



Q3 2017

INTERIM REPORT

2 NOVEMBER 2017

THIS IS GAMING INNOVATION GROUP

VISION

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

OPERATIONS

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

GAMING (B2C)

GIG offers Business-to-Consumer (B2C) casino and sports betting services through its six brands, guts.com, betspin.com, rizk.com, kaboo.com, thrills.com and superlenny.com. All brands use iGamingCloud, and operate 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, and exciting and attractive stories and offerings.

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

CLOUD BASED SERVICES (B2B)

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

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

The iGC casino solution gives operators access to around 2000 casino games from industry leading suppliers, including a large catalogue of the most renowned mobile games.

With iGC's Sportsbook solution, the operator has access to over 170,000 world wide sporting events, all being controlled by an innovative back office. All features and functionality are offered through a Software-As-A-Service (SaaS).

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

LEAD GENERATION (B2B)

GIG Media (previously Innovation Labs) refer 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 reviews, articles, guides and comparisons made available on various web portals.

GIG Media's revenues are generated through shares of perpetual revenues, Cost Per Action (CPA), or a hybrid between revenue shares and CPAs.

In terms of traffic driving capability, GIG Media is a leading affiliate in the Nordics.

Q3 2017 INTERIM REPORT

HIGHLIGHTS

- CONTINUED GROWTH AND ALL TIME HIGH REVENUES FOR THE GROUP; EUR 30.8 MILLION IN THIRD QUARTER 2017, AN INCREASE OF 112% FROM EUR 14.5 MILLION IN THIRD QUARTER 2016, AND 16% QUARTER OVER QUARTER (10% ORGANIC GROWTH).
- EBITDA OF EUR 3.0 MILLION IN THIRD QUARTER 2017, A 185% IMPROVEMENT FROM EUR 1.1 MILLION IN THIRD QUARTER 2016 AND 58% ABOVE EUR 1.9 MILLION IN SECOND QUARTER 2017.
- DEVELOPING GIG MEDIA INTO A LEADING AFFILIATE COMPANY - TWO AFFILIATE ACQUISITIONS CONCLUDED IN THIRD QUARTER AND A TOTAL OF FIVE ACQUISITIONS IN 2017. WITH THE ACQUISITION OF REBEL PENGUIN, GIG ALSO ENTERED THE PAID MEDIA SPACE.
- GIG MEDIA REFERRED 29,049 FTDS TO GIG'S OWN AND EXTERNAL BRANDS IN THE THIRD QUARTER, UP 35% OVER THE PREVIOUS QUARTER
- IGAMINGCLOUD CONTINUED THE GROWTH IN THE THIRD QUARTER WITH 35 BRANDS OPERATIONAL ON THE IGC PLATFORM INCLUDING GIG'S OWN BRANDS.
- GIG GAMING WITH INCREASED REVENUES AND HIGHER RETENTION RATES DRIVEN BY OPTIMISED BONUS SPEND AND BETTER SEGMENTATION OF CUSTOMERS, ALTHOUGH GROWTH WAS NEGATIVELY AFFECTED BY RESTRUCTURING IN OWN GAMING OPERATOR PORTFOLIO
- CONTINUED MARKETING INVESTMENTS – EUR 11.9 MILLION OR 39% OF TOTAL REVENUES IN THIRD QUARTER, COMPARED TO EUR 11.1 MILLION (42%) IN SECOND QUARTER.
- THE COMPANY IS EXPECTING CONTINUED REVENUE GROWTH WITH TOTAL REVENUES AROUND EUR 120 MILLION FOR 2017 NOW INCLUDING ACQUISITIONS

KEY FIGURES

MEUR	Q3 2017	Q3 2016	9M 2017	9M 2016	2016
REVENUE	30.8	14.5	80.5	32.1	53.6
GROSS PROFIT	25.9	12.0	66.5	26.9	44.3
MARKETING EXPENSES	11.9	5.1	34.0	12.1	19.1
OPERATING EXPENSES	10.9	5.8	27.9	12.8	19.4
EBITDA	3.0	1.1	4.6	2.0	5.8

ABOUT GIG

GAMING INNOVATION GROUP PROVIDES THREE BESPOKE REVENUE MODELS WITHIN IGAMING; CUTTING-EDGE CLOUD BASED SERVICES THROUGH IGAMINGCLOUD; BUSINESS-TO BUSINESS PERFORMANCE MARKETING IN INNOVATION LABS; AND END-USER GAMBLING OPERATORS OFFERING GAMES FROM THE BEST-OF-BREED SUPPLIERS ACROSS THE ONLINE SPORTS BETTING AND CASINO INDUSTRY.

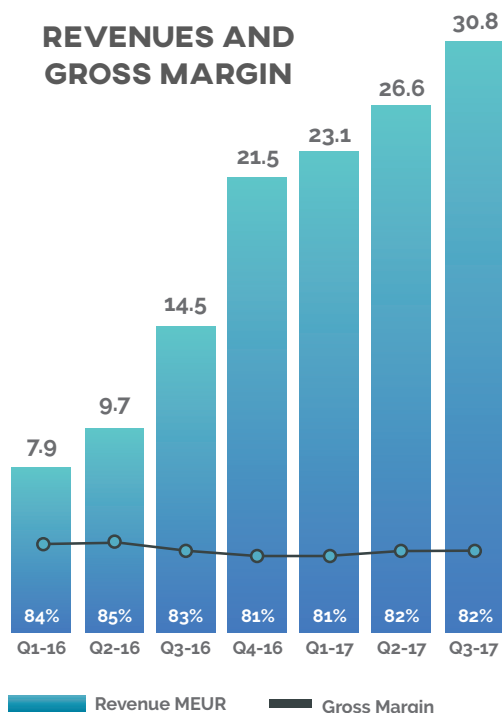
Q3 2017 INTERIM REPORT

OPERATIONAL UPDATE

Gaming Innovation Group Inc. (GIG) continued to grow across its business areas in the third quarter 2017. The B2B segment has performed well and according to plan, while B2C has performed lower than expected, although seeing continued growth from the previous quarter. The main achievements during the quarter were:

- GIG Media strengthened its position as a leading affiliate and traffic channel of Nordic customers through strong organic growth in addition to two acquisitions during the quarter, and a total of five in 2017. Number of referred FTDs and revenue were all time high – up 35% and 45% respectively from Q2 2017. Acquisitions include all affiliate assets from STK Marketing Ltd, one of the biggest affiliate networks in the Nordics, establishing GIG as a Nordic market leader in the affiliate segment. In September, GIG acquired the technology driven Danish performance marketing company Rebel Penguin. With their highly competitive and proprietary technology GIG entered the paid media space, reaching distribution channels such as Facebook and Google.
- iGaming Cloud (iGC) had 29 external brands live in the third quarter in addition to GIG's own brands, resulting in all time high revenues. Two new agreements were entered into during the quarter, and three additional so far in fourth quarter, resulting in a total of 40 brands signed to date. In October, iGC signed a LOI with a large, undisclosed casino operator for the development of their online gaming platform, validating GIGs strategy as well as positioning GIG towards an important and growing iGaming market.
- Continued growth in both deposits and revenues for Gaming, although the integration of parts of the Betit operation into Gaming has taken longer time than originally anticipated. In addition, Gaming ceased operations in non-core markets, and excluding these markets, B2C revenues increased 22% quarter over quarter.

