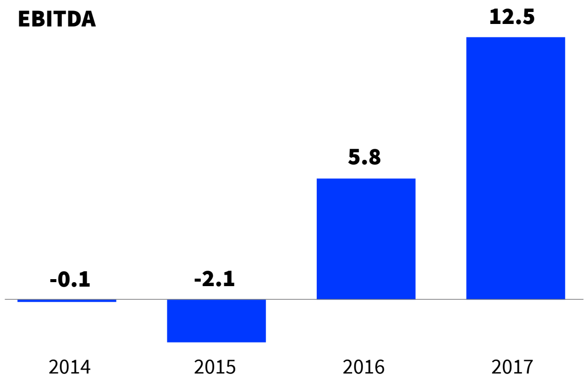
OPERATIONAL PERFORMANCE

GiG continued its growth in 2017, with revenue growing 125% to EUR 120 million with a 10% EBITDA margin. The Company made progress within all its business areas and focused on continued development on its existing products as well as developing new products to enhance the Company's offering. The Board of Directors is satisfied with the performance and see the Company well positioned for further growth in 2018 and beyond.

REVENUE



EBITDA



GiG MEDIA

GiG's affiliate marketing business refers new players to online casinos through perpetual revenue share agreements, cost per acquisition (CPA), or a combination of these (hybrid). Starting in 2017, paid media has been added to the services offered. GiG Media serves both the Company's own brands and clients on the GiG Core platform, as well as external operators. By referring new players to own brands and GiG Core clients, GiG sees an upsell effect in more volume through its eco-system.

GiG Media has purchased affiliate networks through bolt-on acquisitions during the past years. Five affiliate networks were acquired in 2015 and 2016, with another five in 2017. Affiliate marketing has solid margins and economies of scale. Adding networks to GiG's operations achieve synergies through an overall strengthening of the SEO network as well as obtaining better margins.

The first acquisition in 2017 was an international affiliate network, for which GiG paid EUR 3.5 million in cash. The assets, which includ affiliate websites, accounts and associated agreements were acquired effective from April 2017.

Also effective from April 2017, the highly regarded affiliate website Casinotopsonline.com was acquired for EUR 11.5 million in cash. This acquisition enhanced GiG Media's position outside Scandinavia and in regulated markets such as the UK.

Further, an affiliate network targeting sportsbook players in Central Europe was acquired effective from June 2017 for a cash consideration of EUR 5.7 million. The acquisition included a network of sportsbook websites and all related assets, IP and affiliate accounts. The network provides reviews and betting tips to users on upcoming sporting events.

This acquisition further expanded GiG Media's geographical footprint to include one of the world's largest markets, and significantly strengthening its sports betting assets.

In July, GiG Media acquired all affiliate assets from STK Marketing Ltd, one of the biggest affiliate networks in Scandinavia, for a total cash consideration of EUR 26 million. The assets included a network of casino websites providing reviews and instructions to users on different casino games and all related assets and affiliate accounts. The acquisition was completed in August 2017, establishing GiG as a Nordic market leader in the affiliate segment, and the largest suppliers of iGaming traffic in its core markets.

New to the lead generation business is the paid model. In September, GiG acquired the technology driven Danish performance marketing company Rebel Penguin ApS for a total consideration of EUR 12.7 million, whereof EUR 9.1 million in cash and the balance in treasury shares. With the proprietary and highly advanced technology of Rebel Penguin, GiG Media entered the paid media space, reaching distribution channels such as Facebook and Google.

The majority of FTD's generated by Rebel Penguin are from regulated markets such as UK and Denmark, delivered on perpetual revenue share basis to the customers. Rebel Penguin also offers marketing agency, servicing clients paid media needs both in iGaming and non-gaming verticals. Current client portfolio ranges from external iGaming operators, B2B partners in GiG Core to government contracts and high-end fashion houses. The Rebel Penguin operation is currently being integrated with GiG's overall operation in order to harvest a range of technological and operational synergies.

All acquisitions concluded in 2017 have been transferred to GiG operations without any problems, and the Company is pleased with the performance thereafter.

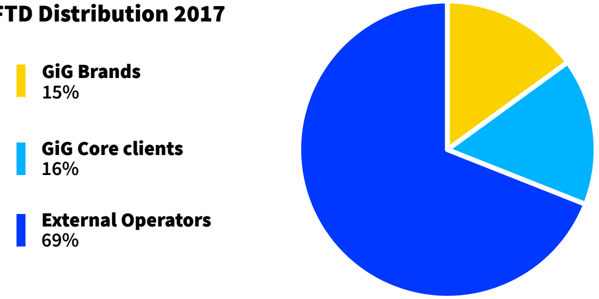
GiG Media referred 98,236 new FTDs to operators in 2017, a 172% increase from 36,100 in 2016. Of the new FTDs referred in 2017, 15% was referred to GiG's own brands compared to 19% in 2016, 16% to GiG Core clients (14% in 2016), and the remaining 69% to other operators (67% in 2016). GiG aims to increase the proportion of FTDs referred to its eco-system, but when acquiring new affiliate networks, it takes some time to shift referrals from external operators to own brands and GiG Core clients.

Revenues in GiG Media was EUR 22.3 million in 2017, a 177% increase over EUR 8.1 million in 2016. Organic growth was 62% from 2016 to 2017. 72% of revenues in 2017 came from revenue share (79% in 2016), 19% from CPA (17%) and 9% from listing fees (5%).

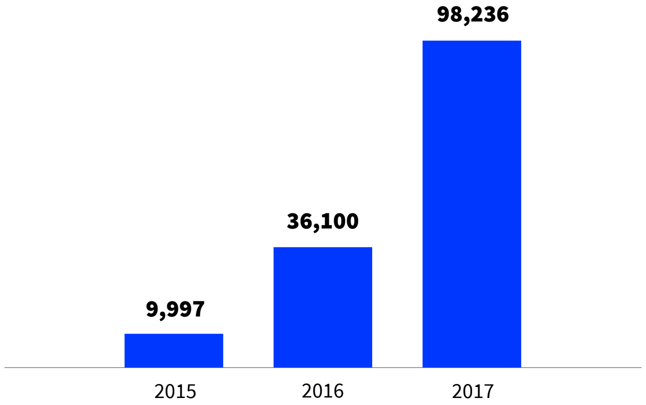
EBITDA for GiG Media was EUR 14.9 million in 2017 with an EBITDA margin of 67%, compared to EUR 5.4 million (66%) in 2016. The Board are pleased with the performance in GiG Media and expect continued organic growth in 2018.

The acquisitions completed by GiG Media in 2017 resulted in intangible assets of around EUR 53.6 million, whereof EUR 37.0 million are allocated to domains/SEO with an expected life of 8 years, EUR 10.7 millions to affiliate contracts and EUR 5.7 million to technology, both with an expected life of 3 years, and the balance to goodwill. This has given an amortization expense of EUR 9.4 million in 2017, up from EUR 1.9 million in 2016, whereof EUR 6.9 million related to the acquisitions in 2017. EBIT for GiG Media was EUR 5.5 million in 2017 with an EBIT margin of 25%, compared to EUR 3.5 million (43%) in 2016.

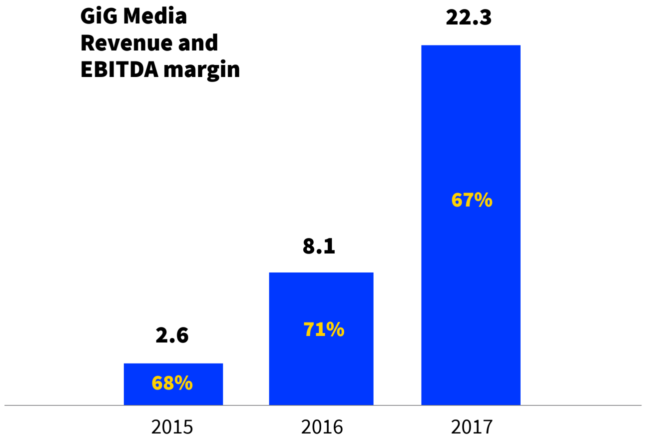
FTD Distribution 2017



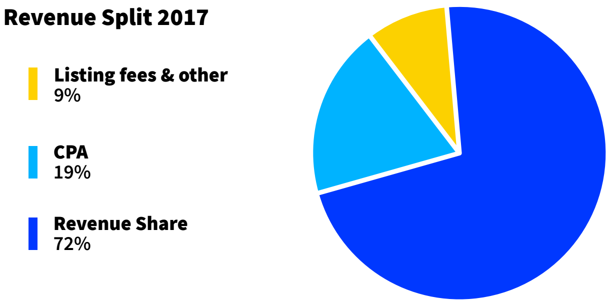
GiG Media - FTDs



GiG Media Revenue and EBITDA margin



Revenue Split 2017



GiG CORE

In GiG's cloud-based platform is a fast growing product empowering operators with all the hardware, software, tools, features and integrations needed to start and operate an iGaming operator service. The product formerly named as iGamingCloud has been renamed GiG Core. The growing number of services offered independently or as a bundle explains the name change on the platform.

GiG Core was launched in January 2015, with GiG's own brands Betspin and Guts being the first brands operating on the platform, followed by the first external client in September 2015. More than 40 brands have been signed to the platform since launch and at the end of 2017, 34 brands operated on the platform.

The clients signed vary from new start-ups to so-called Tier-1 operators. After having proven operational excellence and stability through three years of operations, GiG Core now sees wider interest from larger operators, compared to inception when smaller start-ups were signed. The platform is the backbone of an iGaming operator's service, and track-record of proven stability is key for operators considering migrating to a new environment.

In 2017, GiG Core signed thirteen new brands to the platform, including existing clients signing for additional brands. These signings further confirm the platform's attractiveness, and are seen as positive statements from current users.

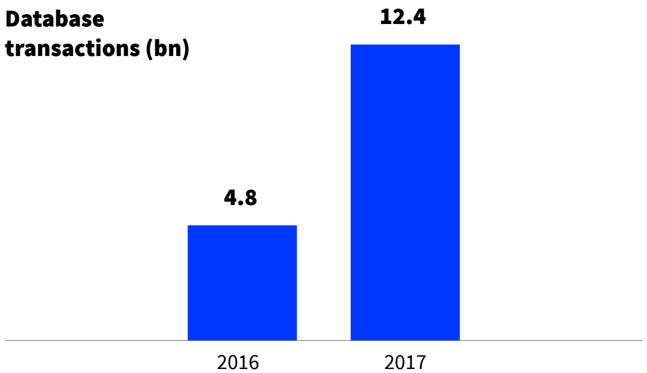
Effective from July 2017, an agreement was signed with an international operator that migrated some of its existing brands to GiG Core and launched an additional new brand. As part of the agreement, GiG transferred part of its customer databases from non-core markets to the new brand, as GiG's B2C operations were focusing on already regulated and near-regulated markets in Europe. This agreement resulted in a shift of operating profit from the B2C segment to the B2B segment. GiG Core successfully migrated two old brands to the platform, in its largest migration of historic data to date. The migration also involved the consolidation of data from multiple brands to two brands, and marked a milestone in GiG's roadmap.

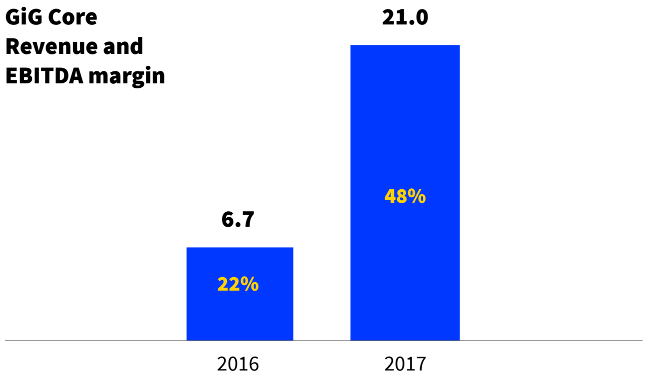
GiG Core's new business intelligence (BI) offering was launched in the third quarter. This improves the accessibility of the vast amount of data available, allowing partners to extract multidimensional sets of data on a self-service basis, increasing the user friendliness of the platform and ability for better retention.

During the year, GiG Core migrated its clients from its BMIT servers located in Malta to a dedicated cloud located in Western Europe. The new servers will provide improved performance and increased scale. Also, a project to re-architecture the platform commenced. The aim with the re-architecture is to increase performance and development velocity, as well as reducing operational costs, by introducing a micro-services based architecture on cutting edge open source technologies. As services and features are made modular, we are also enhancing the capabilities, user interface (UI) and user experience (UX) of each individual service as these are being re-factored and replaced. The first such enhancement was the replacement of the reporting framework with GiG Core Insights. Such upgrades are continuing throughout the re-architecture project, benefiting existing and future clients immediately as they are introduced. The re-architecture project is ongoing in 2018.

GiG Core had its largest breakthrough when winning the highly competitive tender of Hard Rock International in October 2017. The final agreement was signed in February 2018 and GiG will supply the global mega brand with both GiG Core and GiG Magic. This contract evidences the competitiveness of the platform, and gives an opportunity to showcase the Company's state-of-the art digital consumer products. GiG will enter a regulated US market as Hard Rock is planning to launch the product in New Jersey, in conjunction with the opening of its USD 500 million resort and casino in Atlantic City. Hard Rock is aiming to become a global player in gaming which is contingent on a successful launch in New Jersey. With a positive regulatory development in the United States, Hard Rock will expand to other states, and countries, in accordance with its market plan.

The signing of Hard Rock is in line with GiG's communicated strategy of utilising the scalability of the platform to attract larger clients and enter new regulated markets.





GiG also focused on the development of features, functionality and third-party services available through the platform during the year. A total of 28 GSPs, 25 PSPs, and a range of ancillary services is available through the platform – which offers in excess of 3,000 games and more than 200,000 sport events through its casino and sports solutions.

As part of the platform services, GiG launched a new offering, product and business line named GiG Magic in 2017. The product is created on the back of the Betit acquisition in 2016, where an important aspect of the rational was to acquire the front-end platform “Ramson”. This is a casino operator front-end development services and CMS that has been productised and commercialised for clients to build their own website.

Development of the platform and integration of clients incur significant operational expenses. In the opinion of the Board of Directors, it is important to focus resources on enhancing the platform to keep up with market expectations as well as increase the client base – both to secure an expected strong revenue generation going forward.

Revenues in GiG Core was EUR 21.0 million in 2017, a 314% increase over EUR 6.7 million in 2016. All growth was organic. EBITDA for GiG Core in 2017 was EUR 10.0 million with an EBITDA margin of 47%, compared to EUR 1.5 million (22% margin) in 2016. The high margin is partly explained by a EUR 2.00 million one-off fee paid by a GiG Core customer whose revenue share agreement was converted to a flat fee arrangement for 2018 and onwards. Adjusted for this effect revenues grew 284% with an EBITDA margin of 42%.

Total database transactions was 12.4 billion in 2017, a 256% increase from 4.8 billion in 2016, reflecting the rapidly increasing overall activity in the GiG’s eco-system.

GiG SPORTS

In 2017, GiG continued the development of its sports offering based on the acquisition of the sports betting technology company OddsModel in 2016. The acquisition was a milestone in GiG’s ambition to offer a leading platform for sportsbooks. OddsModel had 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 Live sports events, using quantitative methods and proprietary analytical models that are complementary to third party odds providers.

Through this transaction, GiG also took over a team of top class, experienced traders, who are sourcing the very best information and data into technology platforms to trade sports and hedge risk. By deriving prices from sports data, the traders are executing betting strategies, using automated software “trading-robots”.

GiG Sports (previously BettingCloud) will launch GiG’s new sportsbook offering in Q2 2018, ahead of the 2018 FIFA World Cup. Development efforts have scaled up to offer the complete product portfolio needed by a brand to power an in-house sportsbook.

GiG Sports Connect features in-house and aggregated odds and data for Pre-match, Live and Futures. The odds are generated from probabilities made with data being run through proprietary models. This will at large see GiG expand its tech and data capabilities, whilst reducing dependencies on third hand parties.

The product will also feature odds and data aggregated from third hand parties. It will be sold on a revenue share model. Production costs will be competitive as the use of models, algorithms and big data allows GiG to produce odds at a lower price point. GiG Sports will connect everything into one eco-system, where multiple odds providers will be integrated, and the operators can choose to use the whole or part of the offering.

GiG Sports has proprietary trading in sports betting, comparing its own odds to the market and places bets at the Company’s own risk when there are differences above defined thresholds. Bets are placed both automatically by trading robots and manually. Around 300,000 bets were placed in 2017, with a total turnover of EUR 42 million. The trading yielded a profit margin of 2.3%, resulting in a EUR 0.98 million profit in 2017. In 2016, around 320,000 bets were placed with a EUR 47 million turnover and a EUR 0.82 million profit (margin of 1.8%).

Revenues were negatively impacted in the second half of 2017 as the Company was scaling out its automated trading in the market to calibrate and test a range of new sports, models and algorithms ahead of the launch of the new products.

In 2017, GiG Sports had a negative EBITDA of EUR 3.2 million, compared to a negative EUR 0.1 million in 2016, this reflects the large increase in employees in 2017 for the development of the new sport products. The number of employees in GiG Sports increased from 16 at year end 2016 to 60 by the end of 2017. The Board expects that the new sports offering will contribute positively to the revenue and EBITDA for GiG Sports going forward.

GiG GAMES

In 2017, GiG started do develop its own casino games. There are currently three games under development which will be launched in Q3 and a range of other games under development which will be launched in the following quarters, including table games such as blackjack and roulette, as well as slots. GiG is aiming to develop a major games studio with Games sold on a revenue share basis.

Included in GiG Games is a remote gaming server (RGS) and a games engine under development. The RGS allows GiG to design, house and distribute in-house (from the first line of code) and third party games, to any operator, irrespective of whether they are integrated to GiG Core or not. Also, a Games aggregation tool will be added, allowing GiG to sell the RGS through aggregated games as an independent service to customers operating on a proprietary platform. GiG will charge a revenue share on the service.

GiG Games did not have any revenue in 2017 and costs related to the development have been expensed to GiG Core.

