Q1

INTERIM REPORT

2019

gig.com

GiG Overview

iGaming solutions based on innovative technology

VISION

“Opening up iGaming to make it fair and fun for all”

MISSION

“Have a stake in every fair online bet”

2012	2015	2019
GiG founded	Listed on the Oslo Stock Exchange	Dual-listing on Nasdaq Stockholm

~700
Employees

Offices in Malta, Denmark, Gibraltar, Norway, Spain, US

Licences in Malta, UK, New Jersey, Germany S-H, Sweden, Spain (pending)

WE ARE GIG

Gaming Innovation Group Inc. (“GiG” or “the Company”) is a technology company providing innovative and connected products and solutions throughout the entire value chain of the iGaming industry.

Founded in 2012, Gaming Innovation Group’s vision is “Opening up iGaming to make it fair and fun for all”. Throughout its ecosystem of products, services and solutions, GiG is connecting operators, suppliers and end users with the ambition of creating the best iGaming experiences in the world.

THE iGAMING VALUE CHAIN

Platform Services	Content & Ancillary Services	Marketing	Operators
Technical Platform (B2B)	Sports Betting, Games & Ancillary Services (B2B)	Media Services (B2B)	In-house Gaming Operators (B2C)

Managed Services (B2B)

GiG’s value chain

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

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

COMPANY PROFILE

GiG is a technology company operating in the iGaming industry. It was founded in 2012 and listed on the Oslo stock exchange in 2015 and on Nasdaq Stockholm in March 2019 (dual listing). The Company creates iGaming solutions based on innovative technology, providing products and services throughout the entire iGaming value chain.

B2C Casino Brands

GiG's portfolio also consists of a B2C business with **six consumer-facing casino brands** focused on regulated and soon-to-be regulated markets, offering gaming experiences in the form of casino games, sports betting and poker tables: Rizk, Thrills, Guts, Kaboo, Betspin and Highroller.

"We are committed to developing products that are fair and fun for all."

B2B Solutions

Cloud-based platform providing a technical foundation to create a stable and secure iGaming solution, offering a variety of tools. All other solutions can be integrated and accessed through the platform, including third-party games and payment suppliers.

Game-developing studio offering direct integration onto the platform. Our in-house team of experts focuses on all aspects connected with game development and production, and is continually building games with improved user experience.

360-degree lead generation and digital marketing provider with global reach for the iGaming industry. Media makes use of betting and casino guide publishing, online media buy channels, proprietary ad-tech and digital agency work.

Fully hosted and managed sportsbook solution delivering a seamless omni-channel betting experience tailored for offline and/or online channels.

Managed services offering expertise and operational infrastructure to provide customers with everything they need to run an online casino or sportsbook.

GAMING INNOVATION GROUP INC.

Q1 2019 Interim Report

Highlights

Key Figures

MEUR	Q1 2019	Q1 2018	2018
Revenue	32.4	37.3	151.4
Gross profit	26.0	30.5	124.0
Marketing expenses	8.6	11.9	47.2
Operating expenses	13.3	14.3	60.7
EBITDA	4.1	4.3	16.1

- Revenues for Q1 2019 were €32.4m (37.3), impacted by the Swedish market.
- EBITDA was €4.1m (4.3) in Q1 2019, corresponding to an EBITDA margin of 12.7% (11.6).
- For the second consecutive quarter, the Media Services vertical reached all-time-high revenues of €9.0m (8.2) in Q1 2019, EBITDA was €5.2m (4.4).
- Revenues for the B2B segment in Q1 2019 were €14.2m (15.3). EBITDA was €3.0m (4.1).
- Revenues for the B2C segment in Q1 2019 were €20.2m (25.4), with a positive EBITDA of €1.1m (0.1).
- Other operating expenses quarter-on-quarter (adjusted for one-offs) decreased by 4% in Q1 2019 as a result of increased efficiencies and cost-savings across the organisation.
- Cash flow from operations in Q1 2019 was €2.6m (2.0).
- The omni-channel sportsbook solution agreement with Hard Rock Intl. went live in January 2019.
- Ten new customer signed agreements for GiG's marketing compliance screening tool, Comply, in Q1 2019.
- Two in-house developed games were launched during Q1 2019.
- One new brand was signed to platform services in Q1 2019, one customer was launched in April with an additional five brands in the pipeline for launch. The total number of brands on the platform is 39.
- The GiG share was listed on Nasdaq Stockholm (main list) on 26 March, a dual-listing with Oslo Børs.
- Outlook: Measures taken in B2C in the last 12 months have been effective and are improving performance. Expansion in high potential new markets for both B2C and B2B is expected to contribute to profitable growth in 2019 and beyond. Heavy investments in technology is starting to pay off and modular and turnkey solutions can be offered across the main iGaming verticals.

LETTER FROM THE CEO

Robin Reed

“I am looking forward with confidence to the growth opportunities for the rest of the year”

The Company delivered an EBITDA of €4.1m in Q1 and the key highlight was all time high revenues and EBITDA in our media business. It is a performance I am reasonably satisfied with in light of the loss of a major B2B customer which we announced in Q4-18, and the new regulation in Sweden which is impacting both our B2C and B2B revenues. We had anticipated this and managed the impact by careful cost control. The business is robust with cash flow from operating activities of €2.6m.

This was the first time the Company experiensed a re-regulation of a major market and the quarter have been full of valuable insights and key learnings. These have in turn been used to evolve our strategy. We believe Sweden will stabilize over the course of the year and are looking forward to compete for market shares. Regulated markets are key to secure long term sustainability for the business and in addition to Sweden we will launch Spain in Q3-19 and start marketing there in Q4-19.

Our company achieved €32.4m in revenues in Q1, negatively impacted by the Swedish market, giving a decrease of 13% from last year. To return the business to growth one of the initiatives is to launch into high potential markets in Asia with our Rizk.com in Q2. Later in the year we are looking to make our Spanish launch a gateway into Latin America. It is key to rapidly launch and market our B2C brands into high potential, low barrier markets in order to drive growth for the group. It requires marketing investments, returns should start to grow within months thereafter.

Last year, GiG communicated its decision to terminate a customer contract, which impacted the fourth to first quarter figures by circa €2 million. The signing of a major Tier-1 customer whom we announced in Q4 is on track and we plan to launch them in the summer. Throughout H2 2019 and 2020, this, and other signed customer launches, will offset and likely exceed, the loss of this major customer, with long-term revenues.

This signing is a result of us having invested heavily into our technology, which is now maturing, allowing us to sell both large turnkey contracts, and modular components. I am happy to see sales accelerating. Our new marketing compliance tool GiG Comply has been a success. In the first quarter we signed 10 new customer contracts including Tier-1 companies. The contribution from these contracts are not yet material for the overall revenues and profits, however it is expected to increasingly contribute as we sign more customers for this tool. In the quarter we also signed MegaLotto to enter the lottery vertical and we deployed our full online and retail sportsbook solution with Hard Rock in New Jersey.

Investments are continuing at a high level. We need to deliver innovative games built on a great and sellable casino platform, improve our sports platform, and launch the next generation of our core and data platform. Combined with the tech and content we have completed, these initiatives constitute our target technological architecture and will be sequentially completed throughout the year, marking the end of four years of major capex investment. Once complete, it will yield us lower cost, increased development velocity and innovation, and allow us to greatly accelerate sales and market launches whilst we will aim to migrate the entire current business over throughout 2020.

The prior investments are also materializing in immediate benefits. We are expected to decrease operating expenses as a delta to revenues for every quarter going forward until the end of the year. Savings from decreased investments into hosting and infrastructure throughout the year, lower levels of amortization, as well as decommissioning of legacy software throughout next year, will all be major contributors to our net result.

Q1 was a tough quarter for the industry and for us, but we delivered in a challenging environment. Going into Q2, I believe we have navigated through the storm and are in good shape with plenty of opportunities. This has been accomplished through a heavy effort into compliance and a diversified revenue base enabled by our sharp focus on proprietary products and technology, allowing the business flexibility and the options required to meet such a demanding environment. Returning to growth will require some investments into marketing in Q2. However, EBITDA growth should follow these investments within months thereafter.