REVENUES AND GROSS MARGIN



The Company's has now moved to its new HQ in Malta - @GiG Beach. A second space in a new high-profile building in Malta, @GiG Sky, will be ready late 2018. The combined workforce has reached over 580 full time employees at the end of the quarter, including 38 from the recently acquired Rebel Penguin. Approximately 250 are working in Gaming, 220 in Cloud Services and 80 in Lead Generation, with the balance in corporate functions.

B2C

The B2C segment include Gaming Innovation Group's seven gaming operators, Rizk.com, Betspin.com, Guts.com, Kaboo.com, Thrills.com, Superlenny.com and Highroller.com.

MEUR	Q3 2017	Q3 2016	9M 2017	9M 2016	2016
REVENUE	21.91	11.36	60.58	24.47	42.40
MARKETING EXPENSE	12.59	5.39	35.28	12.50	19.80
EBITDA	-2.26	-0.38	-6.87	-2.44	-1.13
TOTAL DEPOSITS	91.0	42.1	244.6	92.6	159.1

GAMING

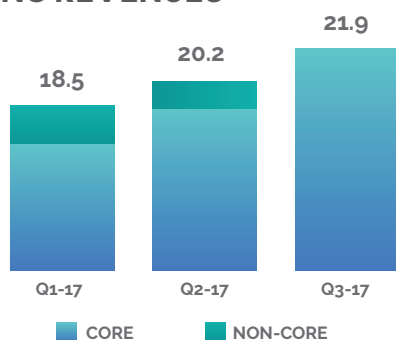
The vision of Gaming is to make iGaming truly customer oriented by aiming to deliver the best products and customer experience in the industry. The Company is seeking to be a major iGaming operator across the Nordics, Western and Central European markets, defined as the Company's core markets, and are pursuing an aggressive geo expansion strategy in these markets.

GIG's casino brands continued their expansion with more brands actively marketed in the third quarter, resulting in all time high deposits of EUR 91.0 million in the quarter, up 13% from EUR 80.4 million in the second quarter 2017.

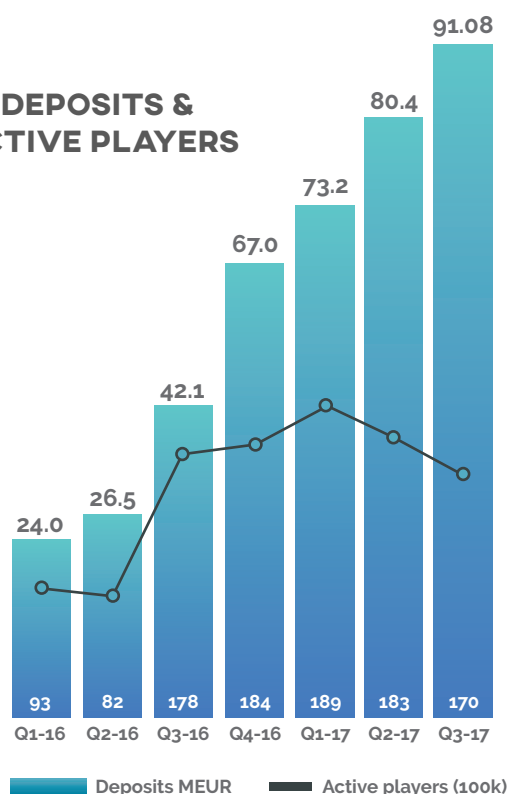
Revenues for the B2C segment amounted to EUR 21.9 million in third quarter, a 9% increase from EUR 20.2 million in second quarter 2017 and 93% over third quarter 2016. 51% of revenues came from regulated and near-regulated markets, same as in the second quarter 2017. Revenues were split with 74% (64% in Q2) from the Nordics, 11% (10%) from Western Europe, 10% (12%) from Central Europe and the balance, 5% (21%) from non-core markets.

GIG exited certain non-core markets in Q2 17. Adjusted for these effects, B2C revenues increased 22% quarter over quarter.

GAMING REVENUES



DEPOSITS & ACTIVE PLAYERS



The casino margin in the operator business was 3.73% in the third quarter, compared to 3.53% in the second quarter 2017. Sports betting had a margin of 6.4% in the third quarter, compared to 6.5% in the previous quarter. Betting duties were 3.5% of revenues in third quarter 2017 (3.2% in second quarter 2017 and 2.5% in third quarter 2016).

The number of active users for the B2C segment was 169,791 in the third quarter, compared to 81,645 in the third quarter 2016 and 183,295 in the second quarter 2017. The decline in active is a result of the Company's focus on increasing average revenue per user.

The integration of parts of the Betit operation into GIG Gaming has taken longer than originally anticipated. Through the year, several measures to mitigate the challenges have been implemented, but during the third quarter GIG decided to implement further initiatives. This has affected the number of active users somewhat in the third quarter and thus affecting the total revenues. The same is expected in the fourth quarter – however not influencing the overall picture of solid growth.

Marketing investments continued at the same level in the third quarter, with a total B2C marketing expense of EUR 12.59 million or 57% of B2C revenues in the third quarter, in line with the EUR 11.57 million (58% of revenues) spent in the second quarter 2017. EUR 5.39 million was spent on marketing in the third quarter 2016 (47% of revenues). The marketing campaigns primarily focuses in the Nordics and in the UK so far in 2017, now also with expansion

in Western and Central European markets in the third quarter.

Of the total marketing expenses in B2C, EUR 3.75 million or 30% related to revenue share agreements (32% in Q2 2017), with the balance attributable to up-front payments incl. TV campaigns. GIG focuses on growth for its operators, and will continue to prioritize reinvesting part of revenues into marketing.

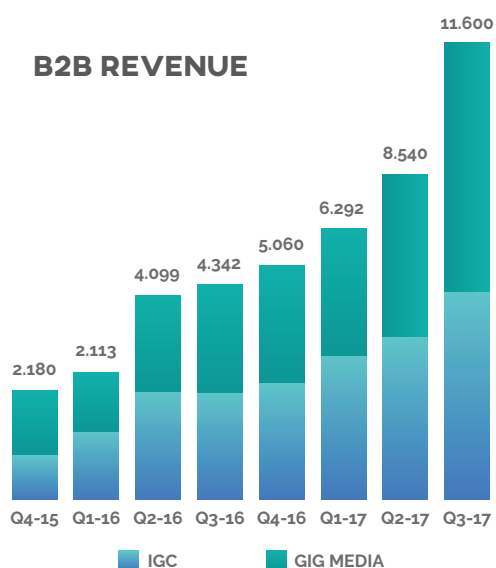
GIG's new casino Highroller.com has been soft launched for beta testers and existing GIG Gaming users, and full-scale launch is planned in November. Highroller.com supports the aspirational user journey with elements such as levelling up, exploration and community features, fully utilizing the gamification and customer-specific capabilities in the iGC platform.

SERVICES (B2B)

This segment includes Gaming Innovation Group's cloud-based platform services (iGamingCloud), sports betting (Betting Cloud) and Lead Generation (GIG Media).