GiG GAMING (B2C)

GiG offers business to consumer (B2C) casino, sports betting and poker services through its own brands Guts.com, Betspin.com, Rizk.com, SuperLenny.com, Kaboo.com, Thrills.com and Highroller.com. In 2017, active users, deposits and NGR saw a large increase, although heavy marketing expenses affects results negatively. With more active users, who are not subject to future revenue share payments, the Company is confident that these marketing investments will be profitable going forward, and the Company expects GiG Gaming to deliver positive results in 2018.

GiG is seeking to be a major iGaming operator across the Nordics, Western and Central European markets, defined as the Company's core markets, and is pursuing an aggressive expansion strategy in these markets. As part of this strategy, GiG Gaming exited certain non-core markets in 2017, by transferring non-core players to a new client operating on the GiG Core platform, thus adversely impacting GiG Gaming's profit.

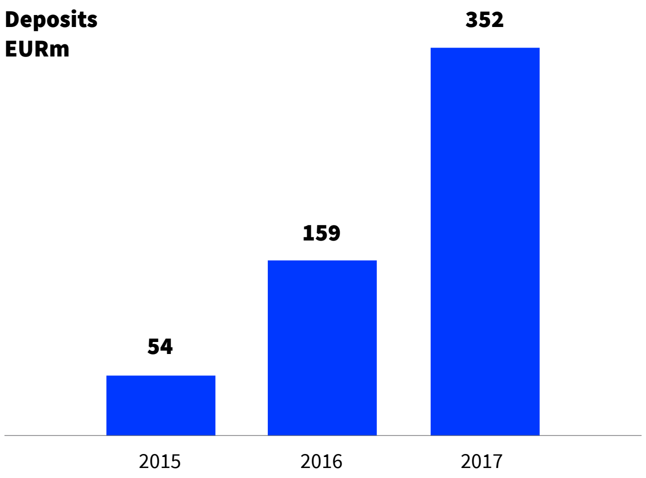
In November 2017, GiG Gaming launched its new brand Highroller.com through digital marketing channels. With the new brand, GiG is seeking to disrupt the casino vertical. The product is offering a very personalised, interactive and gamified experience with community features, fully utilizing the gamification and customer-specific capabilities in GiG Core.

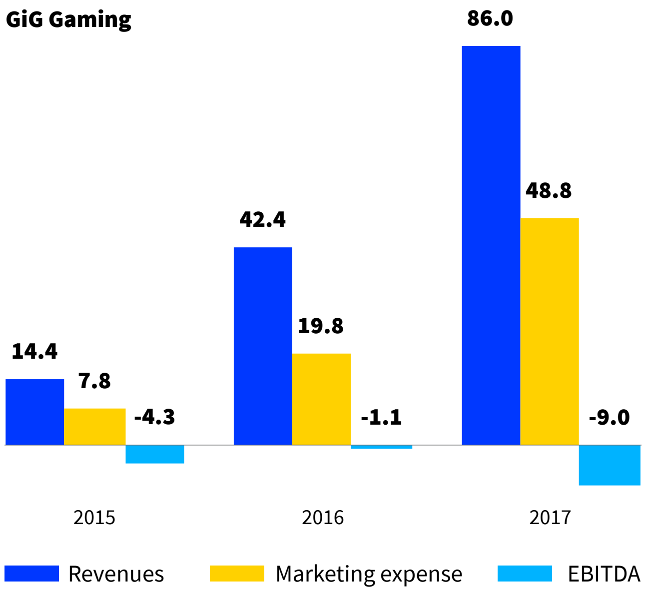
Since 2015, GiG has decided to spend significant amounts into up-front marketing expenses through above the line TV campaigns, focusing on long-term margins and player value. While marketing paid up front is significantly more expensive in the short term, it is expected to improve long-term margins and lifetime value of players. GiG will continue its marketing spend on the levels seen through 2017, and with expected increase in revenues, the relative share to revenues will improve.

Total deposits were EUR 352 million in 2017, up 121% from EUR 159 million in 2016. The three Betit brands were acquired in September 2016.

Revenues for the B2C segment were EUR 86.0 million in 2017, a 103% increase from EUR 42.4 million in 2016. 50% of revenues came from regulated and near regulated markets, compared to 25% in 2016. Revenues were split with 69% from the Nordics (59% in 2016), 11% (10%) from Western Europe, 10% (6%) from Central Europe and the balance, 10% (25%) from non-core markets.

The B2C business had margins of 3.58% in casino and 7.2% in sports betting in 2017, compared with 3.80% for casino and 6.7% for sports betting in 2016. Betting duties were 3.5% of gaming revenues in 2017 and 2.7% in 2016.





GiG continued with heavy up-front marketing investments in 2017, with a total B2C marketing expense of EUR 48.8 million, equal to 57% of B2C revenues. In 2016, marketing expenses were EUR 19.8 million or 47% of revenues. EUR 17.1 million or 35% of the marketing expense was related to revenue share agreements (EUR 8.6 million or 43% in 2016), with the balance attributable to upfront payments including TV campaigns.

Due to the marketing expense, EBITDA for GiG Gaming came in at negative EUR 9.0 million, compared to negative EUR 1.1 million in 2016. The Company expect GiG Gaming to have a positive EBITDA in 2018.

FINANCIAL PERFORMANCE

Revenues

Consolidated revenues for the full year 2017 amounted to EUR 120.4 million, a 125% increase from EUR 53.6 million in 2016. Organic growth was 56% from 2016 to 2017. The B2B segment's share of consolidated revenues were 29% in 2017, up from 21% in 2016, reflecting GiG being a technology company, with a long-term strategy to develop technology and services for the iGaming industry.

Cost of sales

Cost of sales are mainly related to the B2C segment and includes fees to game and payment suppliers, gaming taxes and other variable expenses. Cost of Sales amounted to EUR 20.5 million in 2017, compared with EUR 9.3 million in 2016. Gaming taxes amounted to 2.5% of consolidated revenue in 2017, up from 2.1% in 2016.

Gross profit

Gross profits were EUR 99.9 million, up 125% from EUR 44.3 million in 2016. The gross margin was 83% in both 2017 and 2016. The B2B segment's share of gross profit were 34% in 2017, up from 25% in 2016.

Marketing expenses

The high marketing spend continued in 2017, and consolidated marketing expenses amounted to EUR 47.1 million in 2017 (39% of revenues), compared with EUR 19.1 million in 2016 (36% of revenues). The increase is mainly due to the TV marketing campaigns that continued through 2017. Gross contribution after marketing expenses was EUR 52.8 million, whereof B2C contributed EUR 11.6 million or 22%, and B2B EUR 41.3 million or 78%.

Operating expenses

Other operating expenses amounted to EUR 40.3 million in 2017, a 107% increase from EUR 19.4 million in 2016. The higher operating expenses are a result of overall increased activity and a higher number of employees. A major part of operating expenses are personnel expenses, EUR 23.8 million in 2017, a 97% increase from EUR 12.1 million in 2016. However, personnel expenses were 20% of revenues in 2017, down from 23% of revenues in 2016.

EBITDA

EBITDA for 2017 amounted to EUR 12.5 million, or an EBITDA margin of 10.4% compared with EUR 5.8 million in 2016 (EBITDA margin of 10.8%).

Depreciation and Amortization

Depreciation and amortization amounted to EUR 10.9 million in 2017, up from EUR 3.0 million in 2017. A major part is amortization of affiliate assets acquired during the last three years, equal to EUR 10.1 million in 2017 and EUR 2.1 million in 2016. Amortization of the affiliate assets acquired in 2017 was EUR 4.3 million. For further details, see note 8.

Operating income

Operating income (EBIT) ended at EUR 1.6 million in 2017, compared to EUR 2.8 million in 2016.

Other income (expense)

Net other expense was EUR -1.1 million in 2017, compared with EUR -0.0 million in 2016. Included in other are interest expenses of EUR 3.1 million related to the bond. The balance consists of other interest expenses and foreign exchange differences related to operational transactions. For 2016, other income included EUR 1.3 million in market adjustment gain from derivative assets.

Tax

Tax expense for the year 2017 was EUR 1.0 million. This relates mainly to the Company's operations in Spain, Norway and Denmark were the Company's inter-company agreements includes satisfactory transfer-pricing mechanisms. The net tax payable in Malta was EUR 0.5 million.

Net result

The net result ended at negative EUR 0.4 million in 2017, compared to EUR 2.4 million in 2016.

FINANCIAL POSITION

Assets

As at 31 December 2017, GiG had total assets of EUR 205.7 million, up from EUR 126.3 million as at 31 December 2016. Goodwill and intangible assets amounted to EUR 161.4 million, whereof intangible assets related to affiliate acquisitions were EUR 53.6 million.

Goodwill was EUR 69.4 million, a EUR 5.4 million increase from EUR 64.0 million as of 31 December 2016. Goodwill arises from the acquisitions of OddsModel (EUR 6.4 million), Betit Holdings (EUR 42.0 million), Rebel Penguin (EUR 5.6 million) and the reversed Nio/GiG merger in 2015 (EUR 15.7 million).

Other non-current assets includes EUR 4.7 million in capitalized development expenses (EUR 0.8 million in 2016).

Current assets as of year-end 2017 included EUR 24.8 million in other receivables, all related to on-going operations, and EUR 12.1 million in cash and cash equivalents, whereof EUR 4.2 million were player funds.

Net interest bearing debt as at 31 December 2017 was EUR 67.5 million, compared with EUR 6.1 million as at 31 December 2016.

Equity

Total equity was EUR 108.8 million as at 31 December 2017, or an equity ratio of 53%, compared to EUR 105.2 million as at 31 December 2016 (83% equity ratio).

Liabilities

Long term liabilities of EUR 68.3 million as at 31 December 2017 includes the Company's bond with EUR 66.5 million. Other long term loans consist of EUR 1.0 million drawn on an unsecured credit facility.

EUR 28.6 million in current liabilities are all related to on-going operations.

Cash Flow

The consolidated net cash flow from operational activities amounted to EUR 13.0 million in 2017, compared to EUR 2.2 million in 2016. Net cash used in investment activities was EUR -67.6 million in 2017 (EUR -5.10 million in 2016), whereof EUR 55.9 million are payment for affiliate assets. Cash flow from financing activities for 2017 amounted to EUR 60.6 million (EUR 7.1 million in 2016), mainly related to the issue of the Company's Bond in March (EUR 41.0 million) and the tap issue in September (EUR 26.1 million).

Cash and cash equivalents increased by EUR 6.0 million in 2017 (increased by EUR 3.9 million in 2016). As at 31 December 2017, holdings of cash and cash equivalents amounted to EUR 12.1 million, compared with EUR 6.0 million as at 31 December 2016. Cash holdings include EUR 4.2 million in fiduciary capacity, which is customer monies, which use is restricted, in accordance with the Remote Gaming Regulations.

Summary

The Board of Directors propose that the Parent Company's net profit shall be transferred to other equity.

The Board of Directors confirms that the financial statements have been prepared based on the assumptions of a going concern. In our opinion, the consolidated financial statements present, in all material respects, the financial position of Gaming Innovation Group Inc. and subsidiaries, as of 31 December 2017.

For more information, see the attached 2017 Consolidated Financial Statements with accompanying notes.

CORPORATE GOVERNANCE

The Board of Directors has, to the best of its knowledge, ensured that the Company has implemented sound corporate governance, and the Company's Board of Directors and management comply with the Norwegian Code of Practice for Corporate Governance. Adherence to the Code of Practice is based on the "comply-or-explain" principle, and a detailed description of the Company's adherence to the Code of Practice is included on page 34 of this Annual Report.

SHAREHOLDER MATTERS

Gaming Innovation Group Inc. is listed on the Oslo Stock Exchange, Norway, with the ticker symbol "GiG". As of 1 January 2017, whereof 818,556,266 were issued and outstanding, each with a par value of US$ 0.10. At the same date, the Company owned 7,965,000 treasury shares. The number of authorized shares in the Company are 950,000,000.

In the Share Purchase Agreement from February 2015 between the Company and the previous shareholders of Gaming Innovation Group Ltd., the sellers were entitled to a variable consideration of up to 125 million earn-out shares, provided that the Company reached a combined revenue of EUR 63 million or more in 2015 and 2016. The revenue target was based on the accounting principles then used, and the combined revenue obtained in 2015 and 2016 was EUR 93.9 million based on these principles, whereof EUR 78.4 million organic (without acquired businesses). For the year 2015, 47.9 million earn-out shares were issued in May 2016, and the remaining 77.1 million earn-out shares were issued in June 2017.

In February 2017, the Board approved an option plan for employees for up to 20,000,000 shares. Options granted under the plan will have a six-year term with 20% vesting after one year, 30% after two years and 50% after three years. The Board also granted extensions to existing outstanding options to employees, so that they expire three years after last vesting date. The reason for this is to have terms coinciding for all employee options, and to provide key employees further incentives to stay with the Company. 10,225,000 options were granted under the plan at an exercise price of NOK 4.00 per share. In July 2017, the Board granted an additional 2,350,000 new options at an exercise price of NOK 6.00 per share.

During 2017, employees holding options exercised their rights to buy a total of 700,000 shares at share prices ranging from NOK 1.30 to NOK 1.50 per share. GiG transferred part of its treasury shares to the optionees. 4,050,000 options were cancelled in 2017, resulting in 18,960,000 options outstanding as at 31 December 2017.

In September 2017, GiG acquired the marketing company Rebel Penguin ApS, whereof 7,165,000 shares were used as part payment. GiG used its remaining balance of treasury shares for the share payment to the owners of Rebel Penguin, and the number of outstanding shares in GiG was not changed. These shares have a 12-month lock-up.

The number of outstanding shares was 895,656,266 as at 31 December 2017, divided into approximately 3,550 shareholders registered in the VPS registry. The Company did not own any treasury shares as of year-end.

For more details on shares and options, see note 21 to the Consolidated Financial Statements.

BOARD OF DIRECTORS AND MANAGEMENT

As of 1 January 2017, the Company's Board of Directors comprised five members, with Helge Nielsen as Chairman, and Jon Skabo, Morten Soltveit, Kjetil Myrlid Aasen and Andre Lavold as directors. The annual meeting of the shareholders in Gaming Innovation Group Inc. was held on 23 May 2017 in Oslo, Norway. Nielsen, Skabo, Soltveit and Lavold were re-elected as board directors, and Henrik Persson Ekdahl was elected as new director to replace Aasen.

Robin Eirik Reed has been the Company's CEO during 2017.

The Board of Directors comprises:

Helge Nielsen, Chairman
Helge Nielsen graduated from the Norwegian School of Economics (NHH) in 1975. He has broad and diverse senior management experience both nationally and internationally, including listed companies. He has been in charge of large international market organizations and responsible for major restructuring processes. Currently Mr. Nielsen runs his own consultancy company, which provides management for hire. He also holds various directorships.

Jon Skabo, Director
Jon Skabo is currently partner in Skabo Offshore Ltd. From 2001 to 2006, Mr. Skabo was partner at S&T Energy N.V., from 1993 to 2001, partner at Jan Sundt AS, and from 1989 to 1993 shipbroker at Jan Sundt AS. Mr. Skabo's work experience includes involvement in the stock exchange listings of Safe Offshore ASA, Sævik Supply ASA, Havila Supply ASA and Deep Sea Supply ASA, as well as work with new building of 15 FPSOs and Drilling Rigs, and sales of multiple second hand units.

Morten Soltveit, Director
Morten Soltveit graduated from the University of Aarhus, as a Master of Law and a B.Sc. in Business Administration. He is a major co-founder of several investment companies, primarily in real estate and financial technology. Furthermore, Mr. Soltveit has deep insight in the online payment industry and eco-systems.

Andre Lavold, Director
Andre Lavold has extensive experience from the iGaming industry. Current assignments include Partner and Co-Founder of Optimizer Invest, Board Member of Catena Media (publ), Board member of Sequra, and Board Member of Tinitell AB. He has previously held positions as Co-Founder of Betsafe Group, Co-Founder of NordicBet Group, and Business Development Director at Betsson Group.

Henrik Persson Ekdahl, Director
Henrik Persson Ekdahl is Partner & Co-founder at Optimizer Invest. As a repeat entrepreneur and angel investor, Persson has launched, grown and sold leading Scandinavian gaming operations such as BestGames Holdings Plc, Betsafe Ltd and Betit Group. He has two decades of experience within the online gaming industry in various roles including CEO BestPoker, CEO Betsafe & CEO Betsson Group Ltd. He holds an MBA from Gothenburg School of Economics. Among current assignments, Persson is board member of Catena Media P.L.C.

Nielsen, Skabo and Soltveit are independent of the Company's large shareholders, while Lavold and Persson Ekdahl own 40.8% and 39.4% respectively in Optimizer Invest Ltd., which owns 11.5% of GiG. Nielsen owns indirectly approx. 8.3% in Bryggen Holding AS, which owns 13.2% in GiG, but does not have a controlling interest in Bryggen Holding AS. All board members are independent of the Company's senior management. In the opinion of the Board, the composition of the Board of Directors responds to the Company's needs for varied competency, continuity and changes in ownership structure.

None of the directors hold any options or are entitled to any severance payment upon termination or expiration of their service on the Board. For details about compensation to board members and senior management, see note 30 to the Consolidated Financial Statements.

BOARD OF DIRECTORS' AND MANAGEMENT'S SHAREHOLDINGS

The following table shows the number of shares, options and warrants held by the members of the Board of Directors and top management of GiG and close associates, or companies controlled by the Board of Directors or the management, as at 31 December 2017 and 2016, respectively.