I am proud of the organization. GiG has become better and more competitive as the Company matures. Our leadership has never been stronger, our processes are more robust, and our strategic understanding and intent has evolved. I am looking forward with confidence to the growth opportunities for the rest of the year.

Yours sincerely,

Robin Reed

GAMING INNOVATION GROUP INC.

Q1 2019 Interim Report

Financial highlights

Consolidated revenues for Gaming Innovation Group Inc. (GiG) ended at €32.4 (37.3) million in the first quarter 2019. The decline from last year is a result of reduced revenues in B2C, mainly driven by the regulation in Sweden from January 2019 and the termination of a platform customer in 2018.

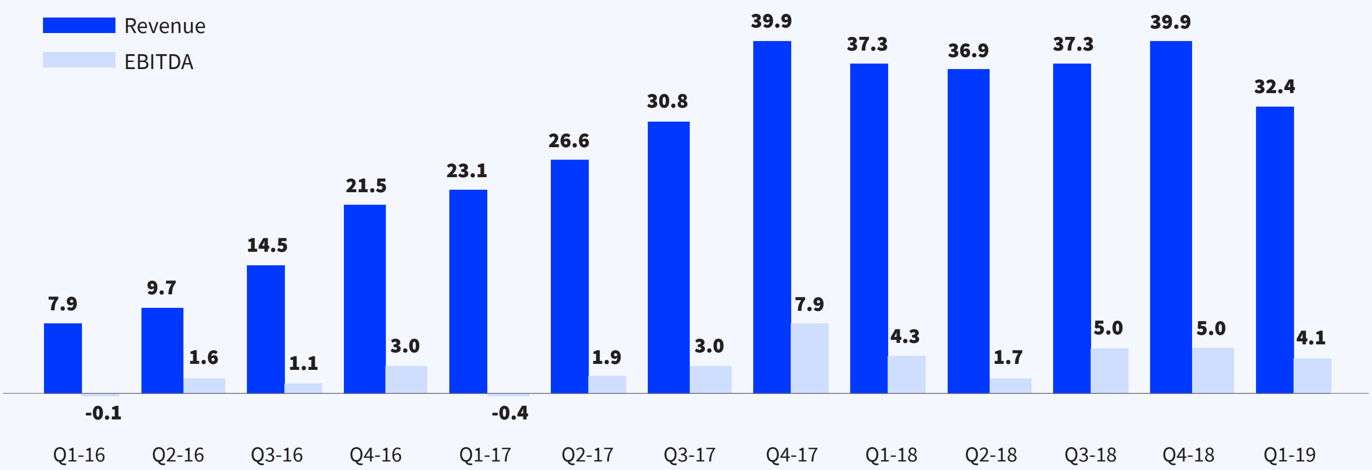
Gross profit for the group was €26.0 (30.5) million in the first quarter 2019. Gross profit margin for the first quarter 2019 came in at 80% (82%), primarily due to increased betting duties mainly impacted by the reregulation in Sweden with a betting duty of 18%. Although revenues have decreased, EBITDA was €4.1 million, which is in line with last year's EBITDA result of €4.3 million. This is primarily as a result of increased operational efficiency which has been a key focus of the group. Media Services is the largest profit generator with an EBITDA of €5.2 (4.4) million in the first quarter 2019.

Marketing expenses were €8.6 (11.9) million in the first quarter 2019, a year-on-year decrease of 28%. Marketing expenses' share of total revenues was 26% (32%) in the first quarter 2019. Marketing expenses decreased by 26% quarter-on-quarter as a result of lower marketing activities in the newly regulated Swedish market and a diversification of marketing channels. The marketing mix initiatives taken in the latter part of last year; from TV advertising to affiliate marketing, social media and other marketing channels, have led to lower spending and a beneficial outcome for all in-house brands.

With regards to the newly regulated Swedish market, regulations restrict the marketing offers to end users to just one "welcome bonus" and no further incentives. GiG anticipated prior to regulation that a high number of end users would be going operator to operator to take advantage of the one "welcome bonus" offered by each regulated operator resulting in a decrease in short-term player value. As a result of this foresight GiG adjusted its marketing spend accordingly to make sure that (i) GiG was not attracting end user who would not be retained and (ii) that the CPA's GiG were paying for traffic were in line with the drop of player value.

Other operating expenses amounted to €13.3 (14.3) million in the first quarter 2019, a year-on-year decrease by 7% and a 14% decrease quarter-on-quarter. The reduction in operating expenses is a result of cost control initiatives taken in 2018 and a decrease in the average number of employees quarter-on-quarter with the Company being more streamlined and efficient in its operations. Savings from lower investment levels into hosting and infrastructure, lower levels of Capex and decommissioning of legacy software, together is expected to continue to lower other operating expenses, as a percentage of revenues, quarter-on-quarter throughout the balance of the year. Similarly, technology investments is expected to decrease as a percentage of revenues as the technology matures.

REVENUES & EBITDA (MEUR)



Depreciation and amortisation amounted to €6.6 (4.7) million in the first quarter 2019. Depreciation and amortisation expenses are mainly related to amortisation of intangible assets from affiliate acquisitions completed in 2015-2017 (€2.9 million) and capitalised investments in software development and IT infrastructure technology (€2.1 million). GiG adopts conservative amortising principles for acquired affiliate assets, with 3 years for customer contracts and 8 years for domains/SEO.

Net other income was €-0.3 (1.2) million in the first quarter 2019 and included €1.2 million in interest expense and an unrealised gain of €1.7 million related to the Company's bond due to the change in the SEK/€ exchange rate in the quarter. The net result for the first quarter 2019 was €-2.9 (0.9) million.

Outlook

B2C

During the last twelve months, measures have been taken to improve profitability and general performance with GiG's in-house brands by focusing on fewer brands. This has been a successful and necessary development. Increased competition and regulation have directly impacted on the operator revenue and on revenue share deriving from operators on the GiG platform. The Company is pleased with the underlying development and improvement in performance.

The new regulation with an 18% gaming tax in Sweden from 1st of January, had an adverse impact on Gaming Operators in Q1 2019 with substantial margin pressure. Following general market trends when other markets have re-regulated, it takes some time to settle and establish itself. The Swedish market is therefore expected to mature during the year and GiG predicts improvements in the B2C vertical towards the second half of 2019.

The two best performing brands, Rizk and Guts, will be developed in existing and new markets where the Company sees growth opportunities. The Rizk brand is the best performer of the in-house operators, representing 71% of total B2C revenues in the first quarter and as such is a strong contributor to the segment's EBITDA (EUR 2.0 million in Q1). The focus going forward will be on further developing the casino part of the Rizk brand and enhancing the sports betting experiences of the Guts brand. It is expected that the B2C vertical will deliver an improved margin development and revenue growth in the future.

On the 29th of April, Google began accepting advertising from licensed operators in Sweden, and Rizk is already live with campaigns. Utilizing the propriety ad-technology and experience from the Media Services work over the last 10 years in regulated markets such as the UK, Belgium and Denmark, we are excited to see new digital channels open up where we believe GiG can have a competitive edge.

Google's new PPC advertising policy in Sweden does not allow for the affiliate model at this time, however we are hopeful that this could also be a revenue channel for media services in the future. GiG believes there will only be minimal impact on the publishing operations from the introduction of advertising in organic results.

Following the tougher competition and regulation in core markets, initiatives are being taken by the Company to seek to expand its geographical footprint in less mature markets such as Canada and in Asia. A licence application is well underway in the fast growing Spanish market, with expected launch in the second half of 2019. Spain will also serve as a gateway to the Latin American market. The establishment of our business in these markets is a key priority for profitable growth from current levels in 2019 and beyond.

B2B

GiG sees B2B as a strong strategic opportunity for the Company as a consequence of increased regulation and saturation. Growth is slowing down in the historical main markets for the industry whilst taxation is increasing. Over the last 30 months GiG has invested heavily into its software and infrastructure in order to possess the proprietary technology required to offer Modular and Turnkey solutions across the main verticals in iGaming, services which will make the industry more efficient, flexible and capable. GiG is seeking to sell its services, vetted by its own B2C brands and to expand its reach and scale whilst sharing the cost base.

The increased regulatory environment is demanding, however expected, and the Company is fully confident in the ability to overcome this challenge in order to seize the desired strategic position as a global operator and partner of strong brands in iGaming by 2020.