MEUR	Q3 2017	Q3 2016	9M 2017	9M 2016	2016
REVENUE	11.60	4.34	26.43	10.55	15.61
EBITDA	5.31	1.44	11.52	4.40	6.94

Revenues for the B2B segment amounted to EUR 11.60 million in the third quarter 2017, a 36% increase over the previous quarter (15% organic), and a 167% increase over the third quarter 2016 (93% organic). EBITDA was EUR 5.31



million in the quarter with an EBITDA margin of 43%, an increase from EBITDA of EUR 3.88 million in the previous quarter (46% margin) and EUR 1.44 million in the third quarter 2016. The B2B segment has limited sales costs and marketing expenses.

PLATFORM

GIG's cloud-based platform services, iGamingCloud (iGC), continued to grow in the third quarter of 2017. During the quarter, 35 brands operated on the platform including GIG's six own brands. Total database transactions increased by 15%, to 3.2 billion, from 2.8 billion in the second quarter 2017 (1.0 billion in second quarter 2016).

Revenue from cloud services (iGamingCloud and BettingCloud combined) was EUR 5.30 million in the third quarter 2017, a 26% increase over second quarter 2017 and 157% increase over third quarter 2016, whereof 71% was external revenue from clients and the balance from GIG's own brands. All growth was organic. EBITDA for the quarter was EUR 0.85 million, an EBITDA margin of 14% (EUR 0.84 million and 20% in Q2 2017). The decreased EBITDA margin is related to a decline in revenues from the sports trading.

In the third quarter, an iGC client successfully migrated their two old brands to the iGC platform. This is the largest migration of historic data to date and also involved the consolidation of data from multiple brands to two brands, and marks a milestone in GIG's roadmap.

Two new brands were signed in the third quarter 2017 and three new brands have been signed so far in the fourth quarter. As of today, a total of 31 clients have signed for the iGC platform since launch, and a total of 44 brands will be operated on the platform, including GIG's brands. Seven brands started their operations in the third quarter, and of the remaining, four are expected to go live in the fourth quarter, one in first quarter 2018 and one is uncertain due to a pending licence.

GIG has communicated ambitions to expand its iGC operations and to focus on larger clients. In October, iGC signed a Letter of Intent with a large, undisclosed casino operator for the development of their online gaming platform. The operator is a well-known international brand and the agreement is considered a validation of GIG's strategy as well as strategically important as it positions GIG towards an important and growing iGaming market.

iGC's new business intelligence (BI) offering was launched in the third quarter. This allows our partners to extract multidimensional sets of data on a self service basis, increasing the user friendliness of the platform.

The migration of the iGamingCloud clients from the BMIT servers located in Malta to a dedicated cloud located in Western Europe has continued during the third quarter and the re-architecture project of the platform is progressing. 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 IGC insights. Such upgrades are continuing throughout the re-architecture project, benefiting existing and future clients immediately as they are introduced.

SPORTS

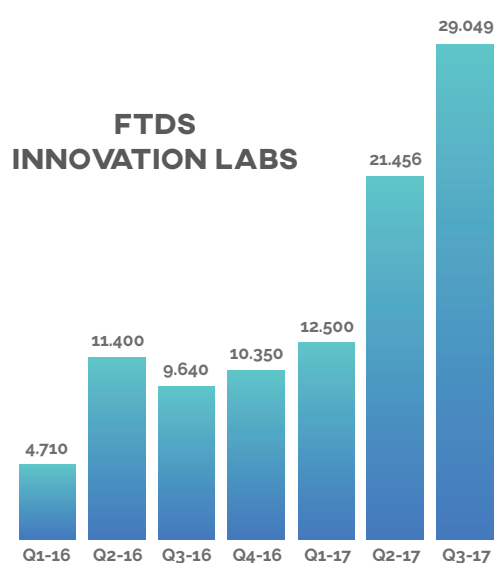
BettingCloud is GIG's new B2B sports betting offering that is based on the OddsModel technology acquired in 2016. OddsModel generates proprietary odds, using own proprietary technology. The development of the BettingCloud technology is ongoing and it is expected that full APIs for operators to create tailor made sportsbook solutions will be available to operators by the end of 2017. BettingCloud is also targeting a release of their own proprietary football odds to be available for clients in 2018.

GIG's subsidiary Gridmanager is performing trading in the sports betting market, using the BettingCloud platform and OddsModel technology. Gridmanager placed around 72,000 bets for a total of around EUR 11 million in the third quarter, resulting in a EUR 0.20 million trading revenue, a decrease from EUR 0.64 million in the previous quarter. Profits are generated from trading in the highly competitive sports betting market and results vary daily and are also subject to seasonal variations.

LEAD GENERATION

Revenue was EUR 6.32 million in GIG Media in the third quarter 2017, a 177% increase over third quarter 2016, of which 54% was organic and 123% acquired. EBITDA for the quarter was EUR 4.47 million reflecting an EBITDA margin of 71% (EUR 4.37 million and 69% in Q2 2017). 74% of revenues in the third quarter came from revenue share (74% in the second quarter), 14% from CPA (14%) and 12% from listing fees (12%).

GIG Media referred 29,049 new FTDs (First Time Depositor) to operators in the third quarter 2017, a 35% increase compared with 21,456 in the second quarter 2017 (9,620 in the third quarter 2016). Of the new FTDs in the



quarter, 14% was referred to GIG's own brands, 18% to iGC clients, and the remaining 68% to other operators. GIG aims to increase the proportion of FTDs referred to its eco system, by having the acquired affiliate networks to shift more of their FTDs to own brands and iGC clients going forward.

In 2017, GIG has acquired five affiliate networks, including affiliate websites, accounts and associated agreements. Three of these were acquired in the second quarter, and the remaining two in the third quarter. The acquisitions have strengthened GIG's position as one of the leading affiliates in Europe.

In July, GIG Media acquired all affiliate assets from STK Marketing Ltd, one of the biggest affiliate networks in Scandinavia for a total consideration of NOK 240 million (EUR 26 million). The assets include a network of casino websites providing reviews and instructions to users on different casino games and all related assets and affiliate accounts. GIG expects these assets to generate above EUR 7 million in EBITDA during the first 12 months after completion of the transaction, whereof around 70% is expected to be generated from perpetual revenue share agreements. The acquisition was completed 1 August 2017, establishing GIG as a Nordic market leader in the affiliate segment, and the largest suppliers of iGaming traffic in its core markets.

In September, GIG acquired the technology driven Danish performance marketing company Rebel Penguin ApS for a total consideration of EUR 12.7 million. With the proprietary and highly advanced technology of Rebel Penguins GIG Media entered the paid media space, reaching distribution channels such as Facebook and Google. The acquisition was concluded late September and positions GIG Media as a 360-degree digital

marketing company, and strengthening GIG's position in three main areas: paid media, regulated markets, and sports betting. The Rebel Penguin operation is currently being integrated with GIG's overall operation in order to harvest a range of technological and operational synergies. GIG is committed to comply with all applicable gaming laws, regulations and licence conditions (including Malta Gaming Authority and UK Gambling Commission), and follows the regulatory developments in its markets and is prepared to adjust the way it operates, if necessary.

STRATEGIC UPDATE & OUTLOOK

GIG's vision is to make the iGaming industry an open and connected ecosystem, for the benefit of all. The recent affiliate acquisitions contribute to the realization of this vision, benefiting all parties engaged in the GIG iGaming ecosystem, by increasing their volumes and activities.