NAME	POSITION	SHARES DEC 31 2017	OPTIONS DEC 31 2017
Helge Nielsen	Chairman	247,362 [1]	0
Jon Skabo	Director	11,363,954	0
Morten Soltveit	Director	212,000	0
Andre Lavold	Director	1,500,000 [2]	0
Henrik Persson Ekdahl	Director	0 [2]	0
Robin Reed	Group CEO	64,464,272	0
Tore Formo	Group CFO	4,581,670	0
Mikael Ångman	Chief Operating Officer	0	1,500,000
Edgars Peics	Chief Technology Officer	0	0
Ben Clemes	Chief Commercial Officer	18,821,468	0
Richard Brown	Chief Digital Officer	0	1,500,000
Justin Psaila	Chief Financial Officer	21,000	720,000
Morten Hillestad	Head of Business Development	295,932 [1]	0

1. *In addition, Bryggen Holding AS, a company controlled indirectly 8.3% by Helge Nielsen and 32.8% by Morten Hillestad, owns 118,178,394 shares.*
2. *Andre Lavold owns 40.8% and Henrik Persson Ekdahl owns 39.4% and represents Optimizer Invest Ltd., which holds 103,373,297 shares.*

NAME	POSITION	SHARES 31 DEC 2016	OPTIONS 31 DEC 2016	EARN-OUT SHARES [1]
Helge Nielsen	Chairman	847,362 [2]	0	0
Jon Skabo	Director	11,363,954	0	0
Morten Soltveit	Director	212,000	0	0
Kjetil Myrlid Aasen	Director	0 [2]	0	0
Andre Lavold	Director	1,500,000 [3]	0	0
Robin Reed	Group CEO	58,134,881	0	13,949,391
Tore Formo	Group CFO	4,081,670	500,000	0
Mikael Ångman	Chief Operating Officer	0	1,500,000	0
Morten Hillestad	Chief Strategy Officer	295,932 [2]	0	0
Matti Metsola	Chief Legal and Compliance Officer	835,826	0	190,714

1. *Close associates of Reed, Metsola and Broughton received earn-out shares in June 2017 in connection with the acquisition of Gaming Innovation Group Ltd. in 2015 (see note 21)*
2. *In addition, Bryggen Holding AS (a company controlled directly or indirectly 8.3% by Helge Nielsen, 26.7% by Kjetil Myrlid Aasen, and 32.8% by Morten Hillestad) owned 104,446,123 shares as of 31 December 2016, and received 13,732,271 earn-out shares in June 2017 in connection with the acquisition of Gaming Innovation Group Ltd. in 2016 (see note 21)*
3. *Andre Lavold represented and owned 42.5% in Optimizer Invest Ltd., which held 131,234,565 shares as of 31 December 2016.*

PEOPLE AND ENVIRONMENTS

The Group is headquartered in Malta and has offices in Marbella, Copenhagen, Kristiansand, Oslo as well as some satellite offices. At year-end 2017 total employees were 635 including full time consultants, a 243 increase from 392 at the start of 2017. Of these, 40 joined through the acquisition of Rebel Penguin in September. The average number of employees were 512 in 2017, compared to 387 in 2016. 31% is female, which is high compared to the sector. The personnel are located with around 370 in Malta, 100 in Marbella and 25 in Norway.

In November 2017, GiG moved into its new headquarter - @GiG Beach. The 3,400 SQM large facility offers the employees a wide range of facilities and features and is designed to promote efficiency and creativity. As GiG is growing rapidly, a second location in Malta has been signed - @GiG Sky. The new premises will be ready in Q1 2019 and will feature an additional 3,500 SQM of highly innovative office space. At this stage, all employees in Malta will be gathered in close proximity and in the best of work environments.

In 2017, GiG conducted a major reorganisation of the company, under the slogan “One GiG”. Previously, GiG was structured as a conglomerate with individual business units and management overseeing separate business lines. In Q4-2017 all the 650 employees in the group were united into one highly efficient organisation, spearheaded by Robin Reed and an operational C-level management overseeing the following departments: Technology, Operations, Marketing, Digital, Commercial and Finances. These are collaborating across products, processes and projects and are having P&L and budget responsibilities. The C-level management is advised by a CEO-Office including dedicated employees and teams for Corporate Governance & Finance, Legal and Regulatory Compliance, Investor Relations, Communications, M&A and Creative, ensuring the controlled and harmonised growth of GiG.

GiG is fully committed to being an equal opportunity employer. The commitment to diversity and equality in the workplace is defined in company policies where every employee is entitled to a working environment which promotes dignity and respect to all. No form of intimidation, bullying or harassment is tolerated. GiG commits to promoting diversity and equality amongst our teams, and to not discriminate on the grounds of gender, gender reassignment, marital status, race, ethnic origin, disability, age, nationality, national origin or sexual orientation or religion. The Company opposes all forms of unlawful and unfair discrimination and values a diverse workforce.

All employees, whether part time, full time or temporary, will be treated fairly, equally and with respect. Selection for employment, promotion, training or any other practice or benefit will be solely on the basis of skills and ability. This commitment also covers relations with customers, contractors or third party providers.

The Company has had stock option programs for its employees, and options were granted to key employees in 2017. Warrants and options are detailed in note 21 to the Financial Statements.

In future recruitment of new employees, the Company will continue to encourage diversity, including but not limited to, gender, cultural background and experience. Absence due to sickness is low, and, in the opinion of the Board of Directors, the Company’s working environment is good.

The Company does not pollute the external environment. The Board of Directors takes responsibility for the Company’s impact on the environment, while the Company’s management is tasked with setting and following up on environmental goals, as well as compliance with legislation and regulations.

RISK

The Company faces different risk factors, see description on page 15 in this annual report.

27 April 2018

Helge Nielsen
CHAIRMAN

Jon B. Skabo
DIRECTOR

Andre Lavold
DIRECTOR

Morten Soltveit
DIRECTOR

Henrik Persson Ekdahl
DIRECTOR

Robin Reed
CEO

DIRECTORS' RESPONSIBILITY STATEMENT

Today, the Board of Directors and Chief Executive Officer reviewed and approved the Board of Directors' report and the consolidated financial statements of Gaming Innovation Group Inc. and Subsidiaries, and the Company financial statements for the year ended 31 December 2017. The Company's consolidated financial statements have been prepared in accordance with IFRS.

We declare that, to the best of our knowledge, the consolidated financial statements of Gaming Innovation Group Inc. and Subsidiaries, and the Company financial statements for the year ended 31 December 2017 have been prepared in accordance with prevailing financial reporting standards, and that the consolidated financial statements of Gaming Innovation Group Inc. and Subsidiaries, and the Company financial statements for the year ended 31 December 2017 give a true and fair view of the assets, liabilities, financial position and results of operations as a whole for the group and parent company.

We also declare that, to the best of our knowledge, the Board of Directors' report provides a true and fair review of the development and performance of the business and the position of the group and parent company, together with a description of the most relevant risks and uncertainties the Company is exposed to, and that any description of transactions with related parties are correct.

27 April 2018

Helge Nielsen
CHAIRMAN

Jon B. Skabo
DIRECTOR

Andre Lavold
DIRECTOR

Morten Soltveit
DIRECTOR

Henrik Persson Ekdahl
DIRECTOR

Robin Reed
CEO

CORPORATE GOVERNANCE

Gaming Innovation Group is committed to good corporate governance to ensure trust in the company and maximize shareholder value over time. The objective of the Company's corporate governance framework is to regulate the interaction between the company's shareholders, the Board of Directors and the executive management.

1. IMPLEMENTATION AND REPORTING ON CORPORATE GOVERNANCE

Gaming Innovation Group Inc. ("GiG" or the "Company") is a US corporation incorporated in the State of Delaware, with its registered office in St. James City, Florida, USA and operations in Malta. As a Delaware company, GiG is subject to Delaware company legislation and regulations. In addition, certain aspects of Norwegian Securities law apply to the Company due to its listing on the Oslo Stock Exchange, including the requirement to publish an annual statement of the Company's policy of corporate governance.

The Company's Board of Directors and management adheres to the Norwegian Code of Practice for Corporate Governance, last revised 30 October 2014 ("Code of Practice"). The Company aims for compliance in all essential areas of the recommendation, however as a Delaware company there will be points where the Code of Practice is not fully met. The Code of Practice is available at www.nues.no/eng.

Application of the Code of Practice is based on a "comply-orexplain" principle, and any deviation from the Code of Practice is explained under each item. The corporate governance framework of the Company is subject to annual review by the Board of Directors and the annual report is presented in the Company's annual report.

This corporate governance report is structured to cover all 15 sections of the Code of Practice, and describes the Company's corporate governance in relation to each section of the Code of Practice. Per 31 December 2017, the Company complies with the Code of Practice in all material respects, but deviated on the following points:

- Board authorization to issue new shares (section 3)
- Establishment of nomination committee (section 7)
- Term of office for board members and election of Chairman (section 8)
- Formulation of instructions to the Board and CEO, and establishment of audit committee (section 9)
- Formulation of guidelines for use of the auditor for services other than auditing (section 15)

Values and ethical policies

Given the nature of GiG's business, the Company is constantly working to improve its ethical and fair business practice. The Company is committed to be in compliance with all laws and regulations affecting our business. The Company has defined ethical and CSR guidelines in accordance with the Company's basic corporate values as recommended by the Code of Practice.

2. BUSINESS

The Code of Practice is in material respects complied with through the Company's articles of association and annual report. As a Delaware corporation, the Company's business is not defined in the articles of association. A description of the business is available on the Company's web site. These goals, along with the strategic areas for attaining them, are described in more detail elsewhere in the annual report and on the Company's web site.

3. EQUITY AND DIVIDENDS

The Code of Practice is in material respects complied with.

GiG's equity at 31 December 2017 was EUR 108.8 million(52.9%). Apart from financing of normal operating expenses, GiG's business model requires low tied up capital in fixed assets, and the Board of Directors considers the current equity capital sufficient. The Board of Directors constantly assesses the Company's need for financial strength in light of the Company's objectives, strategy and risk profile.

The Company has adopted a dividend policy under which, all else being equal, the Company will aim to pay a dividend according to continued self-imposed restrictions concerning financial solidity and liquidity, all of which should be complied with. To date, the Company has not paid any dividends to shareholders and no dividends are proposed by the Board of Directors for the year 2017.

According to common practice for Delaware companies, the Company has an authorized number of shares available which is higher than the current number of issued shares. The authorized number of shares has been approved by the shareholders in a Special Meeting of the Shareholders. In compliance with the Company's by-laws and Delaware corporate law, the Board of Directors may issue shares up to this limit without any further shareholder approval. As of today, the number of authorized shares is 950,000,000 whereof 895,656,266 are issued and outstanding, leaving 54,343,734 shares available for issue, equal to 6,07% of the issued and outstanding shares.

4. EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH CLOSE ASSOCIATES

The Company is compliant with the Code of Practice. The Company has only one class of shares, which is listed on the Oslo Stock Exchange.

Under Delaware law, no pre-emption rights of existing shareholders exists, but the Company aims to offer pre-emption rights to existing shareholders in the event of increases in the Company's share capital through private share issues for cash. If the Board of Directors carries out an increase in share capital by cash and waive to offer a pre-emption right to existing shareholders, this will be a minor increase, or if not, a justification will be publicly disclosed in a stock exchange announcement issued in connection with such increase in the share capital.

In case of any material transaction between the Company and shareholders, directors or senior management or any related close associates, the Board of Directors will obtain satisfactory valuation in order to secure that a transaction is entered into on arms-length conditions.

Members of the Board of Directors and Senior Management shall notify the Board in case of material direct or indirect interests in transactions entered into by the Company.

5. FREELY NEGOTIABLE SHARES

The Company is compliant with the Code of Practice. The Company has no limitations on the ownership or sale of the Company's shares, except for certain lock-up agreements related to shares issued as payment for acquisitions made by the Company. All shares of GiG are freely negotiable and no form of restriction on negotiability is included in the Company's articles of association.

6. GENERAL MEETINGS

The Code of Practice is in material respects complied with. Notices for shareholder meetings with resolutions and any supporting documents are announced on the Oslo Børs and the Company's web, and sent by mail to all known shareholders according to the Company's by-laws and articles of association. The Company's by-laws require a minimum of 10 days' notice to the shareholders, but the Company aims to give the shareholders a 21 days notice when calling for shareholder meetings.

The Company allows shareholders to vote by proxy and prepares a form of proxy that is sent to shareholders and nominates a person who will be available to vote on behalf of shareholders as their proxy.

The Company's chairman is normally chairing the annual shareholder meeting, and certain members of the Board of Directors are normally attending. It is allowed to vote separately on each candidate nominated for election to the Company's corporate bodies.

The annual shareholder meeting ensures the shareholders' participation in the body that exercises the highest authority in the Company and in which the Company's articles of association are adopted.

7. NOMINATION COMMITTEE

The Code of Practice was not complied with in 2017. As a Delaware corporation, the governing law does not require a nomination committee, and the Company do not have a nomination committee. The Board nominates new board members after consulting with the Company's larger shareholders. However, the Board will propose to elect a nomination committee in the upcoming annual shareholder meeting.

8. CORPORATE ASSEMBLY AND BOARD OF DIRECTORS: COMPOSITION AND INDEPENDENCE

The Company does not have a corporate assembly.

For the board of directors, the Code of Practice is in material respects complied with. The annual shareholders meeting elects representatives to the Board. The resolution on the composition of the Board takes place with a simple majority. The Company seeks to nominate members of the Board representing all shareholders and independent from management.

The current board of directors consists of five members, whereof three are independent of the Company's main shareholders. All of the board members own shares in the Company, either directly or indirectly. Information about the current board members and their expertise, independency and shareholdings can be found in the 2017 annual report.

As a Delaware company, the board members have unlimited periods, but the board members can be proposed, elected and re-elected at the Annual Shareholders Meeting. For the election of a new Board at the next annual shareholder meeting, the Company will aim to propose a composition that will be in line with the provisions in the Code of Practice.

The Chairman of the Board is elected by the by the Board ofDirectors according to the Company's by-laws.

9. THE WORK OF THE BOARD OF DIRECTORS

The Code of Practice is in material respects complied with, apart from that separate instructions for the Board of Directors and the CEO are in process of being implemented. The Board of Directors has the prime responsibility for the management of the Company and holds a supervisory position towards the executive management and the Company's activities. In addition to monitoring and advisory duties, the Board of Directors main tasks consist of participating in compiling the Company's strategy. The Board of Directors appoints the CEO.

Following the annual shareholder meeting, the Board of Directors will appoint a remuneration committee and audit committee and establish an annual plan for their work with internal allocation of responsibilities and duties. The Board of Directors will evaluate its performance on a yearly basis.

10. RISK MANAGEMENT AND INTERNAL CONTROL

The Code of Practice is complied with. The Board of Directors constantly assesses the Company's need for necessary internal control systems for risk management in light of the size and complexity of the Company's business. In connection with the annual report, the most important areas of risk exposure and internal controls are reviewed.

11. REMUNERATION TO THE BOARD OF DIRECTORS

The Code of Practice is complied with. Remuneration to board members is at a sufficiently competitive level in order to ensure the desired composition of the board. The remuneration is a fixed amount and has no performance related elements. No board members have share options and no board members take part in incentive programs available for management and/or other employees. The board members have not received any additional remuneration for attending committees. Remuneration to the board are listed in Note 30 in the 2017 Annual Report.

As a general rule, no members of the Board of Directors (or companies with which they are associated) shall take on specific assignments for the Company in addition to their appointment as director. If such assignments are made, it shall be disclosed to the Board of Directors and the remuneration shall be approved by the Board of Directors.

12. REMUNERATION OF THE EXECUTIVE MANAGEMENT

The Code of Practice is complied with. The remuneration for the Chief Executive Officer is set by the Board. The Board also establishes guidelines for the remuneration of other members of senior management, including both the level of fixed salaries, the principles for and scope of bonus schemes and any option grants. The remuneration to senior management is described in Note 30 and the Company's incentive stock option programs are described in Note 21 in the 2017 Annual Report.

13. INFORMATION AND COMMUNICATIONS

The Code of Practice is complied with. The Company assigns importance to informing its owners and investors about the Company's development and economic and financial status. Prompt financial reporting reduces the possibility of leakage and contributes to the equal treatment of shareholders.

Responsibility for investor relations (IR) and price sensitive information rests with the company's chief executive officer (CEO) and chief financial officer (CFO), including guidelines for the Company's contact with shareholders other than through general meetings.

All information distributed to the Company's shareholders is available through the Company's website. Each year the Company publishes to the market the dates of reporting for planned major events.

14. TAKE-OVERS

The Code of Practice is complied with. The Company has no restrictions in its articles of associations or bylaws regarding company take-overs, and the Board of Directors is pragmatic with respect to a possible takeover of the Company. If a takeover bid is made for the Company, the Board of Directors will ensure that shareholders are given sufficient and timely information and make a statement prior to expiry of the bid, including a recommendation as to whether the shareholders should accept the bid or not. The main responsibility of the Board under such circumstances is to maximize value for the shareholders, while simultaneously looking after the interest of the company's employees and customers.

15. AUDITOR

The Company has an audit committee consisting of two directors, Jon Skabo and Andre Lavold. For the 2017 fiscal year, the audit committee had a meeting with the auditors regarding the annual financial statements and the auditors presented to the committee a review of its work and the Company's internal procedures.

The Company has not developed any specific guidelines for the management's opportunity to use the auditor for other services than audit. Such guidelines are in the process of being implemented. The auditors are used as advisors for general financial purposes and in connection with the preparation of tax returns and general tax advice.

The auditors normally participates in the board meeting that approved the annual financial statements and the auditors are also available for questions and comments at the Board of Directors' discretion.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Gaming Innovation Group, Inc.

Report on the Audit of the Financial Statements

We have audited the consolidated financial statements of Gaming Innovation Group, Inc. and its subsidiaries (the Group), and the financial statements of the Parent, each of which comprise the applicable statements of financial position as of 31 December 2017 and 2016, and the statements of comprehensive loss, statements of changes in equity and statements of cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

The financial statements are prepared in accordance with the applicable laws and regulations.

The accompanying Group consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of 31 December 2017 and 2016, and its consolidated financial performance and consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

The accompanying Parent financial statements give a true and fair view of the financial position of the Parent as of 31 December 2017 and 2016, and its financial performance and cash flows for the years then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report below. We are independent of the Group and the Parent in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the following key audit matters:

Goodwill and Indefinite-Lived Assets

We refer to Accounting Policy Note 2.6: Intangible Assets, Note 5: Critical Accounting Estimates and Judgements and Note 8: Goodwill and Intangibles.

As of 31 December 2017, the Company had goodwill with a carrying value of Euros 69MM and indefinite-lived intangibles with carrying values totaling Euros 7.2MM.
We focused on this area due to the value of the goodwill and intangibles in relation to total assets and the judgement used in arriving at the Company's conclusion of no impairment, together with the potential impact of any decrease in their respective values.