With new modular or turnkey clients signed in the quarter, including the largest SaaS customer for GiG to date expected to sign an agreement in Q2 for launch in Q3 2019, the Company believes it is proceeding well towards its strategic intent. The total number of brands on the platform is 39.

Media Services

GiG's media department, operating the publishing and paid media teams and assets of the Company, is the main contributor to the Company's profits. The acquisitions made in prior years have been successfully integrated into a single operation which is expected to continue its positive development in 2019 and contribute with profits and positive cash flow.

GiG was in January 2019 granted an affiliate vendor registration in the state of New Jersey, USA. This allows GiG to refer website traffic to operators on a Cost Per Acquisition (CPA) basis, starting from Q1 2019 with its website 'wsn.com'. GiG's media services has, over the past 12 months, been building up portfolio assets to target the US market and this is the first step towards monetising those websites and marketing channels. GiG will apply for registrations in other jurisdictions in North America as they open up for the opportunity.

Sports Betting Services

GiG is continuing to develop its sportsbook with new features. Key priorities are innovative trading tools, data driven odds and a full retail and online solution. The sports betting vertical has an expected burn-rate in 2019 at similar levels as in 2018, ie around €0.7 - 0.8 million per month. These investments will contribute both to the B2C and the B2B revenues generated by the Company.

GiG launched its new sportsbook in June 2018 on its in-house brand Rizk.com and it has since been sold externally to brands such as MRG's subsidiary 11.lv, MetalCasino and as an omni-channel sportsbook solution to Hard Rock International.

Break-even in this vertical is expected in the first half of 2020. This will be achieved by strengthening the sportsbook with in-house brand Guts, by the developments in the new sportsbook and a focused marketing approach.

Platform Services

Q1 2019 was a volatile quarter for GiG's Platform Services. GiG communicated in its Q3 2018 report the termination of a large customer for regulatory reasons. Besides two agreements signed for the platform and for the Company's Player Account Management and hosting System, ten agreements have been signed for GiG's new compliance screening tool, Comply, during the first quarter 2019. Customers for Comply include a range of renowned and Tier 1 operators such as Kindred Group. GiG charges a flexible monthly fee depending on the level of service such as the number of jurisdictions and the number of brands required to be screened. Modular compliance services are a key area of focus for GiG, for which there is a healthy pipeline of additional customers, and new agreements are expected to be signed during the next quarters.

GiG Games, as part of the Platform Services vertical, started its development of an in-house Games Studio for the development of proprietary games. The Games segment is a long term investment, and it is expected to reach profitability during 2020, based on an increased number of proprietary games launched and games launched in collaboration with other game studios and the signing of new customer agreements.

Guidance

GiG is positive and optimistic with the development of all the business verticals. The chosen strategy to primarily focus on regulated and soon-to-be regulated markets, both with own brands and in partnership with important strategic partners in selected markets, makes it however challenging to foresee the shorter term development as this partly depends on the efforts and priorities of these partners, as well as the rules and regulations implemented by the various gaming authorities. With this background, GiG will not give a specific guidance for the full year 2019 this quarter.

Key Events

Gaming Operators (B2C)

In 2018, GiG operated seven in-house brands. During the year, measures were taken to make the business vertical more efficient and more profitable for the long term. The multi-brand strategy has not been fully efficient, as operational focus and marketing spend have, in the past, been allocated to all brands. GiG started in the fourth quarter 2018 focusing on fewer brands to better achieve market attention, end user acquisition and to improve profitability, starting 2019 with six in-house brands. Brand SuperLenny was evolved into an affiliate site with the same name and operational from January 2019.

Sports Betting Services (B2B)

Hard Rock selected GiG's sports betting services for its full omni-channel solution with Over-the-Counter (OTC) wagering available in the Hard Rock Hotel & Casino Atlantic City as well as online via desktop and mobile in the state of New Jersey. GiG supports a seamless account, which significantly enhances UX and ease of transactions for the player between casino and sports. The sportsbook was launched in January 2019 after receiving approval by the New Jersey Department of Gaming Enforcement (DGE).

Platform Services (B2B)

GiG signed a long-term contract with MegaLotto in Q1 for the provision of its technical platform services, casino games as well as managed services from GiG Magic. With this agreement, GiG enters the Lottery betting vertical. MegaLotto is a new start-up with its own license, which will provide lottery betting services allowing users to bet on the outcome of the largest lotteries in the world. GiG will support MegaLotto in its strategy of offering betting on multi-country lotteries and casino games to its end users in various markets. Launch is planned for H2 2019. Revenues deriving from this partnership is expected to have limited impact on GiG's overall revenues in 2019 due to the nature of a start-up, however revenues are expected to accelerate from 2020 onwards.

LuckyDays, a licensed operator, went live in the quarter under its SaaS agreement with GiG's Platform services.

GiG Games

GiG Games studio has been in development for the past year and develops gaming products including slots and table games. GiG expects to have launched a total of six to eight of its own developed games and to launch additional games through collaborations with external game studios, before the end of June 2019

GiG launched its first two in-house developed games, 'Wild Reels' and 'Book of Souls', under the new product line GiG Games during the second half of 2018 and launched two more games in the first quarter 2019, 'FruitSlot' and 'PopStar'.

GiG has signed an agreement with open gaming platform provider, Finnplay. This deal sees GiG Games deliver its content to Finnplays' expanding operator base. Finnplay will take all games from GiG Games and will release the first game on its platform in Q2 2019.

GiG has signed an agreement with casino games aggregator Relax Gaming. Online casino operators integrated with the Relax Gaming platform will be able to offer its end users GiG Games titles. Relax Gaming will take all games from GiG Games and plans to release the first game on its platform in Q2 2019.

NASDAQ Stockholm listing

On 26 March, GiG listed its share on Nasdaq Stockholm, from which date it is dual-listed both on Oslo Børs and on Nasdaq Stockholm. The GiG share will be dual-listed and traded on both exchanges until further notice, carrying the same ISIN code on both exchanges: US36467X2062. The ticker code for the GiG share on Oslo Børs is "GIG", the ticker code for the GiG share on Nasdaq Stockholm is "GIGSEK".

Events after Q1

One new brand signed on the Platform services went live in April 2019.

In the Q4 report GiG announced it is in negotiations with a Tier 1 customer. The contract is expected to be signed during the second quarter with plans for launch during the third quarter 2019. The agreement will support the growth of the new long-term partner with the provision of a turnkey gaming solution including the technical platform, fully managed services, front end development, marketing and to enter online casino services.

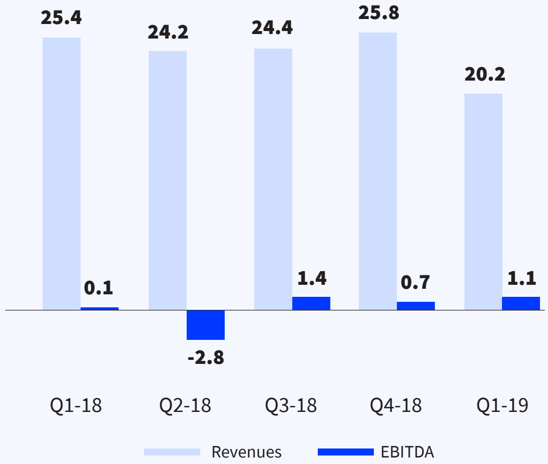
OPERATIONAL REVIEW

B2C Gaming Operators

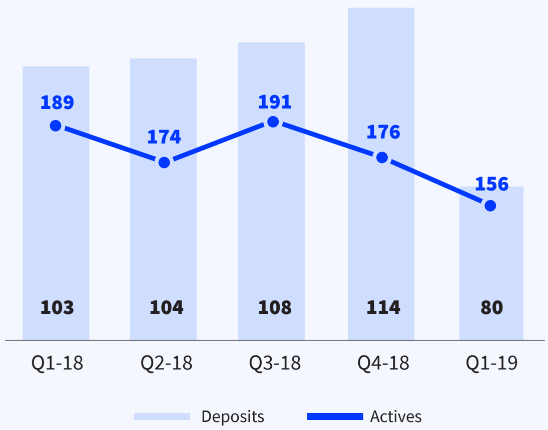
The B2C segment include GiG's in-house gaming operators; Rizk.com, Betspin.com, Guts.com (and gutsXpress.com), Kaboo.com, Thrills.com and Highroller.com.