Gaming is playing an important role in the growth of GIG's eco-system for iGaming. By increasing the volumes and attracting end users, better rates, scale advantages and reach is secured for all current and prospective stakeholders.

Gaming grew 22% quarter over quarter in core markets, albeit having some operational issues in parts of the acquired operations. The Company is addressing these issues with the aim to put all brands on a strong growth trajectory. In addition, Highroller.com will launch in November. GIG is confident that these initiatives will secure growth and improved financial performance for Gaming going forward. The Company expects that the B2C segment will contribute with positive EBITDA from first quarter 2018.

GIG's platform service iGamingCloud is continuing to grow from its existing user base, and through the addition of new clients - 13 new brands to platform operations so far in 2017, with additional 9 brands signed that are in the pipeline to go live. The new BI offering and migration to new servers provides increased performance and scale to the iGC platform. The goal is to prepare the platform for Tier-A customers, by providing a highly scalable architecture, and expanding the features and capabilities offered. The recent LOI with a large, well known casino operator confirms this strategy. GIG is satisfied with its current portfolio of clients, and will for the next quarters focus on current pipeline of clients and re-architecture, in order to support their growth and future prospects of the platform. In this period the Company will undergo a strategic review in order to position itself in regulated markets for the most attractive clients.

For GIG Media, the acquisitions in 2017 have significantly strengthened the overall operations, and increased both the geographical and the vertical footprint. With Rebel Penguins, GIG also entered the paid media space, and retained a strong team within this field. GIG has a leading position in the important Nordic market and strong presence in other core markets. Going forward, continued revenue growth with a strong EBITDA margin is expected from this business area.

Outlook

GIG has progressed significantly both strategically and operationally through 2017 and the Group has been successful in the integration of the acquired businesses. Development through the third quarter has deemed it necessary to implement certain initiatives which will continue throughout the remainder of 2017, affecting the Groups total revenues. GIG has identified the necessary areas of improvement and is confident that actions will contribute positively when implemented. For 2017 the Company is expecting total revenues to be around 120 million now including acquisitions.

The Company expects the positive growth trend to continue into 2018 based on solid growth in all business areas, positive effects from operational changes made in Q3 and Q4, new strategic agreements such as the iGC agreement announced this week. In total GIG is well positioned to progress and continue to grow at a stronger pace than the general industry trend.

FINANCIAL PERFORMANCE

THIRD QUARTER 2017

Consolidated revenues for Gaming Innovation Group (GIG) amounted to EUR 30.84 million in the third quarter of 2017, a sequential increase of 16% from the second quarter of 2017 (EUR 26.58 million), and an increase of 112%, compared with the third quarter of 2016 (EUR 14.53 million). Revenues comprise income from the Company's gaming sites, from affiliate marketing in GIG Media, from B2B customers on the iGC platform, and sports trading.

Cost of sales include fees to game and payment suppliers, as well as gaming taxes and other variable expenses. In the third quarter 2017, cost of sales amounted to EUR 4.96 million, compared with EUR 4.68 in second quarter 2017, and EUR 2.50 in third quarter 2016. Gaming taxes amounted to EUR 0.76 million, or 2.5% of total revenues, compared with EUR 0.65 million (2.4%) in second quarter 2017, and EUR 0.28 million (1.9%) in third quarter 2016.

Gross profit for the group amounted to EUR 25.88 million during the third quarter 2017, a 18% increase over EUR 21.90 million in the previous quarter, and a 115% increase over third quarter of last year (EUR 12.04 million). Gross profit margin for the quarter came in at 84%, compared with 82% in second quarter 2017, and 83% in the corresponding quarter last year.

Marketing expenses were EUR 11.95 million in third quarter 2017, a 7.5% increase from EUR 11.11 million in second quarter 2017 (EUR 5.15 million in third quarter 2016). Marketing expenses' share of total revenues was 39% during the period, compared with 42% in the previous quarter, and 35% in second quarter 2016. Marketing expenses are mainly associated with the company's B2C operations, and comprise both up-front payments such as TV campaigns and CPA (cost per acquisition), and affiliate commissions.

Other operating expenses amounted to EUR 10.87 million in third quarter 2017, compared with EUR 8.86 million in second quarter 2017, and EUR 5.82 million in third quarter 2016. Operating expenses are mainly related to salaries, rent and general corporate expenses, and the increase is a result of increased activity, investments into future products, and an increase in the number of employees over the quarter from 507 to 585, which includes 38 employees in Rebel Penguin that was acquired in September. The number of employees includes full time consultants.

Expenses related to the Company's development of technology and future products in iGC and BettingCloud amounted to EUR 0.98 million in the third quarter 2017, compared to EUR 0.26 million in same quarter last year.

EBITDA for the third quarter 2017 was EUR 3.05 million, a 58% improvement from EUR 1.93 million in second quarter 2017 (EUR 1.07 million in third quarter 2016). The increase in EBITDA from the previous quarter is driven by continued growth in revenues while marketing expenses saw a limited increase.

Depreciation and amortization amounted to EUR 3.19 million in third quarter 2017, compared with EUR 2.15 million in second quarter 2017, and EUR 0.92 million in third quarter 2016. Depreciation and amortization expenses are mainly related to amortization of the affiliate acquisitions completed over the last three years, with EUR 1.21 million related to affiliate contracts and EUR 0.87 million to domains/SEO in the quarter. The acquisitions in 2017 contributed with EUR 1.62 million in amortization in third quarter.

EBIT came in at EUR -0.14 million in third quarter 2017, compared to EUR -0.22 in second quarter 2017 (EUR 0.14 in third quarter 2016).

Net other income was negative by EUR 0.31 million in third quarter 2017, and includes interest and foreign exchange gains. Accrued interest on the Company's bond was EUR 0.87 million in the quarter. Net other income was EUR -0.03 million in third quarter 2017, and EUR -0.81 million in third quarter 2016.

The net result for the third quarter amounted to EUR -0.50 million, compared with EUR -0.24 million in second quarter 2017, and EUR -0.72 million in third quarter 2016.

Comprehensive loss includes EUR 0.11 million in exchange differences on inter-company balances resulting from the EUR value of acquisitions at the date of acquisition versus the month end rate

JANUARY-SEPTEMBER 2017

Consolidated revenues for the first nine months of 2017 came in at EUR 80.48 million, a 151 per cent increase from EUR 32.11 million in the first nine months of 2016. Cost of sales amounted to EUR 14.01 million for the period, compared to EUR 5.23 million for the corresponding period last year. Gross profit ended at EUR 66.48 million, up 147 per cent from EUR 26.88 million for the first nine months of 2016. The gross profit margin was 83% compared to 84% the same period last year.

Marketing expenses amounted to EUR 33.99 million in the first nine months of 2017 (42% of revenues), compared to EUR 12.09 million in the first nine months of 2016 (38% of revenues). Other operating expenses amounted to EUR 27.87 million in the first nine months of 2017 (35% of revenues), compared to EUR 12.84 million in the first six months of 2016 (40% of revenues). Operating expenses have increased due to an overall increased activity and a higher number of employees. EBITDA for the first nine months of 2017 ended at EUR 4.62 million, compared to EUR 1.95 million in the corresponding period in 2016.