Impairment tests for goodwill and indefinite-lived assets were performed based on the Company's actual results for 2016 and 2017 and cash flow projections reflecting the financial budget approved by the Company's Board for 2018 and future projections for the years 2019 through 2021, as well as an estimate for residual value. The projections were prepared using key assumptions, discount rates for each of the Company's two cash generating units and sensitivity analyses. (See Note 8). The Company determined that the recoverable amount of each CGU was greater than the carrying amount and no impairment was deemed necessary.

We evaluated and challenged management's assessment, calculation and conclusion of no impairment and the process by which this was performed. We compared the Company's approach against IFRSs and obtained explanations from the Company as to how the specific requirements of the standards, and specifically, IAS 36: Impairment of Assets, were met. Based on the procedures performed, we came to the same conclusion as the Company. No impairments were noted.

Acquisition of intangibles assets and a business in 2017:

We refer to Accounting Policy Note 2.6: Intangible Assets, Note 7: Acquisitions and Note 8: Goodwill and Intangibles

During the year 2017, the Group acquired a series of intangible assets and a business.

Intangible assets acquired comprise affiliate contracts and domains totaling Euros 46.5MM. The Group applied a valuation process in allocating the consideration paid to the affiliate contracts and domains acquired. The value of the affiliate contracts is determined based on traffic generated by players existing at the time of acquisition with the balance of the consideration paid allocated to domain value. We reviewed the process followed and reviewed the supporting agreements. The focus of our work included interviews with management, review of the methodology and judgement applied as well as re-performance of the work and review of the disclosures made.

The acquisition of the business for Euros 12.7MM required judgment in assessing the fair value of the assets acquired which could be subjective.

Our procedures did not identify any significant differences outside the reasonable range for the values recognized in the consolidated financial statements for both the business and the intangible assets acquired and noted no issues with the disclosures made in the consolidated financial statements.

Compliance with laws and regulations:

We refer to Note 33: Significant risks and uncertainties. Internet-based betting operations carry uncertainty as to which country's laws apply as internet operations can be linked to various jurisdictions and face compliance requirements which could be complex and may create litigation and license withdrawals. We assessed how management monitors legal and regulatory matters and their impact on the business.

We reviewed legal correspondence, made inquiries of management and legal counsel. We found that the Group had appropriate basis of accounting and/or disclosure of these matters in the consolidated financial statements.

Other Information

Management is responsible for the other information. The other information comprises the CEO Letter to shareholders, This is Gaming Innovation Group, Sustainability, Responsibility and Risk Factors, Board of Directors 2017 Report and Corporate Governance, but does not include the financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free form material misstatement, whether due to fraud or error. In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit of the consolidated financial statements as described above, it is our opinion that the information presented in the Board of Directors' Report and Corporate Governance Sustainability, Responsibility and Risk Factors concerning the financial statements and the going concern assumption is consistent with the consolidated financial statements and complies with the applicable laws and regulations.

Garden City, New York, 27 April 2018

Israeloff Trattner & Co. P.C

Israeloff Trattner & Co. PC

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENTS OF COMPREHSENSIVE INCOME (LOSS)

FOR THE YEARS ENDING 31 DECEMBER 2017 AND 2016

		COMPANY		PARENT	
	Notes	2017	2016	2017	2016
Revenues	2,4,23	120 422 813	53 604 995	-	-
Cost of sales	24	20 521 383	9 284 807	-	-
Gross profit		99 901 430	44 320 188	-	-
Operating expenses					
Personnel expenses	27	23 799 281	12 079 330	-	-
Depreciation & amortization		10 911 986	3 046 246	4 403	-
Marketing expenses		47 092 812	19 093 533	-	-
Other operating expenses	25	16 488 784	7 331 472	274 890	137 810
Total Operating Expenses		**98 292 863**	**41 550 581**	**279 890**	**137 810**
Operating income (loss)		1 608 567	2 769 607	-279 890	-137 810
Other income (expense)					
Other Income (expense)	28	-1 053 564	-1 349 374	1 670 927	961
Unrealized gain on derivative asset	9	-	1 337 674	-	1 337 674
Total other income (expense)		**-1 053 564**	**-11 700**	**1 670 927**	**1 338 635**
Results before income taxes		555 003	2 757 907	1 391 634	1 200 825
Income tax expense	26	-972 504	-363 842	-	-
Net results		-417 501	2 394 065	1 391 634	1 200 825
Other comprehensive income (loss)					
Exchange differences on translation of foreign operation	2	-2 570 902	-199 850	-	-
Fair value movement in available for sale investments	12	1 280 582	-69 459	832 379	-69 459
Total other comprehensive income (loss)		-1 290 320	-269 309	832 379	-69 459
Total comprehensive income (loss)		**-1 707 821**	**2 124 756**	**2 224 013**	**1 131 366**
Total comprehensive income (loss) attributable to:					
Owners of the parent	2,11	-1 725 337	2 237 893		
Non-controlling interests	2,11	17 516	-113 137		
Total comprehensive income (loss)		-1 707 821	2 124 756		
Earnings per share attributable to Gaming Innovation Group Inc.					
Basic earnings (loss) per share		-0,000	0,004		
Diluted earnings (loss) per share		-0,000	0,004		
Weighted average shares outstanding		890 673 068	629 595 518		
effect of dilutitive shares		-	2 513 622		
Diluted weighted average shares outstanding		890 673 068	632 109 140		

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017 AND 2016

		COMPANY		PARENT	
	Notes	2017	2016	2017	2016
ASSETS					
Non-current assets					
Goodwill	2,8	69 443 618	63 954 856	-	-
Intangible assets	2,8	91 996 926	41 204 449	79 099	-
Property, plant and equipment	2,10	4 097 789	959 289	-	-
Investment in subsidiaries	11	-	-	114 687 927	111 203 797
Deferred income tax assets	20	798 796	696 037	-	-
Other non-current assets	17	415 571	192 494	204 284	-
Available-for-sale financial assets	12	1 866 748	586 166	1 866 748	586 166
Total non-current assets		**168 619 448**	**107 593 291**	**116 838 058**	**111 789 963**
Current assets:					
Trade and other receivables	14	24 769 206	12 532 193	73 405 521	2 597 042
Cash and cash equivalents	15	12 079 272	6 035 177	309 423	1 641
Prepaid and other current assets	16	194 456	147 792	23 114	-
Total current assets		**37 042 934**	**18 715 162**	**73 738 058**	**2 598 683**
TOTAL ASSETS		**205 662 382**	**126 308 453**	**190 576 116**	**114 388 646**
Liabilities and Shareholders' Equity					
Shareholders' equity:					
Share capital issued	21	78 483 434	71 639 353	78 483 434	71 639 353
Share premium	21	32 142 921	33 670 454	35 927 646	36 595 156
Accumulated translation income (loss)		-1 630 108	-339 786	-	-
Retained earnings (deficit)		-236 137	198 879	5 168 254	3 776 620
Total equity attibutable to owners of the Company		**108 760 110**	**105 168 900**	**119 579 334**	**112 011 129**
Non-controlling interests		23 471	5 957	-	-
Total equity		**108 783 581**	**105 174 857**	**119 579 334**	**112 011 129**
Liabilities					
Long term liabilities:					
Bond payable	6	66 465 902	-	66 465 902	-
Long term loans	19	1 015 935	2 660 921	-	-
Deferred tax liability	20	828 612	157 021	448 204	-
Total long term liabilities		**68 310 449**	**2 817 942**	66 914 106	-
Current liabilities:					
Trade payables and accrued expenses	18	28 568 352	14 908 660	4 082 676	2 377 517
Short term loans	19	-	3 406 994	-	-
Total current liabilities		**28 568 352**	**18 315 654**	**4 082 676**	**2 377 517**
Total liabilities		**96 878 801**	**21 133 596**	**70 996 782**	**2 377 517**
TOTAL EQUITY AND LIABILITIES		**205 662 382**	**126 308 453**	**190 576 116**	**114 388 646**

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDING 31 DECEMBER 2017 AND 2016

COMPANY

	Treasury shares	Common Stock Shares issued	Common Stock Shares Outstanding	Common Stock Amount	Share Premium/ Adjustment	Non-controlling interest	Translation reserve	Retained Earnings (Deficit)	Total Equity
Balance at January 1, 2016	**9 415 000**	**502 120 952**	**492 705 9502**	**43 410 350**	**-13 055 985**	**-102 156**	**-139 936**	**-2 265 801**	**27 846 472**
Issuance of shares	-1 450 000	23 000 000	24 450 000	2 146 050	2 477 419	-	-	-	4 623 469
Exercise of options	-100 000	500 000	600 000	-	85 985	-	-	-	85 985
Earn out shares issued	-	47 900 000	47 900 000	4 273 528	-4 273 528	-	-	-	-
Issuance of shares for purchase of affilate businesses and subsidiaries	-	245 035 314	245 035 314	21 809 425	51 081 092	221 250	-	-42 522	73 069 245
Share compensation expense	-	-	-	-	-66 777	-	-	-	-66 777
Change in value of available-for-sale financial assets	-	-	-	-	125 702	-	-	-	125 702
Change in value of derivative	-	-	-	-	-2 703 454	-	-	-	-2 703 454
Net results	-	-	-	-	-	-113 137	-	2 507 202	2 394 065
Exchange differences on translation	-	-	-	-	-	-	-199 850	-	-199 850
Balance at 31 December 2016	**7 865 000**	**818 556 266**	**810 691 266**	**71 639 353**	**33 670 454**	**5 957**	**-339 786**	**198 879**	**105 174 857**
Exercise of options	-700 000		700 000		99 106	-	-	-	99 106
Earn out shares issued	-	77 100 000	77 100 000	6 844 081	-6 844 081	-	-	-	-
Issuance of treasury shares for purchase of affilate businesse	-7 165 000	-	7 165 000	-	3 578 526	-	-	-	3 578 526
Share compensation expense	-	-	-	-	1 666 560	-	-	-	1 666 560
Change in value of available-for-sale financial assets	-	-	-	-	-	-	1 280 582	-	1 280 582
Exchange difference arsing from prior year adjustment	-	-	-	-	-27 644	-	-	-	-27 644
Net results	-	-	-	-	-	17 514	-2	-435 016	-417 504
Exchange differences on translation	-	-	-	-	-	-	-2 570 902	-	-2 570 902
Balance at 31 December 2017	**-**	**895 656 266**	**895 656 266**	**78 483 434**	**32 142 921**	**23 471**	**-1 630 108**	**-236 137**	**108 783 581**

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDING 31 DECEMBER 2017 AND 2016

PARENT

	Treasury shares	Common Stock Shares issued	Common Stock Shares Outstanding	Common Stock Amount	Share Premium/ Adjustment	Retained Earnings (Deficit)	Total Equity
Balance at January 1, 2016	**9 415 000**	**502 120 952**	**492 705 952**	**43 410 350**	**-13 055 985**	**2 618 317**	**32 972 682**
Issuance of shares	-1 450 000	23 000 000	24 450 000	2 146 050	2 477 419	-	4 623 469
Exercise of options	-100 000	500 000	600 000	-	85 985	-	85 985
Earn out shares issued	-	47 900 000	47 900 000	4 273 528	-4 273 528	-	-
Issuance of shares for purchase of affilate businesses and subsidiaries	-	245 035 314	245 035 314	21 809 425	51 302 340	-42 522	73 069 243
Share compensation expense	-	-	-	-	-66 777	-	-66 777
Change in value of available-for-sale financial assets	-	-	-	-	125 702	-	125 702
Net results	-	-	-	-	-	1 200 825	1 200 825
Balance at 31 December 2016	**7 865 000**	**818 556 266**	**810 691 266**	**71 639 353**	**36 595 156**	**3 776 620**	**112 011 129**
Issuance of treasury shares for acquisition	-7 165 000	-	7 165 000	-	3 578 526	-	3 578 526
Exercise of options	-700 000	-	700 000	-	99 106	-	99 106
Earn out shares issued	-	77 100 000	77 100 000	6 844 081	-6 844 081	-	-
Share compensation expense	-	-	-	-	1 666 560	-	1 666 560
Change in value of available-for-sale financial assets	-	-	-	-	832 379	-	832 379
Net results	-	-	-	-	-	1 391 634	1 391 634
Balance at 31 December 2017	**-**	**895 656 266**	**895 656 266**	**78 483 434**	**35 927 646**	**5 168 254**	**119 579 334**

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDING 31 DECEMBER 2017 AND 2016

		COMPANY		PARENT	
	Notes	2017	2016	2017	2016
Cash flows from operating activities					
Results before income taxes		**555 003**	2 757 907	1 391 634	1 200 825
Taxes		**-972 504**	-363 842	-	-
Amortization of intangible assets	8	**10 112 712**	2 737 374	-	-
Depreciation	10	**799 274**	308 872	-	-
Derivative asset call option fair value	13	**-**	-205 714		
Share based compensation		**1 666 560**	-66 777	-	-
Provision for impariment of trade receivables	14	**52 918**	22 655	-	-
Change in trade and other receivables		**-12 880 138**	-5 283 272	-4 128 710	272 632
Change in current assets		**-46 664**	152 647	-23 114	-
Change in non-current assets		**-325 836**	260 961	-9 329 048	-
Change in trade and other payables		**14 084 441**	3 238 339	2 598 311	-25 431
Unrealized gain/(loss) on derivative asset	9	**-**	-1 337 674	-	-1 337 674
Net cash (used in)/generated from operating activities		**13 045 766**	**2 221 476**	**-138 765**	**110 352**
Cash flows from investing activities					
Purchases of intangible assets	8	**-54 478 589**	-1 195 965	-79 099	-
Purchases of property, plant and equipment	10	**-3 817 123**	-464 260	-	-
Repayment of loans to related parties		**-200 000**	-	-200 000	-
Purchase of investment in associate	7		-	-	-
Cash acquired from acquisition of subsidiaries		**-**	1 454 477	-55 956 871	-39 759
Purchase of affiliates	7	**-9 119 996**	-4 855 196	-1 132	-
Net cash used in investing activities		**-67 615 708**	**-5 060 944**	**-56 237 102**	**-39 759**
Cash flows from financing activities					
Repayment of loans	19	**-8 122 851**	-3 923 810	-79 099	-
Proceeds from loans	19	**3 070 1871**	6 418 959	-	-
Proceeds from issuance of shares	21	**-**	4 557 084	-	-
Proceeds from bond issue	6	**66 956 337**	-	66 956 337	-
Proceeds from related party borrowings		**-**	1 454 477	-11 105 067	-39 759
Net cash generated from financing activities		**61 904 357**	7 052 233	-55 851 270	-
Translation loss		-2 570 902	-199 850	-	-
Fair value movements		1 280 582	-69 459	832 379	-69 459
Net movement in cash and cash equilalents		6 044 095	3 943 456	307 782	1 134
Cash and cash equivalents at beginning of year	15	6 035 177	2 091 721	1 641	507
Cash and cash equivalents at end of year	**15**	**12 079 272**	**6 035 177**	**309 423**	**1 641**

STATEMENTS OF CASH FLOWS - CONTINUED

FOR THE YEARS ENDING 31 DECEMBER 2017 AND 2016

		COMPANY		PARENT	
	Notes	2017	2016	2017	2016
Non cash financing and investing activities					
Issuance of shares and treasury shares to purchase affiliates		-	87 384 062	-	-
Issuance of treasury shares for the acquisition of Rebel Penguin		3 578 526	-	3 578 526	-
Issuance of shares in payment of earn out shares		6 844 081	4 273 528	6 844 081	-
Issuance of shares and treasury shares as receivable		-	152 371	-	-
Acquisition of Betit Holdings, OddsModel and Rebel Penguin for shares and cash					
Non-cash assets acquired					
Intangibles		6 832 263	21 766 658		-
Property and equipment		120 651	-	-	-
Non-current assets		-	314 908	-	-
Other current assets		735 708	3 778 601		-
Inc. non-cash assets acquired		**7 688 622**	**25 860 167**	**-**	**-**
Goodwill		**5 581 434**	**48 436 070**		**-**
Total non-cash assets acquired		**13 270 056**	**74 296 237**	**-**	**-**
Liabilities assumed					
Trade and other payables		571 534	7 273 069	-	-
Short term loans		-	-	-	-
Total liabilities assumed		**571 534**	**7 273 069**	**-**	**-**
Less cash paid		9 119 996	67 023 168	-	-
Net non-cash acquired		3 578 526	67 023 168	-	-
Consideration price		12 698 522	68 477 645	-	-
Cash acquired		**-**	**1 454 477**	**-**	**-**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED 31 DECEMBER 2017 AND 2016

1. CORPORATE 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 p.l.c. ("p.l.c.") 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.

The consolidated financial statements of the Company as at and for the years ended 31 December 2017 and 2016 are comprised of p.l.c., 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 BASIS OF PREPARATION

Statement of Compliance and Presentation of Financial Statements

The consolidated Company financial statements include the financial statements of the accounting parent, p.l.c., and its subsidiaries. These financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU"). The consolidated financial statements report the full year of operations of 2017 and 2016 of Gaming Innovation Group Inc. and subsidiaries, OM from May 2016, 100% of activities of IGC from September 2016 (previously owned 90%), Betit from September 2016 and Rebel Penguin from Sept 2017.

The consolidated financial statements are presented on the historical cost basis and reflect all acquisitions, adjusted for all post acquisition gains, earnings and losses. Parent only financial statements report the results of p.l.c., the accounting parent. The statements were approved by the Board of Directors and issued on 27 April 2018.

Standards, Interpretations and Amendments to Published Standards Effective in 2016 and 2017

In 2017, the Company adopted new standards, amendments and interpretations to existing standards that are mandatory for the Company's accounting period beginning 1 January 2017 or after. The adoption of these revisions to the requirements of IFRSs 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

A number of new and revised accounting standards and interpretations, which are not mandatory for the preparation of the consolidated financial statements for 2017. Management has begun to assess the impact of IFRS 9 on financial instruments (effective date 1 January 2018), IFRS 15 on revenue recognition (effective date 1 January 2018) and 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 standards on the Company's financial statements but believes that IFRS 16 will impact its financial statements.