MEUR	Q1 2019	Q1 2018	2018
Revenue	20.2	25.4	99.8
Marketing expense	7.8	11.8	46.1
EBITDA	1.1	0.1	-0.5
Total deposits	79.7	103.0	428.7

Gaming Operators
Revenue & EBITDA (MEUR)



Gaming Operators
Deposits (MEUR) & Actives (1000)



Revenues and EBITDA

Revenues in the first quarter 2019 for the B2C gaming segment were €20.2 (25.4) million. The numbers reflect the six in-house brands operating in Q1 2019 compared to seven in-house brands generating revenues during 2018. SuperLenny was from January 2019 evolved into an affiliate site with the same name.

In-house brand Rizk represents 71% of total revenues in Gaming Operators with a year-on-year growth of 34%.

42% (48%) of revenues came from regulated and soon-to-be regulated markets. Revenues were split with 62% (75%) from the Nordics, 3% (7%) from Western Europe, 30% (14%) from Central Europe and the balance, 5% (4%) from non-core markets. Sweden accounted for 11% of total B2C revenues in the quarter, down from 29% in the first quarter 2018 and represented the full year-on-year decline in B2C revenues.

EBITDA for the first quarter 2019 was €1.1 million, an improvement from €0.1 in the first quarter 2018.

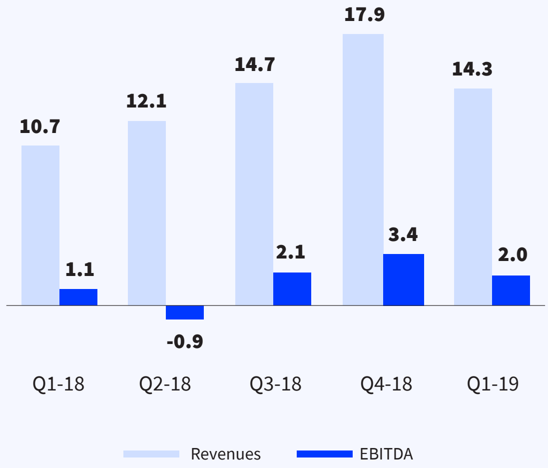
Marketing expenses

Up-front marketing investments decreased further in the first quarter 2019, resulting in a total B2C marketing expense of €7.8 million, a decrease from €11.8 million in the first quarter 2018 and €11.1 million in the fourth quarter 2018. The decrease is a result of initiatives taken in 2018 to change the mix in marketing from TV advertising to affiliate marketing and social media and the focus of fewer brands. Of the total B2C marketing expense in the first quarter 2019, €2.8 (4.0) million or 36% (34%), was related to revenue share agreements, with the balance attributable to up-front payments.

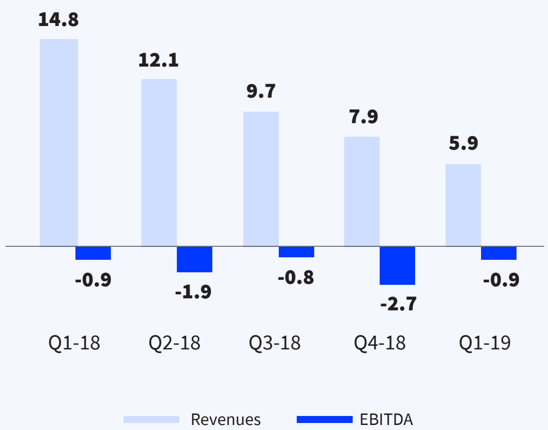
Gross deposits

Gross deposits were €79.7 (103.0) million in the first quarter 2019, down by 23%, mainly due to reduced activity in the Nordics and especially in Sweden. The number of active users for the B2C segment was 156,242 (189,082).

Rizk
MEUR



Other brands combined
MEUR



Casino and sports betting margins

The casino margin in the operator business was 3.50% (3.51) in the first quarter 2019. The sports betting margin was 6.0% (7.9%) in the quarter. The reduction in the betting margin was primarily due to increased betting duties which represented 8.7% (5.0%) of gaming operators' revenues in the first quarter 2019.

B2B Services

This segment includes GiG's Media Services, Platform Services & Sports Betting Services.

MEUR	Q1 2019	Q1 2018	2018
Revenue	14.2	15.3	62.7
EBITDA	3.0	4.1	16.5

Revenues for the B2B segment amounted to €14.2 (15.3) million in the first quarter 2019. EBITDA was €3.0 (4.1) million in the quarter with an EBITDA margin of 21% (27%). The reduction in revenues and EBITDA is mainly related to the termination of a larger client as informed in the Q4 2018 report.

Media Services

Revenues and EBITDA

Revenues in Media Services reached an all-time-high of €9.0 (8.2) million, a 10% year-on-year increase, all organic growth. EBITDA in the first quarter 2019 was €5.2 (4.4) million with an EBITDA margin of 58% (53%).

57% (68%) of revenues in the first quarter 2019 derived from revenue share agreements, 19% (14%) from CPA (Cost per Acquisition), 22% (18%) from listing fees and 2% from other services (GiG Comply and agency services).

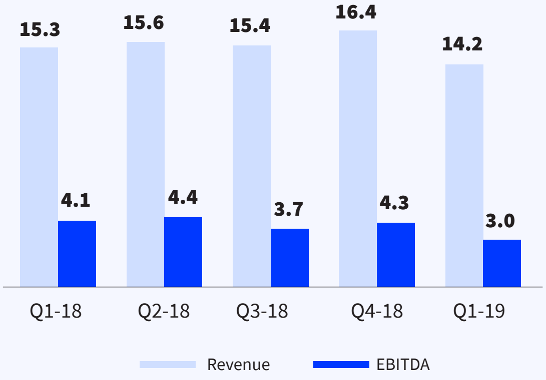
FTD's

Media Services referred 34,408 (32,382) new FTDs (First Time Depositors) to operators in the first quarter 2019. Of the new FTDs in the quarter, 7% (10%) were referred to GiG's own brands, 6% (11%) to Platform Services customers and the remaining 87% (79%) to other operators. The demand and value from external partners remained high in the quarter.

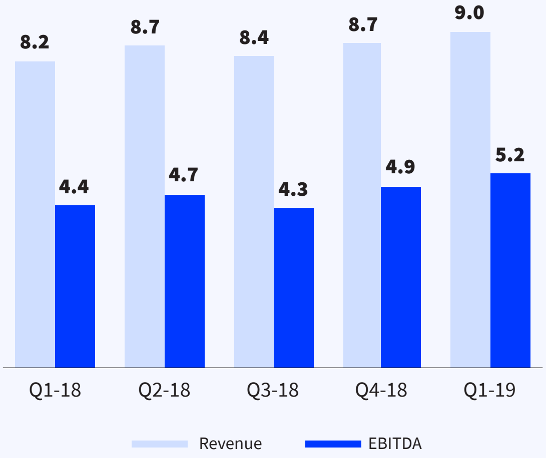
Trends

The paid model represented 15% of Media Services revenues, the same level as in the previous quarter. Media's paid services trended somewhat lower in the second half of 2018 due to regulatory issues, mainly in the UK, this trend reversed in the first quarter 2019. Preparations and investments are being made to ensure when new markets regulate and channels open up, further opportunities can be realised. Growth

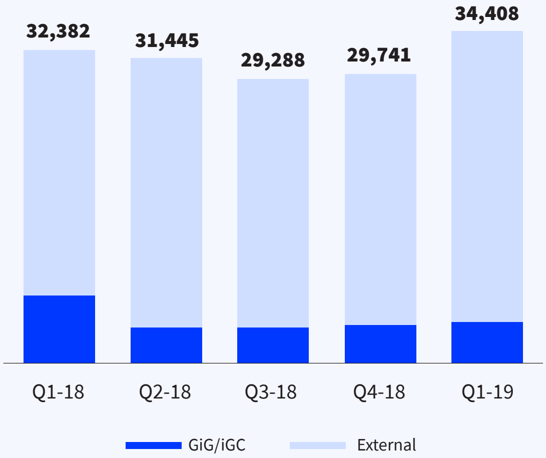
B2B Segment
Revenue & EBITDA (MEUR)



Media Services
Revenue & EBITDA (MEUR)



Media Services - FTDs
Split between own brands/ customers & others



opportunities will be considered on a world-wide basis, with particular emphasis on countries in North America and certain parts of Asia.