Depreciation and amortization amounted to EUR 6.58 million in the first nine months of 2017, compared with EUR 1.98 million in the first nine months of 2016, mainly related to amortization of the affiliate acquisitions completed over the last three years. EBIT came in at EUR -1.96 million in the first nine months of 2017, compared to EUR -0.03 in in the corresponding period in 2016. Net other income was negative by EUR 1.17 million during the first nine months of 2017, compared to negative EUR 0.56 million in the first nine months of 2016. Net result

ended at EUR -3.20 million in the first nine months of 2017, compared to EUR 0.42 million in the first nine months of 2016.

CASH FLOW

The consolidated net cash flow from operational activities amounted to EUR 2.20 million for the third quarter 2017 (EUR 2.68 million in third quarter 2016).

The net cash flow used on investments was EUR -26.43 million in third quarter 2017 (EUR 0.97 million in third quarter 2016), whereof EUR 25.35 million were related to acquisition of affiliates. The net cash flow from financing activities was EUR 24.67 million in third quarter 2017 due to the SEK 250 million tap issue under the senior secured bond in September (EUR 1.34 million in third quarter 2016).

Cash and cash equivalents increased by EUR 0.55 million in third quarter 2017 (EUR 5.21 million increase in third quarter 2016).

As of 30 September 2017, holdings of cash and cash equivalents amounted to EUR 25.75 million, compared with EUR 8.30 million as of 30 September 2016. Cash holdings include EUR 4.13 million in fiduciary capacity, which is customer monies, which use is restricted, in accordance with the Remote Gaming Regulations.

FINANCIAL POSITION

As of 30 September 2017, GIG had total assets of EUR 212.1 million, and shareholders' equity was EUR 106.3 (50%).

In September, GIG completed a SEK 250 million tap issue of the senior secured bond, increasing the outstanding amount from SEK 400 million to SEK 650 million. The interest-bearing debt as at 30 September 2017 was EUR 66.5 million, compared to EUR 2.7 million as of 30 September 2016.

SHAREHOLDER MATTERS

During the third quarter, GIG's share price varied between NOK 4.26 and NOK 5.67. The closing price at 30 September 2017 was NOK 4.59. At the close of the previous quarter, the share price was NOK 4.44.

As of 30 September 2017, the total number of shares outstanding in GIG was 895,656,266 (par value USD 0.10), divided between approximately 3,600 shareholders. The number of authorized shares is 950,000,000.

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, and the number of outstanding shares in GIG was not changed. The shares paid for Rebel Penguin ApS have 12 month lock-up.

In July 2017, the Board granted 2,350,000 new options to key employees, with an exercise price of NOK 6.00 per share, and the options are exercisable with 20% after 1 July 2018, 30% after 1 July 2019 and 50% after 1 July 2020. All options expire on 30 June 2023 and are conditional upon employment at time of exercise. Further, 100,000 options have been exercised and 2,475,000 options have been cancelled in the third quarter, resulting in 18,960,000 options outstanding at quarter end.

GAMING INNOVATION GROUP INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

EUR - UNAUDITED					
	Q3 2017	Q3 2016	9M 2017	9M 2017	2016
Revenues	30 841 168	14 533 153	80 494 193	32 110 232	53 604 995
Cost of sales	4 959 254	2 494 806	14 005 402	5 232 874	9 284 807
Gross profit	25 881 914	12 038 347	66 488 791	26 877 358	44 320 188
Operating expenses					
Marketing expenses - revenue share	3 746 817	2 077 738	10 757 467	4 596 188	7 874 744
Marketing expenses - other	8 200 517	3 071 551	23 233 208	7 490 123	11 218 789
Other operating expenses	10 886 393	5 821 187	27 870 366	12 836 887	19 410 802
Total operating expenses	22 833 727	10 970 476	61 861 041	24 923 198	38 504 335
EBITDA	3 048 187	1 067 871	4 627 750	1 954 160	5 815 853
Depreciation & amortization	3 185 878	924 087	6 577 693	1 979 180	3 046 246
EBIT	-137 691	143 784	-1 949 943	-25 020	2 769 607
Other income (expense)	-306 741	-649 883	-1 173 125	-781 334	-1 349 374
Unrealized gain (loss) on derivative asset	-	-160 113	-	1 337 676	1 337 674
Result before income taxes	-444 432	-666 212	-3 123 068	531 322	2 757 907
Tax income/(expense)	-55 300	-54 800	-81 824	-113 212	-363 842
Net results	-499 732	-721 012	-3 204 892	418 110	2 394 065
Exchange differences on translation of foreign operations	109 657	220 989	-1 724 979	18 040	-199 850
Fair value movement in available for sale investment	-4 012	-	1 292 120	125 702	-69 459
Total comprehensive income (loss)	-394 087	-500 023	-3 637 751	561 852	2 124 756
Total comprehensive income (loss) attributable to:					
Owners of the Company	-399 259	-439 974	-3 645 141	677 316	2 237 893
Non-controlling interests	5 172	-60 049	7 390	-115 464	-113 137
Total comprehensive income (loss)	-394 087	-500 023	-3 637 751	561 852	2 124 756
Earnings per share attributable to GIG Inc:					
Basic earnings (losses) per share	-0,00	-0,00	-0,00	0,00	0,00
Diluted earnings (losses) per share	-0,00	-0,00	-0,00	0,00	0,00
Weighted average shares outstanding	890 682 407	638 937 504	888 993 775	569 392 561	629 595 518
effect of dilutive shares	-	-	-	2 888 647	2 513 622
Diluted weighted average shares outstanding	890 682 407	638 937 504	888 993 775	572 281 208	632 109 140

GAMING INNOVATION GROUP INC.

CONDENSED STATEMENTS OF FINANCIAL POSITION

EUR - UNAUDITED			
	30 SEP 2017	30 SEP 2016	31 DEC 2016
ASSETS			
NON-CURRENT ASSETS:			
Goodwill	69 186 058	56 804 838	63 954 856
Intangible assets	93 926 979	43 169 084	41 204 449
Deposits and other non-current assets	6 165 113	1 847 255	2 433 986
Total non-current assets	169 278 150	101 821 177	107 593 291
CURRENT ASSETS:			
Prepaid and other current assets	136 945	220 520	147 792
Trade and other receivables	16 914 605	10 828 091	12 532 193
Cash and cash equivalents	25 747 261	8 303 485	6 035 177
Total current assets	42 798 811	19 352 096	18 715 162
TOTAL ASSETS	212 076 961	121 173 273	126 308 453
LIABILITIES AND SHAREHOLDERS' EQUITY			
SHAREHOLDERS' EQUITY:			
Share capital	78 483 434	71 639 353	71 639 353
Share premium/reserves	30 082 541	27 898 592	33 330 668
Retained earnings (deficit)	-2 249 274	-1 789 036	198 879
Total equity attributable to GIG Inc.	106 316 701	97 748 909	105 168 900
Non-controlling interests	13 347	15 265	5 957
TOTAL SHAREHOLDERS' EQUITY	106 330 048	97 764 174	105 174 857
LIABILITIES:			
Trade payables and accrued expenses	38 431 176	17 026 533	15 065 681
Short term loans	-	3 695 257	3 406 994
TOTAL CURRENT LIABILITIES	38 431 176	20 721 790	18 472 675
Bond payable	66 526 240	-	-
Other long term liabilities	789 497	2 687 309	2 660 921
TOTAL LONG TERM LIABILITIES	67 315 737	2 687 309	2 660 921
TOTAL LIABILITIES	105 746 913	23 409 099	21 133 596
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	212 076 961	121 173 273	126 308 453
CONDENSED STATEMENTS OF CHANGES IN EQUITY:			
EQUITY AT BEGINNING OF PERIOD	105 174 857	27 846 472	27 846 472
Issuance of shares for cash, in repayment of debt and purchase of subsidiary and affiliates	3 530 582	71 784 412	77 778 699
Fair value movement in available for sale investments	1 292 120	125 702	125 702
Share compensation expense	1 262 359	194 635	-66 777
Non-controlling interests	7 390	-115 464	-113 137
Change in value of derivative assets	-	-2 623 197	-2 703 454
Exchange differences on translation of foreign operations	-1 724 979	18 040	-199 850
Net results	-3 212 282	533 574	2 507 202
EQUITY AT END OF PERIOD	106 330 048	97 764 174	105 174 857

GAMING INNOVATION GROUP INC.