Use of Estimates, Judgements and Assumptions

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income, expenses and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Estimates constitute the basis for the assessment of the net book value of assets and liabilities when these values cannot be derived from other sources. Estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the revisions are made and in any future periods affected.

The following are significant areas in the Company's consolidated financial statements where estimates and judgment are applied to account balances: Goodwill, intangibles, property, plant and equipment, related write-offs, depreciation, amortization and income taxes. The amount and timing of recorded expenses for any period would vary by any changes made to such estimates.

2.2 CONSOLIDATION

Subsidiaries

Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable return from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

The Company applies the acquisition method of accounting to account for business combinations that fall within the scope of IFRS 3. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Company. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed (identifiable net assets) in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Company recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of the acquiree's identifiable net assets.

Goodwill is initially measured as the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Company's share of the identifiable net assets acquired. If this is less than the fair value of the identifiable net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly in profit or loss.

Upon consolidation, inter-company transactions, balances and unrealized gains on transactions between companies are eliminated. Unrealized losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Company.

In the Parent's separate financial statements, investments in subsidiaries are accounted for by the cost method of accounting, i.e. at cost less impairment. Cost includes directly attributable costs of the investment. Cost also includes the vested portion of the grant date fair value of share options which the Parent grants as remuneration to employees and other consultants who provide services to the Parent's subsidiaries.

Provisions are recorded where, in the opinion of management, there is an impairment in value. Where there has been an impairment in the value of an investment, it is recognized as an expense in the period in which the diminution is identified. The results of subsidiaries are reflected in the Company's separate financial statements only to the extent of dividends receivable. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

Transactions with non-controlling interests

The Company treats transactions with non-controlling interests, where the acquisition or disposal of partial interests in a subsidiary has no impact on the Company's ability to control the subsidiary's financial and operating policies, as transactions with equity owners of the Company. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Company ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Company had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

Segment Information

The Company determines and presents operating segments based on the information that internally is provided to the Company's management team, which is the Company's chief operating decision-maker in accordance with the requirements of IFRS 8 "Operating Segments".

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses including revenues and expense that relate to transactions with any of the Company's other components, and for which discrete financial information is available. An operating segment's operating results are reviewed regularly by the Company's management to make decisions about resources to be allocated to the segment and to assess its performance in executing the function of the chief operating decision-maker.

Foreign Currency Translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Company's subsidiaries are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The 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, Danish kroner 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 shareholders' equity and reflected as other comprehensive income (loss) on the consolidated statements of comprehensive income (loss).

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

The Company's and Parent's accounting policy is to present all exchange differences within other income (expense), including exchange differences arising on cash and cash equivalents and amounts due from payment providers.

2.3 FINANCIAL INSTRUMENTS

The Company's financial instruments include cash and cash equivalents, trade accounts and credit card receivables, bond payable, trade payables and accrued expenses and related party debt. Such instruments are carried at cost which approximates fair value due to the short maturities of these instruments.

2.4 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are carried in the statements of financial position at face value. For purposes of the statement of cash flows, the cash and cash equivalents are comprised of cash on hand, deposits held at banks and e-wallets

2.5 TRADE AND OTHER RECEIVABLES

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment (Note 2.9.3). The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognized in profit or loss. When a receivable is uncollectible, it is written off against the allowance account for trade and other receivables. Subsequent recoveries of amounts previously written off are credited against profit or loss.

2.6 INTANGIBLE ASSETS

(a) Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of identifiable net assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Cash Generating Units's (CGU) or groups of CGU's, that are expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and fair value less costs of disposal. Any impairment is recognized immediately as an expense and is not subsequently reversed.

(b) Domains and search engine optimization technology

Domains and search engine optimization (SEO) technology purchased as part of acquisition of affiliate business are shown at historical cost. The acquired domains and SEO's have been determined to have an eight year useful life, and are amortized using the straight-line method to allocate the cost of domains over their estimated useful lives.

(c) Affiliate contracts

Acquired affiliate contracts are shown at historical cost and are deemed to have a useful life of three years determined by reference to the expected user churn rate. Amortization is calculated using the straight-line method to allocate the cost of affiliate contracts over their estimated useful lives.

(d) Computer software and technology platforms

Acquired computer software and technology platforms are capitalized on the basis of the costs incurred to acquire and bring to use these intangible assets. These costs are amortized over their estimated useful lives of three years or over the term of the license agreement if different.

Costs associated with maintaining these intangible assets are recognized as an expense when incurred. Development costs that are directly attributable to the design of identifiable and unique software products controlled by the Company are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the intangible asset so that it will be available for use;
- management intends to complete the intangible assets and use or sell it;
- there is an ability to use or sell the intangible asset;
- it can be demonstrated how the intangible asset will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the intangibles asset are available; and
- the expenditure attributable to the intangible asset during its development can be reliably measured.

Directly attributable costs that are capitalized as part of these intangible assets include the labor costs of employees.

Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

2.7 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses. When assets are sold or disposed of, the gross carrying amount and accumulated depreciation are removed from the accounts, and any gain or loss on the sale or disposal is recognized in the statements of comprehensive income (loss).

	Years
Installations and improvements to premises	3 - 5
Computer equipment	3
Furniture and fittings	3 - 5

Depreciation is calculated using the straight-line method over the following periods:

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

2.8 IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flow CGU's. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.9 FINANCIAL ASSETS

2.9.1 Classification

The Company classifies its financial assets as loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Financial assets at fair value through profit or loss

Derivatives are also classified as fair value through profit or loss. Assets in this category are classified as current assets if expected to be settled within twelve months; otherwise, they are classified as non-current.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money or services directly to a debtor with no intention of trading the asset. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified as part of loans and receivables. Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices are classified as available-for-sale assets. They are included in non-current assets unless the asset matures or management intends to dispose of it within twelve months from the end of the reporting period.

2.9.2 Recognition and measurement

The Company recognizes a financial asset in its statement of financial position when it becomes a party to the contractual provisions of the instrument. Financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in profit or loss.

Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables are subsequently carried at amortized cost using the effective interest method. Amortized cost is the initial measurement amount adjusted for the amortization of any differences between the initial and maturity amounts using the effective interest method.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognized in equity are included in profit or loss.

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership or has not retained control of the financial asset.

Translation differences on non-monetary securities denominated in a foreign currency are recognized in other comprehensive income. Other changes in the fair value of non-monetary securities classified as available-for-sale are recognized in other comprehensive income.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analyses, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The Company first assesses whether objective evidence of impairment exists. The criteria that the Company uses to determine that there is objective evidence of an impairment loss include:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becomes probable that the borrower will enter bankruptcy or other financial reorganization; and
- observable data indicating that there is a measurable decrease in the estimated future cash flow from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group.

2.9.3 Impairment

The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment loss. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

(a) Assets carried at amortized cost

For financial assets carried at amortized cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount is reduced and the amount of the loss is recognized in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in profit or loss.

(b) Assets classified as available-for-sale

In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the securities are impaired. If objective evidence of impairment exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is reclassified from equity to profit or loss as a reclassification adjustment. Impairment losses recognized in profit or loss on equity instruments are not reversed through profit or loss.

2.10 SHARE-BASED COMPENSATION

The share-based compensation program allows management and key personnel to acquire shares in the Company. The plan is an equity-settled, share-based compensation plan, under which the Company receives services from employees as consideration for equity instruments ('shares or options") in the Company. The fair value of the employee services received in exchange for the grant of the instrument is recognized as an expense with a corresponding adjustment entry in equity.

The total amount expensed is determined by reference to the fair value of the options granted, excluding the impact of any non-market service and performance vesting conditions. On the date instruments are granted, their fair value is recognized as an employee expense with a corresponding adjustment in equity, over the period that the employees become unconditionally entitled to the instruments (vesting period).

The fair value of the instruments granted is measured using the Black-Scholes model, taking into account the terms and conditions as set forth in the share option program.

Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behavior), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

At each reporting date, management revises its estimate of the number of instruments that are expected to vest based on the non-market vesting conditions. Management recognizes the impact of such revision, if any, in the consolidated statement of comprehensive income (loss), with a corresponding adjustment to equity.

2.11 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 2017, outstanding common stock options and warrants were anti-dilutive and accordingly were excluded from this calculation. For the year ended 31 December 2017, the Company had 18,960,000 options outstanding.

2.12 INTER-COMPANY TRANSACTIONS

Inter-company balances and unrealized income and expenses arising from inter-company transactions are eliminated upon consolidation.

2.13 FOREIGN CURRENCY TRANSACTIONS

Transactions in currencies other than the EUR are recorded in EUR at the exchange rates prevailing at the transaction dates. Exchange gains and losses are included in the Company's results of operations.

2.14 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, are 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.

2.15 NON CONTROLLING INTEREST

GiG has a 99.9% interest in all Maltese companies which represents controlling interest in these companies and therefore has consolidated its financial statements and has presented a non-controlling interest for the portion the Maltese companies that it does not own.

2.16 SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

2.17 TRADE AND OTHER PAYABLES

Trade payables are obligations to pay for services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

2.18 FINANCIAL LIABILITIES

The Company recognizes a financial liability in its statement of financial position when it becomes a party to the contractual provisions of the instrument. The Company's financial liabilities are classified as financial liabilities which are not at fair value through profit or loss (classified as "Other liabilities) under IAS 39. Financial liabilities not at fair value through profit or loss are recognized initially at fair value, being the fair value of consideration received, net of transaction costs that are directly attributable to the acquisition or the issue of the financial liability. These liabilities are subsequently measured at amortized cost. The Company derecognizes a financial liability from its statement of financial position when the obligation specified in the contract or arrangement is discharged, cancelled or expires.

2.19 BORROWINGS

Borrowings are recognized initially at the fair value of proceeds received, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effect interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

2.20 CURRENT AND DEFERRED TAXATION

Tax expense for the year comprises current and deferred tax. Tax expense is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity.

Deferred tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction does not affect accounting or taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxing authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The Company files U.S. federal income tax returns and state income tax returns in Florida, New Jersey and California. Returns filed in these jurisdictions for tax years ended on or after 31 December 2014 are subject to examination by the relevant taxing authorities. In addition, p.l.c. and its subsidiaries, Candid, Grid and GiG Properties file tax returns in Malta and Denmark.

2.21 OPERATING LEASES

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

2.22 DIVIDEND DISTRIBUTION

Dividend distributions to the Company's shareholders are recognized as a liability in the Company's financial statements in the period in which the obligation to pay a dividend is established.

2.23 OFFSETTING FINANCIAL INSTRUMENTS

Financial assets and liabilities are offset and the net amount reported in the statement of financial position where there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

3. SEGMENT INFORMATION

IFRS 8 defines segments as business activities that may earn revenues or incur expenses, whose operating results are regularly monitored by the chief operating decision maker and for which discrete financial information is available. Reported information is based on information that management uses to direct the business. Segment disclosures are based on information management has reported to the chief operating decision maker.

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 iGC platform offering, sports trading and affiliate marketing. Asset and liability information is not presented by segments as such information is not used for monitoring purposes by the Company.

2017	B2C	B2B	ELIMINATIONS	TOTAL
Revenue	85,843,233	44,390,712	-9,811,132	120,422,813
Cost of sales	25,554,408	957,497	-5,990,522	20,521,383
Marketing expenses	48,806,013	2,068,612	-3,781,813	47,092,812
Operating income (loss)	-9,874,547	11,588,606	-105,492	1,608,567

2016	B2C	B2B	ELIMINATIONS	TOTAL
Revenue	42,396,809	15,613,359	-4,405,173	53,604,995
Cost of sales	12,146,212	292,684	-3,154,089	9,284,807
Marketing expenses	19,795,201	549,416	-1,251,084	19,093,533
Operating income (loss)	2,073,640	4,843,247	0	2,769,607

The Company operates in a number of geographical areas as detailed below:

2017	B2C	B2B	TOTAL
Nordic countries	59,380,692	-	59,380,692
Europe excluding Nordic countries	18,910,445	29,388,869	48,299,314
Rest of world	7,552,096	5,190,711	12,742,807
Total	85,843,233	34,579,580	120,422,813

2016	B2C	B2B	TOTAL
Nordic countries	23,114,597	-	23,114,597
Europe excluding Nordic countries	6,268,365	13,192,146	19,460,511
Rest of world	9,794,321	1,235,566	11,029,887
Total	39,177,283	14,427,712	53,604,995

The following table presents the Company's revenues by product line:

	2017	2016
Casino	83,682,598	41,528,979
Sports	1,706,779	707,540
Poker	591,816	160,518
Performance marketing	15,921,757	6,846,812
Platform services	15,703,719	3,555,658
Other	2,816,144	805,488
Total	**120,422,813**	**53,604,995**

The following table presents the number of Company personnel by continent:

	2017	2016
Europe	510	385
North America	2	2
Total	**512**	**387**

Similarly, the Company has assets at 31 December 2017 and 2016 by continent (EUR):

	2017	2016
Europe	183,041,343	103,781,296
North America	22,621,039	22,527,157
Total	**205,662,382**	**126,308,453**

4. FINANCIAL RISK MANAGMENT

4.1 FINANCIAL RISK FACTORS

The Company's activities potentially expose it to a variety of financial risks principally comprising market risk (including foreign exchange risk and price risk), credit risk and liquidity risk. The Company provides principles for overall risk management. The Company did not make use of derivative financial instruments to hedge risk exposures during the current and preceding period.

(a) Market risk

(i) Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the SEK, GBP, NZD, NOK, DKK, CAD and the USD. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities which are denominated in a currency that is not the Company's functional currency.

A sensitivity analysis for foreign exchange risk disclosing how profit or loss and equity would have been effected by changes in foreign exchange rates that were reasonably possible at the end of the reporting period was deemed necessary for liabilities denominated in SEK. At the period end, had the SEK exchange rate strengthened or weakened against the EUR by 1% with other variables held constant, the increase or decrease respectively in net assets of the Company would amount to approximately EUR 659,695.

A sensitivity analysis for all other assets and liabilities was not deemed necessary on the basis that management does not consider the risk to be material.

(ii) Price risk

Management does not consider the Company to be exposed to significant market risk in terms of the online casino since the outcome of wagers is based on a fixed winnings percentage.

The Company is exposed to market risk due to the possibility of an unfavourable outcome on events on which the Company has accepted bets. The Company has adopted risk management policies to mitigate this risk. Management monitors the odds real time to determine the appropriate risk levels for certain events and where possible reacts to large risks by, inter-alia, not accepting bets that exceed the maximum risk limit on an individual bet or by closing the event that was offered as a bet. The risk is spread across a large number of events and sports. The Company's exposure to open bets was not significant as at 31 December 2017 and 2016 and on this basis, management considers the potential impact on profit or loss of a shift in odds that is reasonably possible at the end of the reporting period to be immaterial.

Although the Company is also exposed to the possible effect which movements in equity markets may have on the value of the available-for-sale financial asset, management considers this risk to be immaterial.

(b) Credit risk

Credit risk arises from cash and cash equivalents and trade and other receivables.

The Company assesses the credit quality of its customers taking into account financial position, past experience and other factors. It has processes in place to ensure that sales of products and services are effected to customers with an appropriate credit history. The Company monitors the performance of these financial assets on a regular basis to identify incurred collection losses which are inherent in the Company's receivables taking into account historical experience in collection of accounts receivable.

The Company seeks to manage credit risk by only undertaking transactions with counterparties which include financial institutions or intermediaries and payment providers with quality standing. Control structures are in place to assess credit risk on similar lines.

Other than trade receivables for which provisions for impairment of EUR 112,149 (2016: EUR 59,231) have been recorded, the Company did not hold any material past due impaired financial assets as at 31 December 2017 and 2016. The Company manages credit limits and exposures actively in a practicable manner such that past due amounts receivable from partners are within controlled parameters.

The Company's receivables, which are not impaired financial assets, are principally debts with respect to transactions with partners for whom there is no recent history of default. Management does not expect any losses from non-performance by these partners.

The Company did not hold any past due or impaired assets as at 31 December 2017 and 2016.

(c) Liquidity risk

The Company and the Parent are exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise principally trade and other payables, interest on bonds and loans (refer to Notes 6, 18 and 19). Prudent liquidity risk management includes maintaining sufficient cash to ensure the availability of an adequate amount of funding to meet the Company and Parent's obligations.

Management monitors liquidity risk by reviewing expected cash flows and ensures that no additional financing facilities are expected to be required over the coming year. The Company's liquidity risk is actively managed taking cognisance of the matching of cash inflows and outflows arising from expected maturities of financial instruments, together with the Company's financing that it can access to meet liquidity needs. In this respect management does not consider liquidity risk to the Company as significant taking into account the liquidity management process referred to above.

Management monitors liquidity risk by means of continuous weekly observation of cash inflows and cash outflows. To improve the net cash inflows and to maintain cash balances at a certain level, management ensures that no additional financing facilities are expected to be required over the coming year.

4.2 CAPITAL RISK MANAGEMENT

The Company's capital comprises its equity as included in the statements of financial position. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other shareholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company's capital structure (including the additional paid-in capital) is monitored at a Company level with appropriate reference to subsidiaries' financial conditions and prospects.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.
In assessing the adequacy of the Company's capital, management gives due consideration to the undertaking by the Parent company that it will not request amounts due until funds are available as described above.

4.3 FAIR VALUES OF FINANCIAL INSTRUMENTS

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data, where it is available, and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Specific valuation techniques include option pricing models, and all fair values represent the present value of the estimated cash flows.

	COMPANY		PARENT	
Assets:	**2017**	**2016**	**2017**	**2016**
Financial assets at fair value through profit or loss: (recorded in Other non-current assets)				
Derivative instruments - purchased call options	205,714	205,714	-	-
Available-for-sale financial investments:				
Equity securities – unlisted equities	1,866,748	586,166	1,866,748	586,166
Total assets	**2,072,462**	**791,880**	**1,866,748**	**586,166**

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The Company and Parent's instrument included in level 3 comprise a private equity investment, disclosed in Note 12 and 13 of these financial statements, which also includes a reconciliation from opening to closing value of the instruments. Level 3 valuations are reviewed regularly by management.

There were no transfers between levels of the fair value hierarchy during 2017 and 2016.