Growth in Media services has been driven by continued efforts to push some key publishing sites into higher ranking positions in multiple markets, this coupled with the efforts in 2018 to launch into new markets. Paid Media performed better than during H2 2018 as the adaptation and optimisation to the UK market starts to show a positive shift and through diversification efforts during the year, helped to enhance the results.

Platform Services

Revenues and EBITDA

Platform Services comprise the GiG Core platform, the front end service GiG Magic and GiG Games. Revenues for Platform Services were €4.9 (6.8) million in the first quarter 2019. The decrease from the first quarter 2018 is mainly due to the termination of a customer contributing circa €2.0m in the first quarter 2018. 79% of platform revenues was from external customers with the balance from GiG's own brands. EBITDA for the first quarter 2019 was €-0.5 (1.4) million. Games are included in Platform Services with an EBITDA of €-0.3 million in the first quarter 2019.

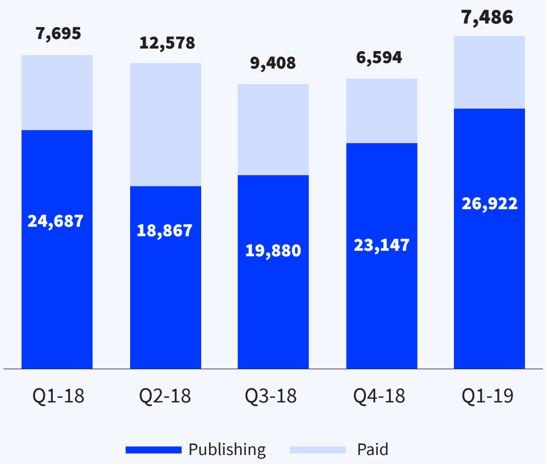
Database transactions

Total database transactions in the first quarter 2019 were 4.3 (4.7) billion.

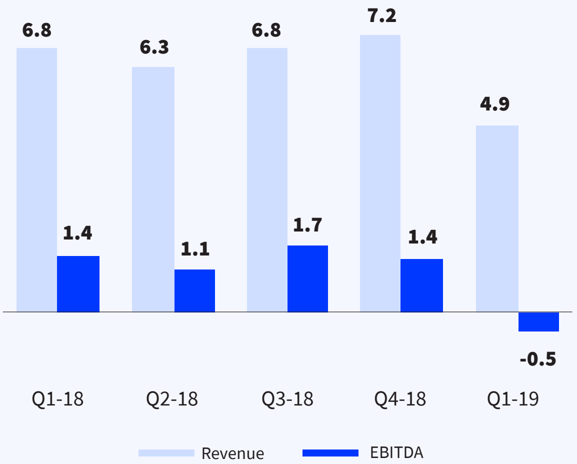
Brands on the platform

One new brand was signed in the first quarter 2019, four brands discontinued operations in the same period, of which one converted its player base to another customer. By the end of the first quarter 2019 five brands were in the pipeline to be launched, of which one started operations in April. Existing live customers and the signed pipeline adds up to a total of 39 brands operating on the platform, including GiG's own brands.

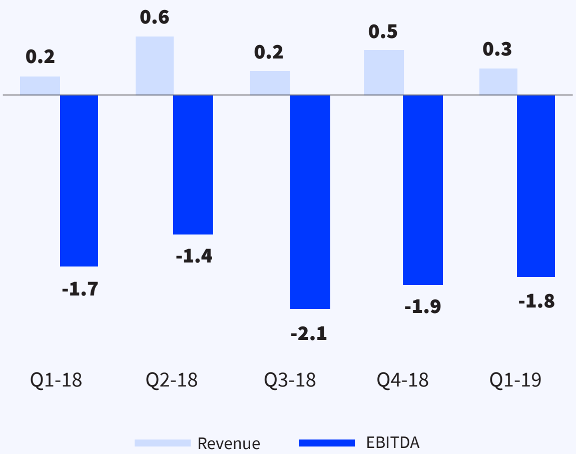
Media Services - FTDs
Split between publishing and paid



Platform Services
Revenue & EBITDA (MEUR)



Sports Betting Services
Revenue & EBITDA (MEUR)



Sports Betting Services

Revenues and EBITDA

Revenues from Sports Betting Services were €0.3 (0.2) million in the first quarter 2019, EBITDA was €-1.8 (-1.7) million. The negative EBITDA relates to the investments of technology and people to build the sports betting services in-house.

Sports Betting Services is offered as a full B2B solution and sports related revenue from existing Platform customers was shifted from GiG Core to the Sports Betting Services vertical effective from the second quarter 2018. These revenues were included in Platform Services with [€0.4] million in the first quarter 2018.

Sustainability

GiG published its inaugural Sustainability Report guided by the Global Reporting Initiative (GRI) standards covering the Company's key sustainability areas:

- Fair and safe iGaming
- Responsible marketing and advertising
- Encourage employees to thrive

The report explains how GiG runs a sustainable business, details on the key focus areas and how the Company conducts its business in a responsible way for all stakeholders. Both as an online operator and software supplier providing online gambling platform and services, GiG supports its customers to comply with technical, legislative and responsible marketing demands. GiG is a technology company for whom it comes naturally to support sustainability through investing in research and innovative technology. GiG is committed to progressively working towards its sustainability goals and to report on progress and development in annual sustainability reporting. In doing so, GiG makes use of tracking data and statistics to analyse, monitor and improve key indicators.

Sustainable and long-term profitable growth is at the core of all aspects of GiG's corporate strategy. GiG focuses its sustainability strategy on areas most relevant to its business, at the heart of which is responsible gambling. This means offering customers and end users a full suite of solutions across the iGaming value chain while upholding strict rules to minimise harm caused by gambling; to prevent gambling from being a source of crime; and to ensure it is conducted in a fair and safe way. GiG supports end users to comply with technical, legislative and responsible marketing demands, both as an online operator and software supplier providing online gambling platform and services. GiG values a close relationship with its customers, suppliers and end users which enables the Company to map out their wishes and needs and to train its employees to work in a responsible manner.

Industry groups, non-governmental organisations, governments and community groups, all play a valuable role in encouraging responsible gambling. GiG collaborates with the industry to combine efforts in order to address issues in a more powerful way and is working closely with peers and other organisations to encourage a responsible attitude to gambling and to address gambling related harm. For example, in January this year, GiG has, together with three other online gambling companies, started a trade body called the Norwegian Trade Association of Online Gambling. The aim is to promote the benefits for and how to protect both end users, the gambling companies and the whole society in a regulated market and to educate and support relevant bodies with learnings from other jurisdictions.

The full Sustainability Report is available on the Company website: www.gig.com/ir

FINANCIAL REVIEW

First Quarter 2019

Revenues

Consolidated revenues amounted to €32.4 (37.3) million in the first quarter 2019, a 13% decrease compared to the same quarter 2018. The decrease is explained by an overall weaker performance in the Nordics due to the effects of the Swedish regulation and the termination of a platform customer in 2018. GiG's revenues comprise income from the Company's gaming sites, publishing and paid media marketing in Media Services, and from B2B customers in Platform Services and Sports Betting Services.

Cost of Sales

Cost of sales include fees to game and payment suppliers, gaming taxes and other variable expenses. In the first quarter 2019, cost of sales amounted to €6.4 (6.9) million, a decrease of 6% compared to the first quarter 2018. Gaming taxes amounted to €1.8 (1.3) million, or 5.4% (3.4%) of consolidated revenues.

Gross profit

Gross profit amounted to €26.0 (30.5) million during the first quarter 2019, a 15% decrease from the first quarter 2018. Gross profit margin for the first quarter 2019 was 80% (82%), the decline in the gross profit margin is mainly related to an increase in betting duties consequent on the new Swedish regulation from 1 January 2019.