CONDENSED STATEMENTS OF CASH FLOWS

EUR - UNAUDITED					
	Q3 2017	Q3 2016	9M 2017	9M 2016	2016
CASH FLOWS FROM OPERATING ACTIVITIES:					
Results before income taxes	-444 432	-666 212	-3 123 068	531 322	2 757 907
Adjustments to reconcile profit before tax to net cash flow:					
Tax expense	-55 300	-54 800	-81 824	-113 212	-363 842
Depreciation and amortization	3 185 878	924 087	6 577 693	1 979 180	3 046 246
Unrealized gain (loss) on derivative assets	-	160 113	-	-1 337 676	-1 337 674
Other adjustments for non-cash items and changes in operating assets and liabilities	-482 294	2 316 069	8 046 604	746 108	-1 881 354
NET CASH PROVIDED BY OPERATING ACTIVITIES	2 203 852	2 679 257	8 046 604	1 805 722	2 221 283
CASH FLOWS FROM INVESTING ACTIVITIES:					
Cash acquired on acquisition of a subsidiary	-	1 482 509	-	1 533 316	1 454 670
Purchases of intangible assets	-25 345 357	-	-28 137 263	-	-1 195 965
Purchases of property, plant and equipment	-1 082 718	-188 021	-2 095 695	-362 553	-464 260
Purchase of affiliates	-	-	-20 660 855	-3 910 792	-4 855 196
Cash flow from other investing activities	-	-326 984	-	-500 332	-
NET CASH USED BY INVESTING ACTIVITIES	-26 428 075	967 504	-50 893 813	-3 240 361	-5 060 751
CASH FLOWS FROM FINANCING ACTIVITIES:					
Proceeds from Issuance of shares	-	135 777	-	4 692 861	4 557 084
Proceeds from bond issue	26 148 098	-	67 164 426	-	-
Proceeds from loans	2 054 936	1 221 131	2 054 936	4 841 347	6 418 959
Repayment of loans	-2 054 936	-16 118	-8 122 851	-2 031 547	-3 923 810
Cash flow from other investing activities	-1 477 160	-	-1 477 160	-	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	24 670 938	1 340 790	59 619 351	7 502 661	7 052 233
Translation loss	109 657	220 989	-1 724 979	18 040	-199 850
Fair value movements	-4 012	-	1 292 120	125 702	-69 459
NET INCREASE (DECREASE) IN CASH	552 360	5 208 540	19 712 084	6 211 764	3 943 456
Cash and cash equivalents - beginning	25 194 901	3 094 945	6 035 177	2 091 721	2 091 721
CASH AND CASH EQUIVALENTS - END	25 747 261	8 303 485	25 747 261	8 303 485	6 035 177

GAMING INNOVATION GROUP INC.

SELECTED NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE PERIODS ENDING 30 SEPTEMBER 2017 AND 2016

1. GENERAL INFORMATION

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

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

The condensed consolidated financial statements of the Company as at and for the periods ended 30 September 2017 and 2016 are comprised of Limited, and its accounting basis subsidiaries: GIG, Candid Gaming Ltd ("Candid") and Gridmanager Ltd ("Grid") (corporations registered in Malta), MT Secure Trade Ltd, ("Secure") Innovation Labs Ltd. ("Labs") iGaming Cloud Ltd., ("iGC") BettingCloud Ltd. (formerly Gaming Exchange Ltd.) ("Exchange"), Zecure Gaming Limited (Zecure) (corporations registered in Malta), Spaseeba AS ("Spaseeba") (a corporation registered in Norway), NV SecureTrade Ltd ("Trade") and iGamingCloud NV ("Cloud") (corporations registered in Curacao), Online Performance Marketing Ltd. (Performance) and Downright Marketing Ltd. ("Downright") (corporations registered in British Virgin Islands), iGamingCloud Services SLU ("SLU") (a corporation registered in Spain), and Oddsmodel AS ("OM") (a corporation registered in Norway). Betit Holdings Ltd. (a corporation registered in Malta) and its subsidiaries ("Betit"), Betit Operations Ltd., Haus of Lenny Ltd. (corporations registered in Malta), Mavrix Activities Ltd., Mavrix 5x5 Ltd., Mavrix Services Ltd. Mavrix Promotions Ltd. Mavrix Holding Ltd. (corporations registered in Gibraltar), Mavrix Technologies SL (a corporation registered in Spain), Pronzo Entertainment B.V. (a corporation registered in Curacao) and Rebel Penguin ApS (a corporation registered in Denmark).

2. BASIS OF PRESENTATION

The condensed consolidated interim financial statements have been prepared in conformity with IAS 34 and do not include all of the information required for full annual financial statements. The condensed consolidated interim financial statements for the periods ended 30 September 2017 and 2016 have not been audited by the Company's auditors.

These unaudited interim condensed financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. The

condensed consolidated financial statements report the nine months of 2017 and the full year of operations of 2016 of Gaming Innovation Group Inc. and subsidiaries, Oddsmodel from May 2016, 100% of activities of IGC from September 2016 (previously owned 90%), four months of activities of Betit from September 2016 and 5 days of activities of Rebel Penguin from 26 Sept 2017.

The Company's condensed consolidated financial statements are presented in Euros (EUR), which is the presentation and functional currency of the Company. The functional currencies of its subsidiaries are the United States dollar, the Euro and Norwegian and Danish Kroners which are translated into EUR at monthly average rates for revenues and expenses and at month end rates for assets and liabilities. Equity accounts are translated at historical rates. Exchange differences on translation of foreign operations are shown as a separate component of stockholders' equity (deficit) and reflected as other comprehensive income (loss) on the condensed consolidated statement of comprehensive income (loss).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ACCOUNTING POLICIES

The accounting policies adopted and used in preparing the condensed consolidated financial statements as of and for the years ended 30 September 2017 and 2016 are consistent with those used in preparing the Company's consolidated financial statements as of and for the year ended 31 December 2016.

REVENUE RECOGNITION POLICY

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

Gaming transactions that are not deemed to be financial instruments, where the Company's revenues stem from commissions and winnings that are subject to a fixed percentage, are recorded in accordance with IAS18 Revenue. Gaming revenues are recognized net after the deduction of the players' winnings, bonuses and jackpot contributions. The revenue recognized in this manner relates to Poker and Casino.

Revenue from gaming transactions that are deemed to be financial instruments, where the Company takes open positions

against players, 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.