As at 31 December 2017 and 2016 the carrying amounts of cash at bank, receivables, payables, and borrowings reflected in the financial statements are reasonable estimates of fair value in view of the nature of these instruments or the relatively short period of time between the origination of the instruments and their expected realization. The bond is held at amortized cost and the fair value is disclosed in note 6.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

The Company and Parent make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year, other than the uncertainty associated with the legal environment that the Company operates in, are addressed below.

Company and Parent

(i) Fair value of available-for-sale financial asset and related derivative instrument

During 2015, the Company, acquired an available-for-sale financial asset for a consideration of EUR 689,085. During 2017, the asset has been revalued based on a recent transaction which took place during the year between a subsidiary in which the Company holds its investment and third parties. Further information is included in Note 12 to the financial statements.

Company

(i) Impairment test of goodwill and other intangible assets with indefinite lives

The Company tests whether goodwill and other intangible assets with indefinite lives have suffered any impairment on an annual basis. The recoverable amount of a CGU is determined based on value-in-use calculations which are based on management assumptions. The calculations are based on cash flow projections reflecting the financial budget approved by the Company's Board for 2018, the projection of free cash flows to be generated in 2019 and 2020 capitalized based on the post-tax discount rate applied in the value-in-use calculation, net of the assumed growth rate. The growth rate is assumed at 2% based on the estimated long term inflation rate.

The assumptions used in the value-in-use calculations may vary and are inherently uncertain particularly for a fast growing Company which is in its early years of development. The directors consider that the impairment assessment for the business-to-business segment is less sensitive due to the level of headroom between the reported intangible assets of this CGU and the respective value-in-use.

A sensitivity analysis showing the impact of possible changes in key assumptions for the business-to-customer CGU is disclosed below.

Business-to-Customer CGU

2017 was a loss-making year for the business-to-customer CGU primarily due to higher marketing in new markets. Management expects that such markets will become profitable in the coming year. Management has identified a number of initiatives for 2018 to maximise the potential of GiG's products, to increase the life-time value of GiG's customers, streamlining marketing investment towards higher profitable channels and maximising the launch of a new brand 'Highroller.com'. On this basis, management considers that this CGU is not impaired.

A sensitivity analysis shows that the Company would need to recognise an impairment if the EBITDA projections used in the value-in-use calculation are 60% lower than management's estimates as at the end of this reporting period.

(ii) Valuation of share options

As explained in Note 21 the Company operates equity-settled share-based compensation plans under which the Company receives services from employees as consideration for equity instruments of GiG. In order to determine the fair value of services provided, the Company estimates the fair value of the ordinary shares as of each grant date using the Black-Scholes valuation model. Refer to Note 21 for a summary of the inputs used and other assumptions made on calculating the fair value of share options granted as part of the share-based payment scheme.

6. BOND PAYABLE

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 a final maturity in March 2020. The bond issue has a fixed interest of 7% per annum payable six months in arrears on 6 March and 6 September each year. Net proceeds from the bond issue was used for acquisition of affiliate markets, paying off existing debt in full, as well as towards general corporation purposes. The bonds are registered in the Norway Central Securities Depository and listed on the Oslo Stock Exchange.

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 31 December 2017 was EUR 66,465,902 with accrued interest of EUR 1,702,270. Total interest expense for the year was EUR 3,149,270.

The quoted market price of the bonds at 31 December 2017 was SEK 661,115,000 (EUR 67,160,548), which in the opinion of the management fairly represents the fair value of these liabilities. The fair value estimate in this respect is deemed to fall under level 1 of the fair value measurement hierarchy as it constitutes a quoted price in an active market.

The bonds are redeemable at par (SEK 1,000,000 per bond) and at the latest are due for redemption on 6 March 2020. The bonds are redeemable in whole or in part at a premium at the issuer's sole discretion on any date falling between 6 March 2017 and 6 March 2020. In the opinion of management, the Company will not avail of such option and will redeem at final maturity date.

The amount of transaction costs capitalized as part of borrowings was EUR 1,750,454. The amount which was amortized during the period as part of the interest expense was EUR 85,706.

7. 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 affiliate contracts amounted to EUR 608,729 and the ongoing amortization will impact the Company's net income for a period of three years. The purchase price of the acquisition was allocated to domains amortized over eight years in the amount of EUR 3,385,557 for one particular website and 50% acquisition of five other websites with an option to acquire the remaining 50% of those five websites which is classified as a derivative asset of EUR 205,714.

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 (EUR 1,456,232) was settled in cash with the remaining consideration settled through the issuance of 8,960,000 new shares and an option valued at EUR 91,559 provided to the previous owner to buy back shares of GiG. The market value of the new shares as at the date of the purchase agreement was EUR 3,619,205. The acquired affiliate contracts amounted to EUR 713,741 being amortized over three years, a consultancy agreement amounted to EUR 213,703 and the balance of the acquisition was allocated to domains in the amount of EUR 4,239,352 being amortized over eight years.

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 Company's net income for a period of five years 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	
Consideration:	
Common stock issued	21,739,000
Consideration price	**8,585,700**
Asset valuation:	
Cash and cash equivalents	50,807
Current assets	4,857
Liabilities	-31,476
Sports technology platform	2,113,750
Asset valuation	**2,471,304**
Goodwill	**6,447,762**

Betit Holdings Ltd and Minority Interest in iGaming Cloud Ltd.

In September 2016, the Company completed the acquisition of 100 percent of the shares of a gaming company Betit Holdings Ltd. ("Betit") along with the reacquisition of 10% minority interest in IGC. 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. This acquisition increases GiG's presence in its current markets. Combined, Betit and GiG operates six brands, and the acquisition creates 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 of Betit and 56,500,000 for the purchase of IGC, valued at EUR 54,376,945 and EUR 20,014,967 respectively. The acquired affiliate contracts amount to EUR 1,488,518 and the ongoing amortization will impact the group's net income for a period of five years. The Ransom platform is valued at EUR 282,300 and will be amortized over five years. Domains valued at EUR 17,623,590 are deemed to have indefinite useful life. The non-compete agreement amounts to EUR 258,500 and is amortized until June 2018. Goodwill of EUR 41,564,711 is attributable to the acquired trademarks and synergies referring to the development of the Ransom platform. The reacquisition in the 10% minority interest in IGC for EUR 20,014,967 was allocated to the acquisition of Betit for EUR 5,515,000 with a balance of EUR 14,499,967 recorded as a decrease in equity attributable to owners of the parent. During the fourth quarter 2017, the Company recorded an adjustment of EUR 423,597 to the goodwill previously recorded on the Betit merger of EUR 41,564,711 up to EUR 41,988,308 as of 31 December 2017 as a result of a new accounting accrual for income taxes subsequent to the acquisition.

PURCHASE PRICE ALLOCATION - BETIT	
Consideration:	
Common stock issued	153,500,000
Consideration price	54,376,945
Total purchase consideration	**59,891,945**
Asset valuation:	
Cash and cash equivalents	1,403,670
Current assets	3,773,744
Non-current assets	314,908
Liabilities	-7,241,593
Non-compete agreement	258,500
Ramson platform	282,300
Domains	17,623,590
Customer database	1,488,518
Asset valuation	**17,903,637**
Goodwill	**41,988,308**

Consolidated Proforma Revenue and Profit for the year 2016

If the acquisition of Betit and Oddsmodel occurred 1 January 2016 the consolidated proforma revenue and profit would have been:

	GiG EXCL. ODDSMODEL & BETIT	ODDSMODEL	BETIT	GiG
Revenue	43,449,072	82,128	30,659,837	74,191,036
Net profit	4,793,871	-857,777	-1,380,917	2,555,177

In February 2017, the Company agreed to purchase affiliate assets for a total consideration of EUR 3,460,855. The acquisition was finalized in April 2017 and was paid with proceeds from the senior secured bond. The consideration paid has been allocated with EUR 2,480,487 to domains/search engine optimization (SEO) and the balance EUR 980,368 to affiliate contracts with amortized lives of eight and three years, respectively.

In March 2017, the Company entered into an agreement to purchase affiliate website Casinotopsonline.com including all related assets for a consideration of EUR 11,500,000 million. The acquisition was finalized in April 2017 and was paid with proceeds from the senior secured bond. The consideration paid has been allocated with EUR 9,107,854 to domains/SEO and the balance EUR 2,392,146 to affiliate contracts with amortized lives of eight and three years, respectively.

In April 2017, the Company entered into an agreement to purchase an affiliate network for a total consideration of EUR 5,700,000. The acquisition was finalized in May 2017 and was paid with proceeds from the senior secured bond. The consideration paid has been allocated with EUR 4,418,596 to domains/SEO, EUR 200,000 to a consultancy agreement that is amortized over 2 years, and the balance EUR 1,081,404 to affiliate contracts with amortized lives of eight and three years respectively.

In July 2017, the Company entered into an agreement to purchase affiliate assets from STK Marketing Ltd. for the amount of NOK 240 million (EUR 26,084,690). The transaction was closed as of 1 August 2017. The acquisition was settled primarily with proceeds from the senior secured bond. The first half of the settlement was paid at closing and the remainder was paid in December 2017. The consideration paid has been allocated with EUR 20,088,990 to domains/SEO and the balance EUR 5,995,700 to affiliate contracts.

In September 2017, the Company entered into an agreement to purchase Rebel Penguin ApS for the amount of EUR 12,698,522. The transaction was closed as of 26 September 2017. The acquisition was settled with proceeds from the senior secured bond (EUR 9,119,996) and the transfer of 7,165,000 treasury shares with a market value of EUR 3,578,526. The acquired domains are valued at EUR 899,175 and the acquired affiliate contracts are valued at EUR 267,736. The acquired proprietary technology is valued at EUR 5,665,352 and is amortized over three years. Goodwill of EUR 5,581,434 represents the excess of acquired assets over the consideration price. The table below summarizes the price paid and the fair value of the acquired assets and assumed liabilities:

PURCHASE PRICE ALLOCATION - REBEL PENGUIN	
Consideration:	
Treasury shares transferred	3,578,526
Cash	9,119,996
Consideration price	**12,698,522**
Asset valuation:	
Property, plant and equipment	120,651
Current assets	735,708
Liabilities	-571,534
Affiliate contracts	267,736
Domains	899,175
Proprietary technology	5,665,352
Asset valuation	**7,117,088**
Goodwill	**5,581,434**

Domains/SEO are amortized over an expected life of eight years and affiliate contracts are amortized over an expected life of three years.

The acquired operations of Rebel Penguin ApS contributed EUR 1.6 million to GiG's revenues and If the acquisition disclosed above had occurred on 1 January 2017, consolidated pro-forma revenue and profit for the year ended 31 December 2017 would have been EUR 124,378,822 and EUR 2,454,851 respectively.

8. GOODWILL AND INTANGIBLES

A reconciliation of goodwill and intangibles for the years ended 31 December 2017 and 2016 is as follows:

COMPANY	GOODWILL	TRADE-MARKS	DOMAINS	PLATFORM	AFFILIATE CONTRACTS	COMPUTER SOFTWARE	NON-COMPETE AGREEMENT	OTHER	TOTAL
Balance 1 January 2016	**15,690,914**	**-**	**9,945,070**	**316,785**	**1,253,445**	**341,899**	**-**	**-**	**27,548,113**
Internally developed platforms	-	-	-	825,108	-	-	-	-	825,108
Additions	-	-	60,288	-	-	295,673	-	-	355,961
Acquisitions through business combinations:									
Delta	-	-	3,385,557	-					3,994,286
Magenti	-	-	4,239,352	-	713,741	-	-	213,703	5,166,796
Betit	41,564,711	-	17,623,590	282,300	1,488,518	-	258,500	-	61,217,619
OddsModel AS	6,447,762	-	-	2,113,750	-	-	-	-	8,561,512
Magenti Consultant	-	-	-	-	-	-	-	213,703	213,703
Exchange Differences	251,469	-	-107,028	82,305	-	-	-	-	226,746
Amortisation Charge	-	-	-1,122,620	-400,621	-929,807	-165,358	-47,000	-71,429	-2,736,836
Balance 31 December 2016	**63,954,856**	**-**	**34,024,209**	**3,219,627**	**3,134,626**	**472,214**	**211,500**	**142,274**	**105,159,305**
Internally developed platforms	-	-	-	3,922,258	-	-	-	-	3,922,258
Additions	-	850,288	36,244,353	2,189,291	10,239,703	832,696	200,000	-	50,556,330
Betit revised	423,658	-	-	-	-	-	-	-	423,658
Acquisitions through business combinations:									
Rebel Penguin ApS	5,581,434	-	899,175	5,665,352	267,736	-	-	-	12,413,697
Exchange Differences	-516,330	-	-188,516	-148,610	-68,537	-	-	-	-921,993
Amortisation Charge	-	-	-3,953,315	-2,426,411	-3,195,259	-290,070	-141,000	-106,657	-10,112,712
Balance 31 December 2017	**69,443,618**	**850,288**	**67,025,906**	**12,421,506**	**10,378,269**	**1,014,840**	**270,500**	**35,617**	**161,440,544**

PARENT	PLATFORM	COMPUTER SOFTWARE	TOTAL
Balance 1 January 2017	**-**	**-**	**-**
Additions	74,982	8,520	83,502
Amortisation Charge	-4,166	-237	-4,403
Balance 31 December 20167	**70,816**	**8,283**	**79,099**

Impairment test for goodwill and intangible assets with indefinite useful lives

The Company's reported goodwill primarily arises as a result of the acquisitions of Betit Holding Limited, OddsModel AS and Rebel Penguin ApS during 2016 and 2017 (Note 7). Additionally, the Company has a number of intangible assets (domains) with indefinite lives, acquired through the acquisition of p.l.c. and Betit and through other separate purchases during 2017 and 2016.

During 2016 and 2017, given the number of acquisitions undertaken and the diversification of the Company's operations into a number of sectors, management identified – for the purposes of the impairment testing of goodwill and intangibles with an indefinites useful life – two CGUs: business-to-customer ("B2C") and business-to-business and marketing/affiliates ("B2B"), These reflect how the Company manages the day-to-day operations of the business and how decisions about the Company's assets and operations are made. Notwithstanding the fact that the Company has identified two CGUs, no impairment assessment was carried for the Marketing CGU since the related intangibles have a defined useful life, and no impairment triggers were identified. Accordingly, goodwill and intangibles with an indefinite life have been allocated for impairment testing purposes to the B2C and B2B CGUs.

Impairment test for goodwill and indefinite-lived intangible assets for the year ended 31 December 2017

The calculations are based on cash flow projections reflecting the financial budget approved by the Company's Board for 2018, the projection of free cash flows to be generated in 2019, 2020 and 2021, as well as an estimate of residual value. The residual value is based on the projected free cash flows to be generated in 2021 capitalized based on the post-tax discount rate applied in the value-in-use calculation, net of the assumed growth rate. The growth rate is assumed at 2% based on the estimated long term inflation rate

For each of the CGUs with significant amount of goodwill and indefinite-lived intangible assets, the carrying amounts, key assumptions and discount rate used in the value-in-use calculations are as follows:

	CASH-GENERATING UNIT	
COMPANY	B2C	B2B
Carrying units:		
Goodwill	49,832,583	19,611,035
Intangible assets with indefinate lives	3,715,785	3,484,073

The key assumptions on which management has based its impairment test are based on the cash flow projections reflecting actual income from operations in 2017, the budget for 2018 as confirmed by the entity's Board and an estimate for years 2019 – 2020 include:

- Revenue percentage annual growth rate;
- Gross margin;
- Total operating expenses percentage annual growth rate; and
- EBITDA margin.

The post-tax discount rate applied to the cash flow projections was 15% for each CGU.

Management's method for determining the values inherent to each significant assumption is based on experience and expectations regarding the performance of the market. For each CGU, it was determined that the recoverable amount is greater than the carrying amount and consequently, no impairment charge was required for 2017.

Impairment test for goodwill and indefinite-lived intangible assets for the year ended 31 December 2016

The calculations are based on cash flow projections reflecting the financial budget approved by the Company's Board for 2017, the projection of free cash flows to be generated in 2018 and 2019, as well as an estimate of residual value. The residual value is based on the projected free cash flows to be generated in 2019 capitalized based on the post-tax discount rate applied in the value-in-use calculation, net of the assumed growth rate. The growth rate is assumed at 2% based on the estimated long term inflation rate

For each of the CGUs with significant amount of goodwill and indefinite-lived intangible assets, the carrying amounts, key assumptions and discount rate used in the value-in-use calculations are as follows:

	CASH-GENERATING UNIT	
COMPANY	B2C	B2B
Carrying units:		
Goodwill	49,408,934	14,545,922

The key assumptions on which management has based its impairment test are based on the cash flow projections reflecting actual income from operations in 2016, the budget for 2017 as confirmed by the Company's Board and an estimate for years 2018 – 2019 include:

- Revenue percentage annual growth rate;
- Gross margin;
- Total operating expenses percentage annual growth rate; and
- EBITDA margin.

The post-tax discount rate applied to the cash flow projections was 15% for each CGU.

Management's method for determining the values inherent to each significant assumption is based on experience and expectations regarding the performance of the market. For each CGU, it was determined that the recoverable amount is greater than the carrying amount and consequently, no impairment charge was required for 2016.

9. DERIVATIVE ASSETS

On 30 August 2016, p.l.c. acquired the 10% interest in IGC in return for the issuance of 56,500,000 shares of GiG. This re-acquisition cancelled both buyer and seller option agreements available. Realized and unrealized gains on derivative asset of EUR 1,337,674 was recorded for the year ending 31 December 2016.