Marketing expenses

Consolidatedt marketing expenses were €8.6 (11.9) million in the first quarter 2019, a 28% decrease compared to the first quarter 2018. Marketing expenses' share of total revenues were 27% in the first quarter 2019, down from 32% in the first quarter 2018. Marketing expenses are mainly derived from the Company's B2C operations, comprising up-front payments such as TV campaigns, CPA (cost per acquisition) and affiliate revenue shares, and payment for traffic in GiG Media's paid operation.

Operating expenses

Other operating expenses amounted to €13.3 (14.3) million in the first quarter 2019, a 7% decrease compared to the first quarter 2018. Operating expenses are mainly related to salaries, rent and general corporate expenses. Personnel expenses were €8.9 (9.8) million in the first quarter 2019, a 9% decrease from first quarter 2018.

Capitalised expenses related to the Company's development of technology and future products amounted to €1.7 (1.3) in the first quarter and are capitalised over 3 years. These costs are mainly related to the development of GiG's platform and sports betting products and games.

EBITDA

EBITDA for the first quarter 2019 was €4.1 (4.3) million, a 5% decrease compared to the first quarter 2018. The EBITDA margin was 13% (12%), an improvement from the first quarter 2018.

D&A

Depreciation and amortisation amounted to €6.6 (4.7) million in the first quarter 2019, whereof depreciation was €1.1 (0.3) million.

Amortisation related to the affiliate acquisitions completed in 2015 - 2017 were €2.4 (2.4) million in the first quarter 2019, split with €1.0 (1.0) million for affiliate contracts and €1.4 (1.4) million to domains/SEO. Aquired affiliate assets are amortized over 3 years for customer contracts and 8 years for domains/SEO. The balance is mainly related to capitalised development expenses with €2.1 (1.4) million.

EBIT

EBIT came in at €-2.4 (-0.4) million in the first quarter 2019. The reduction is mainly due to increased amortization and depreciation.

Net result

Net other income was €-0.3 (1.2) million in the first quarter 2019. Interest on the Company's bond was included with €1.2 million in the quarter. The balance is net foreign exchange losses, including an unrealised gain of €1.7 million on the bond due to the weakening of the SEK towards the EUR during the quarter. The net result for the first quarter 2019 was €-2.9 (0.9) million.

Cash flow

The consolidated net cash flow from operational activities amounted to €2.6 (2.0) million for the first quarter 2019. Included in the net cash flow from operational activities are changes in operating assets and liabilities, mainly consisting of release of rolling reserves, marketing prepayments as well as payments of receivables.

The net cash flow used on investments was €4.2 (3.5) million in the first quarter 2019, whereof €1.7 million were capitalised development expenses and €1.1 million one-off investments in leasehold improvements and investments into GiG's new office in Malta – GiG Sky.

The net cash flow from financing activities was €0.0 (0.0) million in the first quarter 2019.

Cash and cash equivalents decreased by €1.5 (-1.4) million in the first quarter 2019, mainly due to the one-off investments in the new office.

Financial position

As at 31 March 2019, holdings of cash and cash equivalents amounted to €13.1 (10.7) million. A €4.0 million cash deposit for the Spanish license applications is included under receivables. Cash holdings include €8.3 million in fiduciary capacity, which is customer monies, use of which is restricted in accordance with the Remote Gaming Regulations.

As at 31 March 2019, GiG held total assets of €184.0 (204.4) million and shareholders' equity was €84.7 (110.2) with an equity ratio of 46% (54%).

The interest-bearing debt as at 31 March 2019 was €64.9 (63.3) million.

Personnel

By the end of first quarter 2019, 695 (700) employees were spread throughout Malta, Spain, Gibraltar, Denmark, Norway and some satellite offices at other locations. Approximately 160 people are working in Gaming Operators, 195 in Platform Services (Core), 75 in Sports Betting Services, 25 in Games and 100 in Media Services, with the balance in corporate functions.

Shareholder matters

GiG was listed on the main list at Nasdaq Stockholm on Tuesday 26 March 2019. From this date the share was dual-listed on Nasdaq Stockholm and Oslo Børs with the same ISIN code: US36467X2062.

As at 31 March 2019, the total number of shares outstanding in GiG was 90,005,626 (par value USD 1.00). The number of authorised shares is 100,000,000.

During the first quarter 2019, 70,000 options were exercised and 120,000 options were cancelled. GiG borrowed shares for the immediate transfer of the option shares. GiG will issue new shares later and the number of shares outstanding will then increase to 90,075,626. 1,101,000 options were outstanding as at 31 March 2019.

Subsequent to the first quarter, a total of 500,000 options were granted with an exercise price of NOK 30.00 per share. The options are exercisable with 20% after 1 April 2020, 30% after 1 April 2021 and 50% after 1 April 2022. All options expire on 31 March 2025 and are conditional upon employment at time of exercise. In addition, 85,000 options have been cancelled, leaving 1,506,000 options outstanding as of today.

About Gaming Innovation Group

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

Legal disclaimer

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

Financial calendar

Annual Shareholder Meeting	22 May 2019
Q2 2019 Interim Report	14 August 2019
Q3 2019 Interim Report	6 November 2019
Q4 2019 Interim Report	18 February 2020

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This information is information that Gaming Innovation Group Inc. (GiG) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, at 08:00 CET on 6 May 2019.

Gaming Innovation Group Inc.

Condensed Statements of Operations

EUR 1000 - Unaudited	Q1 2019	Q1 2018	2018
Revenues	32 423	37 339	151 372
Cost of sales	6 447	6 850	27 358
Gross profit	**25 976**	**30 489**	**124 014**
Operating expenses			
Marketing expenses - revenue share	2 835	3 978	14 659
Marketing expenses - other	5 747	7 885	32 588
Non-recurring expenses	-	-	2 619
Other operating expenses	13 284	14 293	58 066
Total operating expenses	**21 866**	**26 156**	**107 932**
EBITDA	**4 110**	**4 333**	**16 082**
Depreciation & amortization	6 566	4 700	19 973
Impairment of intangibles	-	-	13 726
EBIT	**-2 456**	**-367**	**-17 617**
Financial income (expense)	-255	1 324	-4 210
Other income (expense)	-30	-95	-113
Result before income taxes	**-2 741**	**862**	**-21 940**
Tax income/(expense)	-135	22	-815
Net results	**-2 876**	**884**	**-22 755**
Exchange differences on translation of foreign operations	-32	86	133
Fair value movement in available for sale investment	40	26	-15
Total comprehensive income (loss)	**-2 868**	**996**	**-22 637**
Total Comprehensive income (loss) attributable to:			
Owners of the Company	-2 863	1 002	-22 639
Non-controlling interests	-5	-6	2
Total comprehensive income (loss)	**-2 868**	**996**	**-22 637**
Earnings per share attributable to GiG Inc:			
Basic earnings (losses) per share	-0,03	0,01	-0,25
Diluted earnings (losses) per share	-0,03	0,01	-0,25
Weighted average shares outstanding (1000)	90 006	89 566	89 567
Effect of dilutive shares (1000)	-	718	-
Diluted weighted average shares outstanding (1000)	90 006	90 284	89 567

Gaming Innovation Group Inc.