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

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

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

4. SEGMENT INFORMATION

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

Q3 2017 (EUR 1000)	B2C	B2B	ELIMINATIONS	TOTAL
REVENUE	21,906	11,600	-2,665	30,841
COST OF SALES	6,170	302	-1,513	4,959
MARKETING COST	12,589	497	-1,139	11,947
EBITDA	-2,260	5,311	-3	3,048
EBIT	-2,544	2,409	-3	-138

Q3 2016 (EUR 1000)	B2C	B2B	ELIMINATION	TOTAL
REVENUE	11,356	4,342	1,165	14,533
COST OF SALES	3,119	165	789	2,495
MARKETING COST	5,387	138	376	5,149
EBITDA	-376	1,444	-	1,068
EBIT	-569	713	-	144

9M 2017 (EUR 1000)	B2C	B2B	ELIMINATIONS	TOTAL
REVENUE	60,580	26,432	-6,518	80,494
COST OF SALES	17,553	576	-4,124	14,005
MARKETING COST	35,275	1,090	-2,374	33,991
EBITDA	-6,872	11,518	-18	4,628
EBIT	-7,324	5,392	-18	-1,950

9M 2016 (EUR 1000)	B2C	B2B	ELIMINATION	TOTAL
REVENUE	24,470	10,553	-2,913	32,110
COST OF SALES	7,211	165	-2,143	5,233
MARKETING COST	12,504	352	-770	12,086
EBITDA	-2,442	4,396	0	1,954
EBIT	-2,775	2,750	0	-25

2016 (EUR 1000)	B2C	B2B	ELIMINATIONS	TOTAL
REVENUE	42,397	15,613	-4,405	53,605
COST OF SALES	12,146	293	-3,154	9,285
MARKETING COST	19,795	549	-1,250	19,094
EBITDA	-1,126	6,942	-	5,816
EBIT	-1,688	4,458	-	2,770

5. EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share are calculated by dividing the net income (loss) for the period, plus or minus applicable dividends, by the weighted number of shares outstanding. Diluted earnings (loss) per share utilize the same numerator, but outstanding shares in gain periods include the dilutive effect of outstanding warrants and options determined by the treasury stock method. For the period ended 30 September 2017, the Company had 18,960,000 options outstanding.

6. CHANGES IN EQUITY

Pursuant to the reverse merger agreement the sellers were entitled to a variable consideration of up to a maximum of 125 million earn-out-shares, provided that Limited 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.

895,656,266 shares (par value USD 0.10) were outstanding as of 30 June 2017, whereof the Company owned no treasury shares.

7. LOANS PAYABLE SHAREHOLDERS

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

In December 2015, the Company entered into two revolving loan facilities: (a) DKK 4,000,000 with a Danish bank with an interest rate of 10% per annum and maturity on 1 January 2018 and (b) NOK 9,700,000 with a shareholder with an interest rate of 10% per annum due on demand at monthly intervals, 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 NOK 15,000,000 and, in August 2017, borrowed an additional NOK 4,000,000. This loan facility was repaid in September 2017.

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 ranging from 31 May 2016 through 31 December 2016. In December 2016, this loan facility was repaid by NOK and at the same time increased by NOK 13,000,000 for a total of NOK 31,500,000 as of 31 December 2016, and maturity was extended for the loans maturing 30 June 2017. Close associates of Helge Nielsen and Jon Skabo, board members of the Company, participated in the loan with NOK 3,500,000 and NOK 1,500,000 respectively. These loan agreements were repaid in April 2017.

Short-term loans outstanding balances at 30 September 2017 and 2016 were EUR 0 and EUR 3,695,257, respectively with accrued interest of EUR 0 and EUR 152,173 respectively. Long term loans outstanding balances at 30 September 2017 and 2016 were EUR 0 and EUR 2,687,309, respectively with accrued interest of EUR 0 and EUR 16,242, respectively.

8. SENIOR SECURED BOND

In March 2017, GIG issued a SEK 400 million senior secured bond in the Nordic bond market, with a SEK 1,250 million borrowing limit and fixed interest of 7% per annum and maturity in March 2020. Net proceeds from the bond issue will primarily be used for acquisition of affiliate markets, paying off existing debt in full, as well as towards general corporation purposes. Initially, The bond was initially drawn on 6 March 2017 with a subsequent issue of SEK 250 million on 14 September 2017 for a total of SEK 650 million. The outstanding balance at 30 September 2017 was EUR 66,526,240 with accrued interest of EUR 1,887,842. The bonds are registered in the Norway Central Securities Depository and listed on the Oslo Stock Exchange.

9. ACQUISITIONS

In February 2017, the Company agreed to purchase affiliate assets for a total consideration of USD 3,700,000 (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 980,368 to domains/SEO and the balance EUR 2,480,487 to affiliate contracts.

In March 2017, the Company entered into an agreement to purchase affiliate website Casinotopsonline.com including all related assets for a consideration of EUR 11.5 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 2,392,146 to domains/SEO and the balance EUR 9,107,854 to affiliate contracts.

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 1,081,404 to domains/SEO, EUR 200,000 to a consultancy agreement that is amortized over 2 years, and the balance EUR 4,418,596 to affiliate contracts.

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 will be 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 will be amortized over 8 years. The acquired affiliate contracts are valued at EUR 267,736 and will be amortized over three years. The acquired proprietary technology is valued at EUR 5,665,352 will be amortized over three years. Goodwill of EUR 5,464,352 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 Penguins ApS

Consideration	
Treasury stock transferred	3,579
Cash	9,120
Consideration price (EUR 1000)	12,699
Asset valuation	
Property, plant and equipment	121
Current assets	736
Liabilities	(455)
Domains	809
Affiliate contracts	268
Proprietary technology	5,665
Asset Valuation (EUR 1000)	7,234
Goodwill	5,465

Domains/SEO are amortized over an expected life of 8 years and affiliate contracts are amortized over an expected life of 3 years. The allocation of the considerations paid for the affiliate acquisitions above are subject to further review.

10. RELATED PARTY TRANSACTIONS

There were no other material related parties' transactions in the third quarter of 2017 and the nine months ended 30 September 2017 than reported above in Note 7.

11. SUBSEQUENT EVENTS

In October 2017, the Company signed a Letter of Intent with a large undisclosed casino operator for the development of their new online gaming platform. The operator is a well-known international brand and the agreement is considered a validation of GIGs strategy as well as strategically important as it positions GIG towards an important and growing iGaming market. The initial contract term is for 5 years with plans to launch its online offering in 2018.

There have been no other material subsequent events after 30 September 2017.