10. PROPERTY, PLANT AND EQUIPMENT

COMPANY	INSTALLATIONS AND IMPROVEMENT TO PREMISES	FURNITURE & FITTINGS	COMPUTER & OFFICE EQUIPMENT	BUILDINGS	TOTAL
At 1 January 2016					
Cost	105,191	254,705	367,001	-	726,897
Accumulated depreciation	-37,812	-44,715	-134,045	-	-216,572
Net book amount	**67,379**	**209,990**	**232,956**	**-**	**510,325**
Year ended 31 December 2016					
Opening net book amount	67,379	209,990	232,956	-	510,325
Acquisition of subsidiaries	132,586	64,150	118,172	-	314,908
Additions	63,720	120,252	258,956	-	442,928
Depreciation charge	-37,579	-65,460	-205,833	-	-308,872
Closing net book amount	**226,106**	**328,932**	**404,251**	**-**	**959,289**
At 31 December 2016					
Cost	301,497	439,107	744,129	-	1,484,733
Accumulated depreciation	-75,391	-110,175	-339,878	-	-525,444
Net book amount	**226,106**	**328,932**	**404,251**	**-**	**959,289**
Year ended 31 December 2017					
Opening net book amount	226,106	328,932	404,251	-	959,289
Acquisition of subsidiaries	95,827	-	24,824	-	120,651
Additions	982,563	524,645	1,597,455	712,460	3,817,123
Depreciation charge	-198,924	-165,594	-434,756	-	-799,274
Closing net book amount	**1,105,572**	**687,983**	**1,591,774**	**712,460**	**4,097,789**
At 31 December 2017					
Cost	1,379,887	963,752	2,366,408	712,460	5,422,507
Accumulated depreciation	-274,315	-275,769	-774,634	-	-1,324,718
Net book amount	**1,105,572**	**687,983**	**1,591,774**	**712,460**	**4,097,789**

11. INVESTMENTS IN SUBSIDIARIES

	PARENT 2017	PARENT 2016
Year ended 31 December		
Opening net book amounts	111,203,797	28,186,185
Additions	3,484,130	83,017,612
Closing net book amount	**114,687,927**	**111,203,797**

	PARENT 2017	PARENT 2016
Year ended 31 December		
Opening net book amounts	114,687,927	111,203,797
Provision for impairment losses	-	-
Closing net book amount	**114,687,927**	**111,203,797**

During 2016 and 2017, the Company made a number of significant acquisitions. These included the acquisition in 2016 of 100% of the ordinary share capital of Betit Holdings Limited ('Betit'), the holding company of a group operating in the remote gaming industry. At the date of acquisition, Betit was the sole shareholder of the following principal subsidiaries: Betit Operations Limited., Pronzo Entertainment B.V., Mavrix Technologies SL, Haus of Lenny Limited. and Mavrix Activities Limited. Collectively, these are referred to as the 'Betit Group' in these financial statements. Linked to the acquisition of Betit, the Company also re-acquired 10% of the shares in iGamingcloud. Also included was the acquisition of 100% of the ordinary share capital of Rebel Penguin ApS in 2017.

Also during 2016, the Company acquired 100% of the shares in OddsModel AS, a sports betting technology company.

In addition to the above acquisitions in 2016, the Company acquired 20% of the shares in Bettingcloud Limited. for a consideration of EUR 239, and subscribed fully to an increase in share capital of this company for an amount of EUR 39,759.

During 2017, the Company acquired a 20% shareholding in D-Tech International Limited for a consideration of EUR 200,000.

See Note 7 for details of the above listed acquisitions.

The subsidiaries at 31 December 2017 and 2016, whose results and financial position affected the figures of the Company are shown below:

SUBSIDIARIES	COUNTRY OF INCORPORATION	CLASS OF SHARES HELD	PERCENTAGE OF OWNERSHIP AND VOTING RIGHTS HELD DIRECTLY BY THE PARENT		PERCENTAGE OF OWNERSHIP AND VOTING RIGHTS HELD BY THE COMPANY		PERCENTAGE OF OWNERSHIP AND VOTING RIGHTS HELD BY NON-CONTROLLING INTERESTS	
			2017	2016	2017	2016	2017	2016
NV Securetrade	Curacao	Ordinary shares	-	-	100	100	-	-
iGamingcloud NV	Curacao	Ordinary shares	-	-	100	100	-	-
Innovation Labs Limited	Malta	Ordinary shares	100	100	100	100	-	-
MT Secure Trade Limited	Malta	Ordinary shares	100	100	100	100	-	-
iGamingcloud Limited	Malta	Ordinary shares	100	100	100	100	-	-
Bettingcloud Limited	Malta	Ordinary shares	100	100	100	100	-	-
Zecure Gaming Limited	Malta	Ordinary shares	100	100	100	100	-	-
Candid Gaming Ltd	Malta	Ordinary shares	-	-	100	100	-	-
Gridmanager Ltd	Malta	Ordinary shares	-	-	100	100	-	-
Spaseeba AS	Norway	Ordinary shares	100	100	100	100	-	-
Online Performance Marketing Limited	British Virgin Islands	Ordinary shares	100	100	100	100	-	-
iGaming Cloud SLU	Spain	Ordinary shares	-	-	100	100	-	-
OddsModel AS	Norway	Ordinary shares	100	100	100	100	-	-
Betit Holdings Limited	Malta	Ordinary shares	100	100	100	100	-	-
Betit Operations Limited	Malta	Ordinary shares	-	-	100	100	-	-
Pronzo Entertainment B.V	Curacao	Ordinary shares	-	-	100	100	-	-
Mavrix Technologies SL	Spain	Ordinary shares	-	-	100	100	-	-
Haus of Lenny Limited	Malta	Ordinary shares	-	-	100	100	-	-
Mavrix Activities Limted	Gilbraltar	Ordinary shares	-	-	100	100	-	-
Mavrix 5 X 5 Limited	Gilbraltar	Ordinary shares	-	-	100	100	-	-
Mavrix Services Limited	Gilbraltar	Ordinary shares	-	-	100	100	-	-
Mavrix Promotions Limited	Gilbraltar	Ordinary shares	-	-	100	100	-	-
Mavrix Holding Limited	Gilbraltar	Ordinary shares	-	-	100	100	-	-
Gaming Innovation Group Inc.	USA	Ordinary shares	100	100	100	100	-	-
Rebel Penguin ApS	Denmark	Ordinary shares	-	-	100	-	-	-
iGamingCloud Inc.	USA	Ordinary shares	-	-	100	-	-	-
GiG Properties Inc.	Malta	Ordinary shares	-	-	100	-	-	-

Under Maltese law, certain corporations are required to be owned by a minimum of two entities/persons, as such in some 1 share is owned by the Chief Operating officer of the Company or fiduciary agent (see Note 2.15 Non-Controlling interest).

12. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	COMPANY AND PARENT	
	2017	**2016**
At 1 January	586,166	655,625
Fair value movements	1,280,582	69,459
At 31 December	**1,866,748**	**586,166**

During 2015, the Company purchased redeemable preference shares in an unlisted equity security for EUR 689,085. These preference shares, which represent an ownership interest of 10%, are redeemable at the option of Company. In view of management's intention not to redeem the shares, the investment represents, in substance, an equity investment and has been classified as an available-for-sale financial asset.

In addition to the preference shares, the Company was also given the option to acquire a further interest in the same company, up to another 15% ownership in ordinary shares. The additional shares could be acquired during an exercise period starting on 28 November 2016 and ending on 27 May 2017, for a consideration which was contingent on the revenue of the available-for-sale entity during the 12 months preceding the service of the exercise notice. The Company did not acquire the additional shares and the option expired during 2017.

During 2017, the asset was revalued to EUR 1,866,748 based on recent transactions which took place during the year 2017 between the above mentioned company and a third party. The increase in fair value was recorded in other comprehensive income.

13. DERIVATIVE FINANCIAL ASSETS

	COMPANY	
	2017	**2016**
Call option to aquire intangible assets (non-current)		
At 1 January	205,714	-
Fair value at initial recognition	-	205,714
At 31 December	**205,714**	**205,714**

Valuation of call option to acquire intangible assets During 2016, the Company acquired the right to buy the remaining 50% of the risks and rewards of development domains' at any time during March 2017 and March 2018. The purchase price payable by the Company upon exercise is calculated using a specified price mechanism, equating to the revenue generated by the development domains during a period of six months prior to the exercise date, on which a 2.5x multiple will be applied.

At initial recognition, the fair value of the acquired option was estimated to amount to EUR 205,714. The fair value of the option represents the difference between the consideration payable as determined by the above-mentioned price mechanism (established in the purchase contact), compared with the price payable if an industry multiple would have been applied to the mechanism determining the consideration payable by the Company. Based on past acquisitions of similar domains, management believes that a multiple of 4x revenue generated by domains is a fair representation of an industry multiple. A discount rate of 15% was used to calculate present value of the derivative, both at initial recognition, and at year end.

Management estimates that as at 31 December 2017, using the same inputs above, the fair value of the derivative remains substantially unchanged and accordingly no fair value movements were recognized in profit and loss for the year.

Adjusting the valuation by increasing/decreasing the industry multiple would result in the fair value of the option increasing/decreasing respectively. Management envisages that a reasonable shift in the unobservable inputs used in the valuation would not have a significant impact on the amounts on consolidated profit or loss and total assets.

The Company has not exercised its option to acquire the remaining 50% of the risks and rewards of 'development domains' in March 2017 and neither in March 2018. However management is still in discussion about potential solutions to this deal with the seller.

14. TRADE AND OTHER RECEIVABLES

	COMPANY		PARENT	
	2017	2016	2017	2016
Trade receivables - gross	8,040,228	1,363,287	-	-
Less provision for impairment	-112,149	-59,231	-	-
Net	**7,928,079**	**1,304,056**	**-**	**-**
Amounts due from payment providers	11,221,057	7,283,177	-	-
Amounts due from related parties	**-**	**-**	**73,405,821**	**2,597,042**
Other receivables	2,655,806	1,596,177	-	-
Accrued income	76,135	118,086	-	-
Prepayments	2,888,129	2,230,697	-	-
Balance sheet	**24,769,206**	**12,532,193**	**73,405,821**	**2,597,042**

The amounts due from related parties are unsecured, interest-free and repayable on demand.

15. CASH AND CASH EQUIVALENTS

Cash and cash equivalents recorded in the Statements of Financial Position and the Statements of Cash Flows comprise the following:

	COMPANY		PARENT	
	2017	2016	2017	2016
Cash and cash equivalents	12,079,272	6,035,177	309,423	1,641
Restricted cash	-6,233,277	-4,615,413	-	-
Cash, net of restricted cash	**5,845,995**	**1,419,764**	**309,423**	**1,641**

Included in the Company's cash in bank are amounts of EUR 7,411,330 (2016: EUR 5,624,673) that are held in a fiduciary capacity and represent customer monies, whose use is restricted in terms of the Remote Gaming Regulations, 2004.

16. PREPAID AND OTHER CURRENT ASSETS

Other current assets include prepayments to vendors and advances to employees incurred in the normal course of business.

17. OTHER NON-CURRENT ASSETS

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

18. TRADE AND OTHER RECIVABLES

	COMPANY		PARENT	
	2017	2016	2017	2016
Trade payables	8,572,746	3,223,619	132,642	-
Players' accounts	3,912,730	2,178,313	-	-
Amounts due to related parties	-	-	3,847,034	2,335,709
Other payables	6,435,540	2,615,822	25,237	27,694
Accruals and deferred income	9,262,349	6,715,991	77,763	14,114
Indirect taxation	384,987	174,915	-	-
	28,568,352	**14,908,660**	**4,082,676**	**2,377,517**

The amounts due to related parties are unsecured, interest-free and repayable on demand.

19. SHORT TERM AND LONG TERM LOANS PAYABLE

In June 2015, the Company entered into loan agreements for NOK 7,000,000 with an interest rate of 10% per annum when matured 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, 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 31 December 2017 and 2016 were EUR 0 and EUR 3,406,994, respectively with accrued interest of EUR 0 and EUR 15,386 respectively. Long term loans outstanding balances at 31 December 2017 and 2016 were EUR 1,015,935 and EUR 2,660,921, respectively with accrued interest of EUR 8,628 and EUR 0, respectively.

20. DEFERRED INCOME TAXATION

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

The following amounts are shown in the statements of financial position after appropriate offsetting:

	COMPANY		PARENT	
	2017	2016	2017	2016
Deferred tax asset to be recovered in more than 12 months	615,600	512,841	-	-
Deferred tax liability to be recovered in more than 12 months	-828,612	-157,021	-448,204	-
	-213,012	**355,820**	**-448,204**	**-**

The movement on the deferred income tax account is as follows:

	COMPANY		PARENT	
	2017	2016	2017	2016
As at 1 January	**355,820**	**812,841**	**-**	**-**
Deferred tax liability to be recovered after more than 12 months	-480,428	157,021	-	-
Deferred tax liability to be recovered after more than 12 months – recognized in other comprehensive income	-	-	-448,204	-
Deferred tax liability arising from acquisition of subsidi-ary	-88,404	-	-	-
As at 31 December	**-213,012**	**355,820**	**-448,204**	**-**

Deferred taxes are calculated based on temporary differences under the liability method using the principal tax rate within the relevant jurisdiction. The year-end balance comprises:

	COMPANY		PARENT	
	2017	**2016**	**2017**	**2016**
Net operating loss carryforwards from US operations after adjustment for one time tax on accumulated earnings of non-us subsidiaries and restatement for new US tax rate	10,080,000	11,370,000	-	-
Future tax credits on subsidiaries undistributed profits	615,600	512,841	-	-
Temporary differences arising due to differences between the tax base and carrying base of intangible assets	1,282	2,567	-	-
Differences between the tax base and carrying amounts of available for sale investments	- -	-	-448,204	-
Temporary differences arising on differences between the tax base and carrying base of intangible assets	-867,125	-162,550	-	-
Capital allowances and tax losses	31,624	-	-	-
Net valuation allowance on US net operating losses (2016 restated)	-10,080,000	-11,370,000	-	-
Temporary differences arising on provision for impairment of receivable	5,607	2,962	-	-
TOTAL	**-213,012**	**355,820**	**-448,204**	**-**

The Company did not recognize deferred income tax assets on its European operations of EUR 9,380,914 (2016: EUR 8,418,367) with respect to tax losses, unabsorbed capital allowances and net of taxable temporary differences arising on intangibles and other assets of EUR 904,968 (2016: EUR 318,758). These give rise to a net deferred tax asset of EUR 423,797 (2016: EUR 404,980).

As at 31 December 2017, the Company had approximately EUR 36,000,000 of net operating loss carry-forwards from its previous operations in the U.S. as well as 2017. The availability to offset income taxes in future years in the United States of America was restricted because the Company underwent an ownership change. For the period ended December 31, 2017, the Company incurred taxable losses for U.S. domestic income tax purposes and, as such, had no related U.S. federal or state income tax expense.

In assessing the realizability of the deferred tax assets related to net operating losses from its US operations, management considered whether it is probable that some portion or all of the deferred tax assets will not be realized. The realization of deferred tax assets depends on the Company's ability to generate taxable income in the future.

The Company has determined that it is uncertain to what extent it will realize the benefit of its deferred tax assets and as such has recorded an allowance against 100% of its deferred balance.

21. EQUITY

Oslo Bors Registration

The Company's shares are traded on the Oslo Stock Exchange ("Oslo Bors") with the "GiG" ticker symbol.

Authorized 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 par value of EUR 0.083 ($0.10).

Share Based Payment Option Plans

The Company has various share based payment plans. The Company's 2006 option plan provides for the total number of options available for grants to be limited to 10% of the outstanding shares at the time of any grant and limits the amount of options that may be granted to non-employee directors to no more than 20%. Options granted under the 2006 Plan may be incentive or non-qualified stock options, as determined by management at the time of the grant. Incentive stock options are generally granted at a price not less than the fair market value of the stock on the date of the grant. Non-qualified stock options may be granted at a price to be determined by management, which may be equal to, greater than, or less than the fair market value at the date of the grant.

Option vesting terms are established by the Board at the time of the grant. The expiration dates of all options granted are determined at the time of the grant and may not exceed ten years from date of the grant. The fair value of stock options granted to employees and directors is determined using the Black-Scholes option-pricing model.

In June 2015, a total of 2,400,000 options were granted to key employees at an exercise price of NOK

1.25 per share. The options are exercisable in three equal tranches between: (a) 27 May to 27 June 2016, (b) 27 May to 27 June 2017 and (c) 27 May to 27 June 2018. Any shares received upon exercise of the options shall be subject to a lock-up until 27 May 2018.

In August 2015, a total of 450,000 options were granted to key employees at an exercise price of NOK 1.50 per share. The options are exercisable in three equal tranches in June 2016, June 2017 and June 2018. Any shares received upon exercise of the options shall be subject to a lock-up until June 30, 2018.

In October 2015, a total of 2,200,000 options were granted to key employees at an exercise price of NOK 1.50 per share. Of the options granted, 700,000 are exercisable in three equal tranches in October 2016, October 2017 and October 2018. The remaining 1,500,000 options are exercisable in April 2018, pending fulfilment of certain operational targets. All options are conditional upon employment at the time of exercise.

In February 2016, 1,500,000 options were granted to a key employee at an exercise price of NOK 2.40 per share. The options are exercisable in three equal tranches in February 2018, February 2019 and February 2020. Any shares received upon exercise of the options shall be subject to a one year lock-up from exercise.

In May 2016, a total of 2,220,000 options were granted to key employees at an exercise price of NOK 4.00 per share. Of the options granted, 720,000 are exercisable in three equal tranches in May 2018, May 2019 and May 2020. The remaining 1,500,000 options are exercisable in three equal tranches in September 2018, September 2019 and September 2020. All options are conditional upon employment at the time of exercise.

Also in May 2016, 1,000,000 options were granted to a key employee at an exercise price of NOK 3.77 per share. The options are exercisable with 50% until 20 May 2017 and 50% from 20 May 2017 to May 2018.

In February 2017, 10,275,000 options were granted to key employees at an exercise price of NOK 4.00 per share. The options are exercisable in three tranches: 20% in January 2018, 30% in January 2019 and 50% in January 2020. Any shares received upon exercise of the options shall be subject to a one year lock-up from exercise.

In July 2017, 2,350,000 options were granted to key employees at an exercise price of NOK 6.00 per share (1,925,000 expired during 2017). The options are exercisable in three tranches: 20% in July 2018, 30% in July 2019 and 50% in July 2020. Any shares received upon exercise of the options shall be subject to a one year lock-up from exercise.

At 31 December 2017 there were 18,960,000 options outstanding. The following tables summarize information about stock options and warrants outstanding at 31 December 2017 and 2016, respectively.