Condensed Statements of Financial Position

EUR 1000 - Unaudited			
	31 MAR 2019	**31 MAR 2018**	**31 DEC 2018**
ASSETS			
Non-current assets:			
Goodwill	69 547	69 543	69 570
Intangible assets	66 163	90 216	69 253
Deposits and other non-current assets	15 141	7 940	8 061
Total non-current assets	**150 851**	**167 699**	**146 884**
Current assets:			
Prepaid and other current assets	44	67	5
Trade and other receivables	19 970	25 882	28 473
Cash and cash equivalents	13 126	10 711	14 669
Total current assets	**33 140**	**36 660**	**43 147**
TOTAL ASSETS	**183 991**	**204 359**	**190 031**
LIabilities and shareholders' equity			
Shareholders' equity:			
Share capital	78 858	78 483	78 858
Share premium/reserves	122 343	31 054	121 942
Retained earnings (deficit)	-116 498	645	-112 753
Total equity attributable to GiG Inc.	84 703	110 182	88 047
Non-controlling interests	21	30	25
Total shareholders' equity	**84 724**	**110 212**	**88 072**
LIabilities:			
Trade payables and accrued expenses	27 937	30 025	34 204
Short term loans	620	-	617
Total current liabilities	**28 557**	**30 025**	**34 821**
Bond payable	62 367	62 260	64 230
Deferred tax liability	1 056	829	955
Other long term liabilities	7 287	1 033	1 953
Total long term liabilities	**70 710**	**64 122**	**67 138**
Total liabilities	**99 267**	**94 147**	**101 959**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**183 991**	**204 359**	**190 031**
CONDENSED STATEMENTS OF CHANGES IN EQUITY:			
Equity at beginning of period	**88 072**	**108 783**	**108 783**
Issuance of shares for cash, in repayment of debt and purchase of subsidiary and affilates	-	24	26
Adjustment on adaption of IFRS 16	-198	-	-
Exercise of options	-	-	822
Fair value movement in available for sale investments	40	26	-15
Share compensation expense	-282	409	1 078
Non-controlling interests	-5	-6	2
Exchange differences on translation of foreign operations	-32	86	133
Net results	-2 871	890	-22 757
Equity at end of period	**84 724**	**110 212**	**88 072**

Gaming Innovation Group Inc.

Condensed Statements of Cash Flows

EUR 1000 - Unaudited	Q1 2019	Q1 2018	2018
Cash flows from operating activities:			
Results before income taxes	-2 741	862	-21 940
Adjustments to reconcile profit before tax to net cash flow:			
Tax expense	-135	22	-815
Depreciation and amortization	6 566	4 700	19 973
Impairment of intangibles	-	-	13 726
Cash deposit for licence application	-	-	-4 000
Other adjustments for non-cash items and changes in operating assets and liabilities	-1 061	-3 574	5 540
Net cash provided by operating activities	**2 629**	**2 010**	**12 484**
Cash flows from investing activities:			
Purchases of intangible assets	-2 363	-2 123	-9 458
Purchases of property, plant and equipment	-1 717	-607	-2 511
Purchases of affiliates	-100	-760	-460
Cash flow from other investing activities	-	-	43
Net cash used by investing activities	**-4 180**	**-3 490**	**-12 386**
Cash flows from financing activities:			
Proceeds from bond issue	-	-	-
Exercise of options and issuance of shares for cash	-	-	823
Proceeds from loans	-	-	1 551
Repayment of loans	-	-	-
Cash flow from other investing activities	-	-	-
Net cash provided by financing activities	**-**	**-**	**2 374**
Translation loss	-32	86	133
Fair value movements	40	26	-15
Net increase (decrease) in cash	**-1 543**	**-1 368**	**2 590**
Cash and cash equivalents - beginning	14 669	12 079	12 079
Cash and cash equivalents - end	**13 126**	**10 711**	**14 669**

Gaming Innovation Group Inc.

Notes to Condensed Consolidated Financial Statements as of and for the Periods Ending 31 March 2019 and 2018

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" and on Nasdaq Stockholm from 26 March 2019 with the ticker symbol "GIGSEK" (dual listing). Gaming Innovation Group Plc. ("Plc") is incorporated and domiciled in Malta, having a registered office at @GiG Beach, The Golden Mile, Trig Id-Dragunara, St. Julian's STJ 3148, Malta.

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

The condensed consolidated financial statements of the Company as at and for the periods ended 31 March 2019 and 2018 are comprised of Plc, and its accounting basis subsidiaries.

2. Basis of preparation

The condensed consolidated financial statements have been prepared in conformity with IAS 34 and do not include all of the information required for full annual financial statements. The condensed consolidated interim financial statements for the periods ended 31 March 2019 and 2018 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 three months of operations of both 2019 and 2018 of Gaming Innovation Group Inc. and subsidiaries.

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

3. Summary of significant accounting policies

Accounting Policies

The accounting policies adopted and used in preparing the condensed consolidated financial statements as of and for the periods ended 31 March 2019 and 2018 are consistent with those used in preparing the Company's consolidated financial statements as of and for the year ended 31 December 2018.

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 Services

Gaming transactions that are not deemed to be financial instruments, where the Company revenues stem from commissions. The revenue recognised in this manner relates to Poker. Such revenue represents the commission charged at the conclusion of each poker hand in cash games (i.e. rake). The Company's performance obligation in this service is the provision of the poker game to the individual players. The performance obligation is satisfied and the Company is entitled to its share of the pot (i.e. the rake) once each poker hand is complete. In this respect, revenue recognition under IFRS 15 should remain consistent with that under IAS 18 (i.e. to recognise revenue as each hand is complete).

Revenue from gaming transactions that are deemed to be financial instruments, where the Company takes open positions against players, are recognised as a net fair value gain or loss after the deduction of players' winnings, bonuses and gaming taxes. The revenue recognised in this manner relates to sports betting and casino. These are governed by IFRS 9 and thus out of the scope of IFRS 15.

Revenue from transactions where the Company is taking positions against players, such as sports betting and online casino, is recognised 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 recognised when players place wagers in a pool.

Platform Services

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 recognised net of payments made to service providers.

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.

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. The consideration for such services is generally split between an initial setup to configure the software as per the customer's requirements and on-going charge invoiced monthly.

The uncertainty on the amount of revenue to be received is resolved at each calendar month end since the contracts are such that the amounts reset to zero on a monthly basis. Accordingly, it is appropriate for the Company to recognise the monthly amounts invoiced in the P&L.

The only difference between accounting for such arrangements under the previous revenue standard and IFRS 15 pertains to the set-up fees. Under IAS 18, the set-up fees were deferred over a period of (generally) six months until the go-live date. In accordance with IFRS 15, the set-up is not seen as a distinct PO as the customer cannot benefit from the set-up itself but for the agreement as a whole. Accordingly, the set-up fee is simply seen as being part of the consideration receivable for the software as a service (SAAS) agreement and should therefore be deferred over the period of the agreement.

Management performed a detailed analysis of such impact and concluded that this has an immaterial affect for the Company.

Media Services

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 recognised 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 recognised 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.

The Company's performance obligation in this respect can be viewed as a series of distinct performance obligations to stand ready to redirect players on a constant basis. Such contacts give rise to variable consideration from an IFRS 15 point of view since the revenues are not fixed at the outset. In view of the nature of the service provided as a monthly stand-ready obligation, the Company recognises the income in the month in which it has a contractual right to bill the iGaming operators. This results in a consistent approach to revenue recognition under IAS 18.

Interest income is recognised 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.

Other

Dividend income is recognised when the right to receive payment is established.

Standards, Interpretations and Amendments to Published Standards Effective in 2019 and 2018

In 2019 and 2018, the Company adopted new standards, amendments and interpretations to existing standards that are mandatory for the Company's accounting periods beginning 1 January 2019 and 2018. 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.

IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and established principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2018.

IFRS 9, 'Financial instruments' addressed the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2015. Amongst others, it replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and established three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss or through OCI, the irrevocable option is at inception. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. The Company's financial liabilities continue to be measured at amortised cost under IFRS 9 consistently with IAS 39.

Under IFRS 16, "Leases", a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. IFRS 16 removes the distinction between operating and finance leases for lessees, and requires them to recognise a lease liability reflecting future lease payments and a "right-of-use asset" for virtually all lease contracts; the only exceptions are short-term and low-value leases. The standard is effective for annual periods beginning on or after 1 January 2019. The Company has applied the standard from its mandatory adoption date of 1 January 2019 and will apply the simplified transition approach. The depreciation expense for right-of-use assets for Q1 2019 is EUR 658,245. Under this approach, the Company will not restate comparative amounts for the year prior to first adoption, the lease liability is measured at the present value of the remaining lease payments as at 1 January 2019, and the right-of-use assets at that date will be measured at an amount equivalent to this lease liability plus prepaid lease expenses.

In the opinion of management, there are no other standards that are not yet effective and that would be expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

4. Impairment of intangible assets

The Company reviews the carrying amounts of its tangible and intangible assets on an annual basis (or more frequently if events or changes in circumstances indicate a potential impairment) to determine if there are any indications that the assets have decreased in value. If any such indications exist, the recoverable amount is set to determine the need to recognise an impairment. When calculating the recoverable amount. Future cash flows are discounted to present value using a discount rate before tax. If the recoverable amount is determined to be lower than the carrying amount an impairment is recorded through a charge to the statement of operations.