12. ALTERNATIVE PERFORMANCE MEASURES

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

Gross profit: Operating revenue less cost of sales

Gross margin: Gross margin in percent of revenues

EBIT: Operating profit

EBITDA: Operating profit + depreciation and amortization

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

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

Deposits: Money deposited in the customer accounts

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

GAMING INNOVATION GROUP PLC

Gaming Innovation Group Plc has issued a SEK 650 million senior secured bond with a SEK 1,250 million borrowing limit. The bond issue has a fixed coupon of 7.0% p.a. with maturity in March 2020. The bond is listed on the Oslo Stock Exchange with ISIN NO0010787120. As per the bond terms, the interim condensed consolidated accounts for the issuer for the second quarter 2017 are stated below. Please refer to the selected notes to condensed consolidated financial statements for the parent Gaming Innovation Group Inc. for more information.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

EUR - UNAUDITED					
	Q3 2017	Q3 2016	9M 2017	9M 2016	2016
Revenues	30 841 168	14 533 153	80 494 193	32 110 232	53 604 995
Cost of sales	4 959 254	2 494 806	14 005 402	5 232 874	9 284 807
Gross profit	25 881 914	12 038 347	66 488 791	26 877 358	44 320 188
Operating expenses					
Marketing expenses	11 947 334	5 151 323	33 990 674	12 092 460	19 101 812
Other operating expenses	10 561 730	5 334 921	26 900 876	12 049 920	18 294 074
Total operating expenses	22 509 064	10 486 244	60 891 550	24 142 380	37 395 886
EBITDA	3 372 850	1 552 103	5 597 241	2 734 978	6 924 302
Depreciation & amortization	3 177 370	914 528	6 550 459	1 950 502	3 008 006
EBIT	195 480	637 575	-953 218	784 476	3 916 296
Other income (expense)	-529 179	-241 934	-1 877 834	-209 145	-1 094 697
Unrealized gain (loss) on derivative asset	-	-160 113	-	1 337 676	1 337 676
Result before income taxes	-333 699	235 528	-2 831 052	1 913 007	4 159 275
Tax income/(expense)	-55 300	-54 800	-81 824	-113 212	-363 842
Net results	-388 999	180 728	-2 912 876	1 799 795	3 795 433
Exchange differences on translation of foreign operations	183 984	-	-430 428	-	202 052
Fair value movement in available for sale investment	-4 012	-	1 292 120	125 702	-69 459
Total comprehensive income (loss)	-209 027	180 728	-2 051 184	1 925 497	3 928 026
Total comprehensive income (loss) attributable to:					
Owners of the Company	-226 734	240 777	-2 071 109	2 040 961	4 041 163
Non-controlling interests	5 172	-60 049	7 390	-115 464	-113 137
Total comprehensive income (loss)	-221 562	180 728	-2 063 719	1 925 497	3 928 026

GAMING INNOVATION GROUP PLC

CONDENSED STATEMENTS OF FINANCIAL POSITION

EUR - UNAUDITED			
	30 SEP 2017	30 SEP 2016	31 DEC 2016
ASSETS			
NON-CURRENT ASSETS:			
Goodwill	53 498 423	41 117 203	48 267 219
Intangible assets	87 470 272	36 658 014	34 722 407
Deposits and other non-current assets	6 157 314	1 844 704	2 431 324
Total non-current assets	147 126 009	79 619 921	85 420 950
CURRENT ASSETS:			
Trade and other receivables	16 914 605	10 828 091	12 532 193
Cash and cash equivalents	11 696 940	7 608 787	5 828 151
Total current assets	28 611 545	18 436 878	18 360 344
TOTAL ASSETS	175 737 554	98 056 799	103 781 294
LIABILITIES AND SHAREHOLDERS' EQUITY			
SHAREHOLDERS' EQUITY:			
Share capital	53 600	4 068	4 068
Share premium/reserves	-216 717	-10 726 557	-6 618 140
Retained earnings (deficit)	-4 420 601	-4 521 468	-753 546
Total equity attributable to GIG Inc.	-4 583 718	-15 243 957	-7 367 618
Non-controlling interests	13 347	15 265	5 957
TOTAL SHAREHOLDERS' EQUITY	-4 570 371	-15 228 692	-7 361 661
LIABILITIES:			
Trade payables and accrued expenses	38 245 172	16 003 266	14 807 368
Inter-co GIG Inc.	74 747 016	97 282 225	96 335 587
TOTAL CURRENT LIABILITIES	112 992 188	113 285 491	111 142 955
Long term liabilities	67 315 737	-	-
TOTAL LIABILITIES	180 307 925	113 285 491	111 142 955
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	175 737 554	98 056 799	103 781 294
CONDENSED STATEMENTS OF CHANGES IN EQUITY:			
EQUITY AT BEGINNING OF PERIOD	-7 361 661	7 007 366	7 007 366
Transfer of subsidiaries	-	-1 472 292	-1 472 292
Acquisition of NCI	-	-20 260 701	-14 500 094
Issue of share capital	49 532	-	-
Issue of share capital	3 530 583	-	-
Fair value movement in available for sale investments	1 292 120	125 702	-69 459
Share compensation expense	1 262 359	194 635	378 787
Non-controlling interests	7 390	-115 464	-113 137
Change in value of derivatives	-	-2 623 197	-2 703 454
Exchange differences on translation of foreign operations	-430 428	1 915 259	202 052
Net results	2 920 266	-	3 908 570
EQUITY AT END OF PERIOD	-4 570 371	-15 228 692	-7 361 661

GAMING INNOVATION GROUP PLC

CONDENSED STATEMENTS OF CASH FLOWS

EUR - UNAUDITED					
	Q3 2017	Q3 2016	9M 2017	9M 2016	2016
CASH FLOWS FROM OPERATING ACTIVITIES:					
Results before income taxes	-333 699	235 528	-2 831 052	1 913 007	4 159 275
Adjustments to reconcile profit before tax to net cash flow:					
Tax expense	-55 300	-54 800	-81 824	-113 212	-363 842
Depreciation and amortization	3 177 370	914 528	6 550 459	1 950 502	3 008 006
Unrealized gain (loss) on derivative assets	-	160 113	-	-1 337 676	-1 337 676
Other adjustments for non-cash items and changes in operating assets and liabilities	-491 575	2 883 723	9 186 516	1 755 190	-813 997
NET CASH PROVIDED BY OPERATING ACTIVITIES	2 296 796	4 139 092	12 824 099	4 167 811	4 651 766
CASH FLOWS FROM INVESTING ACTIVITIES:					
Cash acquired on acquisition of a subsidiary	-	1 482 509	-	1 533 316	1 454 477
Purchases of intangible assets	-2 536 432	-326 984	-5 028 338	-500 332	-1 712 374
Purchases of property, plant and equipment	-1 082 718	-188 006	-2 095 695	-362 538	-464 256
Purchase of affiliates	-	-	-	-	-
Cash flow from other investing activities	-	-	-	-	-
NET CASH USED BY INVESTING ACTIVITIES	-3 619 150	967 519	-7 124 033	670 446	-722 153
CASH FLOWS FROM FINANCING ACTIVITIES:					
Proceeds from Issuance of shares	-	-	-	-	-
Proceeds from bond issue	-	-	-	-	-
Proceeds from loans	-	-	-	-	-
Share capital issued	1 200	-	49 532	-	-
Loan from related party	1 485 677	-572 472	734 659	625 219	-253 664
Cash flow from other investing activities	-1 477 160	-	-1 477 160	-	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	9 717	-572 472	-692 969	625 219	-253 664
Translation loss	183 984	-	-430 428	-	202 052
Fair value movements	-4 012	-	1 292 120	125 702	-69 459
NET INCREASE (DECREASE) IN CASH	-1 132 665	4 534 139	5 868 789	5 589 178	3 808 542
Cash and cash equivalents - beginning	12 829 605	3 074 648	5 828 151	2 019 609	2 019 609
CASH AND CASH EQUIVALENTS - END	11 696 940	7 608 787	11 696 940	7 608 787	5 828 151



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