Valuation of share options for the year ended 31 December 2017 and 2016:

EXERCISE PRICES EUR	OUTSTANDING AND EXERCISABLE AT 31 DEC 2017	WEIGHTED AVERAGE CONTRACTUAL LIFE (YEARS)	WEIGHTED AVERAGE EXERCISE PRICE EUR
0.13	100,000	1.16	0.13
0.13	1,600,000	3.49	0.13
0.15	300,000	3.58	0.15
0.15	1,500,000	3.33	0.15
0.15	100,000	3.83	0.15
0.15	300,000	5.10	0.15
0.24	1,500,000	5.16	0.24
0.41	1,500,000	5.75	0.41
0.41	360,000	5.41	0.41
0.38	1,000,000	3.38	0.38
0.41	8,350,000	5.00	0.41
0.61	2,350,000	5.50	0.61
Total	**18,960,000**	**4.75**	**0.36**

EXERCISE PRICES EUR	OUTSTANDING AND EXERCISABLE AT 31 DEC 2016	WEIGHTED AVERAGE CONTRACTUAL LIFE (YEARS)	WEIGHTED AVERAGE EXERCISE PRICE EUR
0.14	100,000	2.17	0.14
0.14	500,000	0.17	0.14
0.14	1,600,000	1.49	0.14
0.16	200,000	1.50	0.16
0.16	300,000	1.33	0.16
0.16	1,500,000	1.84	0.16
0.16	400,000	3.08	0.16
0.26	1,500,000	3.17	0.26
0.44	1,500,000	3.75	0.44
0.44	720,000	3.42	0.44
0.41	1,000,000	1.42	0.41
Total	**9,320,000**	**2.32**	**0.61**

The weighted average fair value of options granted during the period determined using the BlackScholes valuation model was EUR0.15 per option. The significant inputs into the model were weighted average share price of EUR0.36 at the grant date, exercise price shown above, volatility of 67%, dividend yield of 0%, an expected option life of 2.7 years and an annual risk-free interest rate of 0.57%. The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of daily share prices over the last 3 years.

Share Issues

In May 2016, 8,500,000 shares issued in January 2015 to a trust for the benefit of key Candid employees were returned to the Company as treasury shares.

Pursuant to a reverse merger transaction consummated effective 17 June 2015, p.l.c. became a wholly-owned subsidiary of GiG and the sellers were entitled to a variable consideration of up to a maximum of 125 million earn-out-shares, provided that p.l.c reached certain revenue targets. 47,900,000 shares were issued in May 2016 based on the 2015 results and the balance of 77,100,000 shares were issued in June 2017 based on the 2016 results.

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 5,166,896 was settled through the issuance of 8,960,000 new shares, payment of cash and call options.

Also, in May 2016, the Company completed the acquisition of OddsModel AS, a sports betting technology company for a total consideration of EUR 8,919,066 which was settled through issuance of 21,739,000 new shares, payment of cash and call options.

The Company issued 4,720,000 options in 2016 with various expiration dates in 2018 and 2020. As of 31 December 2016 the Company has 9,320,000 options issued and outstanding.

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. and the reacquisition of the 10% minority interest in iGamingCloud for a total consideration of EUR 54,376,945 and EUR 20,014,967, respectively, which were settled through issuance of 210,000,000 new shares.

In September 2017, the Company completed the acquisition of an online marketing company Rebel Penguin ApS for a total consideration of EUR 12,698,522 which was settled with proceeds from the senior secured bond (EUR 9,119,996) and the transfer of 7,165,000 treasury shares with a market value of EUR 3,578,526.

Top 20 Shareholders at 31 December 2017:

SHAREHOLDER	NUMBER OF SHARES	PERCENT
Bryggen Holding AS	118 178 394	13.2 %
Optimizer Invest Ltd.	103 373 297	11.5 %
Swedbank Robur Ny Teknik	80 275 000	9.0 %
Super Innovative Limited (Robin Reed)	64 464 272	7.2 %
Hans Michael Hansen	50 104 461	5.6 %
Frode Fagerli	38 976 516	4.4 %
Carnegie Investment nom.	29 697 235	3.3 %
Avanza Bank AB nom.	21 019 727	2.3 %
Skandinaviska Enskilda Banken nom.	19 832 318	2.2 %
Ben Clemes	18 821 468	2.1 %
CMM Invest AS	18 024 671	2.0 %
Anders Berntsen	17 150 713	1.9 %
Digeelva Invest AS	16 140 292	1.8 %
GiG Share Options Ltd.	14 308 533	1.6 %
Fondita Nordic Micro Cap	13 448 497	1.5 %
Svenska Handelsbanken nom.	12 577 423	1.4 %
Nordnet Bank AB nom.	12 204 580	1.4 %
G.F. Invest AS	11 716 054	1.3 %
Nordea Bank AB	9 508 534	1.1 %
Lasse Rantala	8 382 601	0.9 %
Total shares owned by the 20 largest shareholders	**678 204 586**	**75.7 %**
Other	217 451 680	24.3 %
Total issued shares	**895 656 266**	**100.0 %**

22. COMMITMENTS AND CONTINGENCIES

At 31 December, 2017 the Company is obligated under lease agreements in Florida, USA, Malta, Spain and Norway.

At the end of the reporting period, the Company had outstanding commitments under non-cancellable operating leases, which fall due as follows:

	COMPANY	
	2017	2016
Less than one year	2,256,812	426,341
Between one and five years	8,620,969	5,775,387
	10,877,781	**6,201,728**

Rent expense for the years ended December 31, 2017 and 2016 was EUR 1,651,312 and EUR 787,094, respectively. Operating lease payments represent rentals by the Company for office premises.

23. REVENUES

The Company's revenue comprises the following:

	COMPANY	
	2017	2016
Net fair value gains on casino and sportsbook transactions	85,981,193	42,236,519
Affiliate marketing services	17,925,560	6,846,812
Platform services	15,703,719	3,555,658
Other gaming revenue	812,341	966,006
	120,422,813	**53,604,995**

24. COST OF SALES

Cost of services provided refers to expenditures within the gaming operations for gaming taxes, licensing fees to games providers, costs for payment services via bank and credit cards for deposited bets and payment of winning and costs for fraud. Cost of sales includes:

	COMPANY	
	2017	2016
Platform and service provider fees	16,542,210	8,173,057
Other fees	3,979,173	1,111,750
	20,521,383	**9,284,807**

25. OTHER OPERATING EXPENSES

Other operating expenses include:

	COMPANY		PARENT	
	2017	2016	2017	2016
Consultancy fees	5,011,012	1,294,889	151,375	-
Other operating expenses	11,477,772	6,036,583	123,515	137,810
	16,488,784	**7,331,472**	**274,890**	**137,810**

Fees charged by the Company's auditors for services rendered during the financial period ended 31 December 2017 and 2016 are shown below.

	COMPANY		PARENT	
	2017	2016	2017	2016
Annual statutory audit	261,492	155,114	20,000	20,000
Tax advisory and compliance services	52,028	40,127	1,975	7,530
Other non-audit services	120,183	132,104	14,480	45,500
	411,203	**327,345**	**36,455**	**73,030**

26. TAX EXPENSE

	COMPANY		PARENT	
	2017	2016	2017	2016
Current tax expense/(credit)				
current year	403,672	625,697	-	-
under provision in prior periods	-	83,007	-	-
Deferred tax (credit)/expense (Note 20)				
current year	568,832	-538,009	-	-
under provision in prior periods	-	193,147	-	-
	972,504	**363,842**	**-**	**-**

The tax on the profit/(loss) before tax differs from the theoretical amount that would arise using the basic tax rate applicable as follows:

	COMPANY		PARENT	
	2017	2016	2017	2016
Profit/(loss) before tax	555,003	2,757,907	1,391,634	1,200,825
Tax calculated at domestic tax rates to profits in the respective countries applicable	439,444	-141,869	487,072	-47,897
Tax effect of:				
Income subject to reduced rates of tax	-955,054	-12,549	-1,687,068	-
Disallowed expenses	1,489,318	484,450	1,199,996	47,897
Adjustment for current tax of prior periods	-	83,007	-	-
Adjustment for deferred tax of prior periods	-	193,147	-	-
Other differences	-1,204	-242,344	-	-
Tax expense	**972,504**	**363,842**	**-**	**-**

27. EMPLOYEE BENEFIT EXPENSE

	COMPANY	
	2017	2016
Gross wages and salaries	23,433,525	11,576,335
Employee costs capitalized as part of software development	-3,922,259	-825,109
Net wages and salaries, including other benefits	19,511,266	10,751,226
Taxes and costs	2,341,018	745,156
Share options granted to employees	1,666,560	582,948
Cash – settled options vested during the year	280,437	-
	23,799,281	**12,079,330**

The Company employed, on average:

	COMPANY	
	2017	2016
Managerial	8	8
Administrative	504	379
	512	**387**

28. OTHER INCOME (EXPENSE) NET

	COMPANY		PARENT	
	2017	2016	2017	2016
Finance expense - net	-1,572,875	-1,029,924	1,666,645	-
Unrealized gain on derivative asset	-	1,337,674	-	1,337,674
Other income (expense)	519,311	-319,450	4,282	961
	-1,053,564	**-11,700**	**1,670,927**	**1,338,635**

Included within Other income (expense) are significant amounts of exchange differences arising from transactions carried out in a foreign currency. Such amounts for the years ended 31 December 2017 and 2016 include EUR 890,950 and EUR 942,258, respectively arising from one-off charges on translation differences.

29. LITIGATION

The Company was involved in litigation with a vendor relating to costs of inventory carried during the years the Company's predecessor was in the security camera business. A USD 100,000 allowance for this litigation was recorded in 2014 (EUR 95,034 at 31 December 2016). Parties involved agreed in December 2016 to a settlement of EUR 100,000 which was paid by GiG in the first quarter 2017.

From time to time, the Company is involved in litigation brought by previous employees or shareholders. The Company and its legal counsel believe that these claims are without merit.

The Company is involved in litigation relating to a pretend agreement with a Norwegian entity which allegedly awarded 3,400,000 Company shares or alternately a remuneration of NOK 4,000,000 plus interest to the entity. The Company has rejected the claim based on the parties did not enter into any agreement. The Company has challenged whether Norwegian courts have jurisdiction to rule on this matter and the court is expected to pronounce its clarifying verdict during spring 2018. If Norwegian courts are considered jurisdictionally competent, the proceedings will most likely occur during autumn 2018. The Company's legal counsel believes that the Company will be acquitted, but there is always a possibility for the claim to be approved by the courts. No allowance has been made as of 31 December 2017

30. WAGES PAID TO THE COMPANY'S BOARD OF DIRECTORS AND MANAGEMENT

The table below summarizes payments made to key management personnel in 2016 and 2017.

Establishment of Salaries to Board of Directors and Management

The Company's policy is that the remuneration of the executive management is based on a salary which reflects the tasks and responsibility of their employment and the value added to the Company. This remuneration is established on an individual basis. The fixed salary is based on the following factors:

- Experience and competence of the executive person
- Responsibility
- Competition from the market

In addition, the Company has granted stock options to its executive management and other senior employees in recognition of services rendered (Note 21). Fees below were expenses of the periods covered by these statements. Other includes options expense.

2017	POSITION	BOARD FEES	CONSULTING	SALARY	OTHER	TOTAL
Helge Nielsen	Chairman	43,037	-	-	-	43,037
John Skabo	Director	21,518	-	-	-	21,518
Morten Soltveit	Director	21,455	-	-	-	21,455
Andre Lovold	Director	22,185	-	-		22,185
Kjetil Myrlid Aasen	Director until May	7,173	-			14,436
Henrik Persson Ekdahl	Director from May	14,436	-			14,436
Robin Reed	CEO	-	-	127,636	6,000	133,636
Tore Formo	CFO	-	-	160,882	20,490	181,372
Mikael Ångman	Management	-	-	136,068	98,484	234,552
Ben Clemes	Management	-	-	125,000	1,697	126,697
Justin Psaila	Management	-	-	102,749	48,901	151,650
Richard Brown	Management	-	-	115,068	126,745	241,813
Edgars Peics	Management	-	-	118,750	25,951	144,701
Tomas Backman	Management	-	-	135,000	185,445	320,445
Morten Hillestad	Management	-	-	137,600	2,142	139,742
Mike Broughton	Management	-	-	105,822	2,329	108,151
Matti Metsola	Management	-	-	95,231	2,329	97,560
Beverly Fairclough	Management until June	-	-	61,295	15,600	76,895
TOTAL	-	**129,803**	-	**1,421,102**	**536,112**	**2,087,017**

2016	POSITION	BOARD FEES	CONSULTING	SALARY	OTHER	TOTAL
Helge Nielsen	Chairman	36,890	-	-	-	36,890
John Skabo	Director	18,445	-	-	-	18,445
Morten Soltveit	Director	18,568	-	-	-	18,568
Andre Lavold	Director from Sep	7,260	-	-	-	7,260
Christopher Langeland	Director until May	4,049	-	-	-	4,049
Kjetil Myrlid Aasen	Director from May	14,396	-	-	-	14,396
Robin Reed	CEO	-	-	120,605	6,409	127,014
Tore Formo	CFO	-	-	161,430	18,598	180,028
Mikael Angman	Management	-	-	44,333	7,083	51,416
Morten Hillestad	Management	-	129,163	-	-	129,163
Matti Metsola	Management	-	-	57,415	2,841	60,256
Justin Psaila	Management	-	-	69,390	5,720	75,110
Mike Broughton	Management	-	-	82,961	2,350	85,311
Beverly Fairclough	Management	-	-	10,208	4,039	14,247
Total		**99,608**	**129,163**	**546,342**	**47,041**	**822,153**

31. RELATED PARTY TRANSACTIONS

Year-end balances arising from amounts due and loans from related parties, and other transactions are as follows:

	PARENT	
	2017	2016
Other receivables from related parties (note 14):		
- subsidiaries	73,405,821	2,597,041

The following primary insiders participated in the short term loans entered into in 2016 and 2015, directly or through close associates; Helge Nielsen (NOK 3.5 million), Jon Skabo (NOK 1.5 million) and Christopher Langeland (NOK 2.0 million in 2015 repaid in January 2016 and the balance repaid in April 2017).

The following primary insiders participated in long term loans entered into in 2017 and 2016 totalling NOK 10,000,000 (EUR 1,015,935) and NOK 19,200,000 (EUR 2,015,104), respectively, directly or through close associates; Helge Nielsen, Kjetil Aasen and Morten Soltveit.

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.

32. EVENTS AFTER REPORTING PERIOD

In January 2018, the Company acquired an additional 16 per cent in D-Tech International Limited for EUR 160,000 thus raising the Company's total shareholding to 36 per cent.
In January 2018, the Board granted 1,800,000 new options to key employees, with an exercise price of NOK 6.50 per share, and the options are exercisable with 20% after 1 February 2019, 30% after 1 February 2020, and 50% after 1 February 2021. All options expire on 31 January 2024 and are conditional upon employment at time of exercise.

In April 2018, the Board granted a total of 2,100,000 options to key employees with an exercise price of NOK 7.50 per share, and the options are exercisable with 20% after 1 April 2019, 30% after 1 April 2020 and 50% after 1 April 2021. All options expires on 31 March 2024 and are conditional upon employment at time of exercise. The options are granted under the option plan approved by the board in February 2017. In addition, 1,240,000 options have been cancelled in 2018 resulting in 19,910,000 options outstanding as of the date of this report.

In March 2018, the Company agreed to acquire the German sports betting company Nordbet, which holds a sports betting license in the German state, Schleswig-Holstein. The license in Schleswig-Holstein will allow the Company's own operators to offer sports betting in Germany. In addition, it is expected the license will allow the Company to integrate with the larger payment providers, making the Company's sports and casino offering more available to German end-users. The license will be valid until February 2019, with potential for extensions.

There have been no other material subsequent events after 31 December 2017.

33. SIGNIFICANT RISKS AND UNCERTAINTIES

For internet-based betting operations, there is uncertainty as to which country's law ought to be applied, as the internet operations can be linked to several jurisdictions. Legislation concerning online gaming is under investigation in many jurisdictions.

The majority of the Company's revenue is derived from markets within the European Union, meaning that their domestic regulations are subject to EU law principles, such as free movement of services. Member States are permitted to require a local licence as a condition for offering online gaming services to consumers residing in respective states only insofar as the licences are granted in objective, transparent, non-discriminatory and proportionate criteria. Where such local licensing regime is in place, it is the Company's policy not to offer gaming services to consumers residing in such state, unless it is in possession of a valid licence.

Regulation of online gaming in European markets is generally positive development, as that reduces uncertainty and enables long term business planning and usually also increases the marketing channels available for the Company in such countries.

A decreasing portion (10-20 per cent) of the Company's online gaming revenue is derived from a particular jurisdiction outside the European Union/European Economic Area (hereinafter referred to as "EU/EEA"). No marketing activities are conducted outside the EU/EEA, and no assets are held or operations take place in jurisdictions outside EU/EEA where the Company has any material revenue. Company management continues to monitor the developments for this market.

Outside the European Union the regulatory frameworks are more fragmented. Regulatory developments in the online gaming sector and their implications for the Company are uncertain and government authorities could make assessments and decisions that differ from the Company's understanding or interpretation.

These uncertainties represent a risk for the Company's ability to develop and grow the business, as changes in legislation or enforcement practices could force the Company to exit markets, or even result in financial sanctions or unexpected tax exposures, which have not duly been provided for in the financial statements.

34. STATUTORY INFORMATION

The Company, Gaming Innovation Group Inc. is a Corporation registered in the state of Delaware, United States of America.

OUR OFFICES

MALTA
@GiG Beach, The Golden Mile,
Triq Id-Dragunara, St Julian's,
STJ 3148, Malta

MARBELLA
Avenida Ricardo Soriano 21,
2º Planta,
Puerta 1

OSLO
Fridjtof Nansens Plass 6,
0160 Oslo

KRISTIANSAND
Tangen 76,
4608 Kristiansand

GIBRALTAR
Mavrix Services Limited,
11A Cornwall's Lane,
Gibraltar
GX1 1AA

COPENHAGEN
Nannasgade 28,
2200 Copenhagen N,
Denmark

UNITED STATES
8359 Stringfellow Rd,
St. James City, FL 33956, USA

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