At 31 December 2018, the Company determined that two of its technology platforms that are part of its Business to Consumer segment had carrying values in excess of their respective recoverable amounts. The Company recognised an impairment loss totaling EUR 13,726,042. Additional information was included in the Company's annual report for 2018. No additional impairments were noted in Q1 2019.

5. Segment information

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

Q1 2019 (EUR 1000)	B2C	B2B	Elimination	Total
Revenue	20,180	14,151	-1,908	32,423
Cost of sales	7,087	271	-911	6,447
Marketing cost	7,821	1,497	-736	8,582
EBITDA	1,141	2,982	-13	4,110
EBIT	388	-2,831	-13	-2,456

Q1 2018 (EUR 1000)	B2C	B2B	Elimination	Total
Revenue	25,418	15,260	-3,339	37,339
Cost of sales	7,801	200	-1,151	6,850
Marketing cost	11,754	1,462	-1,353	11,863
EBITDA	147	4,149	37	4,333
EBIT	-207	-197	37	-367

2018 (EUR 1000)	B2C	B2B	Elimination	Total
Revenue	99,813	62,670	-11,111	151,372
Cost of sales	30,906	664	-4,212	27,358
Marketing cost	46,138	5,793	-4,684	47,247
EBITDA	-505	16,530	57	16,082
EBIT	-15,367	-518	-1,732	-17,617

6. Earning (loss) per share

Basic earnings (loss) per share are calculated by dividing the net income (loss) for the period, plus or minus applicable dividends, by the weighted number of shares outstanding. Diluted earnings (loss) per share utilize the same numerator, but outstanding shares in gain periods include the dilutive effect of outstanding warrants and options determined by the treasury stock method. As of 31 March 2019, the Company had 1,101,000 options outstanding.

7. Changes in equity

A special meeting of the shareholders was held on 11 December 2018. Shareholders approved a 10-for-1 reverse split of the Company's common stock. The Shareholders also approved an increase in the authorized shares from 95,000,000 (after the reverse split) to 100,000,000, each with a par value of USD 1.00.

In the first quarter 2019, 70,000 options were exercised and 120,000 options were cancelled resulting in 1,101,000 options outstanding as of 31 March 2019. GIG borrowed shares for the immediate transfer of the option shares to the employees during the first quarter and will issue new shares at a later date.

As at 31 March 2019, 90,005,626 shares were outstanding, where of the Company owned no treasury shares. When new shares are issued for the options exercised during the first quarter, the outstanding number of shares will increase to 90,075,626.

8. Loans payable shareholders

In December 2015, the Company entered into a revolving loan facility in the amount of NOK 9,700,000 with a shareholder owning more than 10% of the Company with an interest rate of 10% per annum due on demand at monthly intervals. This facility was increased to NOK 19,200,000 in July 2016.

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

In December 2018, the Company utilizing the revolving loan facility with the shareholder noted above, borrowed NOK 9,000,000 with an interest rate of 10% per annum due on demand at monthly intervals.

Also in December 2018, the Company entered into a loan agreement for NOK 6,000,000 with an interest rate of 10% per annum with maturity on 30 November 2019.

Short-term loans outstanding balances at 31 March 2019 and 2018 were EUR 619.578 and 0, respectively with accrued interest of EUR 19,860 and 0, respectively. Long term loans outstanding balances at 31 March 2019 and 2018 were EUR 1,961,997 and EUR 1,033,350, respectively with accrued interest of EUR 31,714 and 31,141, respectively.

9. Senior secured bond

In March 2017, GIG issued a SEK 400 million senior secured bond in the Nordic bond market, with a SEK 1,250 million borrowing limit and fixed interest of 7% per annum with maturity in March 2020. Net proceeds from the bond issue have been used for acquisition of affiliate markets, paying off existing debt in full, as well as towards general corporation purposes. The bond was initially drawn on 6 March 2017 with a subsequent issue of SEK 250 million on 14 September 2017 for a total of SEK 650 million. The outstanding balance at 31 March 2019 was EUR 62,366,822 with accrued interest of EUR 1,208,656. The bonds are registered in the Norway Central Securities Depository and listed on the Oslo Stock Exchange. The directors are currently reviewing potential options of refinancing the bond when it becomes due in March 2020.

10. Acquisitions

There were no acquisitions in the first quarter 2019.

11. Litigation

Company and its legal counsel believe that these claims are without merit.

In December 2018, the Company was notified of the ruling by Bergen City Court in the dispute against Euro TV AS. The court concluded that GiG shall transfer 340,000 shares to Euro TV AS on the basis of an alleged oral agreement between the parties 30 April 2015. GiG disagrees with the court's ruling and has appealed the judgement. In Q4 2018 the Company accrued an expense of EUR 200,000. Please see note 30 in GiG's 2018 annual report for further information about the dispute.

12. Related party transactions

There were no material related party transactions in the first quarter 2019 other than the loans mentioned in Note 8.

13. Subsequent events

In April 2019, the Company granted a total of 500,000 options to key employees. The exercise price is NOK 30.00 per share, and the options are exercisable with 20% after 1 April 2020, 30% after 1 April 2021 and 50% after 1 April 2022. All options expire on 31 March 2025 and are conditional upon employment at the time of exercise. The options are granted under the option plan approved by the Board in February 2017.

14. Alternative performance measures

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

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

Deposits: Money deposited in the customer accounts

EBIT: Operating profit

EBITDA: Operating profit less depreciation and amortization

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

Gaming tax: Taxes paid on revenues in regulated markets

Gross profit: Operating revenue less cost of sales

Gross margin: Gross profit in percent of revenues

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

Organic growth: Growth excluding acquisitions.

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

Gaming Innovation Group plc.

Condensed statement of operations

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

EUR 1000 - Unaudited			
	Q1 2019	**Q1 2018**	**2018**
Revenues	32 423	37 339	151 372
Cost of sales	6 447	6 850	27 358
Gross profit	**25 976**	**30 489**	**124 014**
Operating expenses			
Marketing expenses - revenue share	2 835	3 978	14 659
Marketing expenses - other	5 747	7 885	32 588
Other operating expenses	12 890	13 962	59 133
Total operating expenses	21 472	25 825	106 380
EBITDA	**4 504**	**4 664**	**17 634**
Depreciation & amortization	6 566	4 691	19 973
Impairment of intangibles	-	-	13 726
EBIT	**-2 062**	**-27**	**-16 065**
Financial income (expense)	-191	1 324	-4 096
Other income (expense)	-18	-54	-114
Result before income taxes	**-2 271**	**1 243**	**-20 275**
Tax income/(expense)	-135	22	-815
Net results	**-2 406**	**1 265**	**-21 090**
Exchange differences on translation of foreign operations	-32	86	133
Fair value movement in available for sale investment	40	26	-15
Total comprehensive income (loss)	**-2 398**	**1 377**	**-20 972**
Total Comprehensive income (LOSS) attributable to:			
Owners of the Company	-2 393	1 371	-20 974
Non-controlling interests	-5	6	2
Total comprehensive income (loss)	-2 398	1 377	-20 972

Gaming Innovation Group plc.

Condensed statements of financial position

EUR 1000 - Unaudited			
	31 MAR 2019	**31 MAR 2018**	**31 DEC 2018**
ASSETS			
Non-current assets:			
Goodwill	53 859	53 855	53 882
Intangible assets	66 163	83 782	69 253
Deposits and other non-current assets	14 818	7 731	7 948
Total non-current assets	**134 840**	**145 368**	**131 083**
Current assets:			
Trade and other receivables	19 970	25 882	28 473
Inter-co GiG Inc.	512	-	-
Cash and cash equivalents	13 016	10 616	14 596
Total current assets	**33 498**	**36 498**	**43 069**
TOTAL ASSETS	**168 338**	**181 866**	**174 152**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders' equity:			
Share capital	51	51	51
Share premium/reserves	94 479	103	94 077
Retained earnings (deficit)	-22 206	513	-18 930
Total equity attributable to GiG plc.	**72 324**	**667**	**75 198**
Non-controlling interests	21	30	25
Total shareholders' equity	**72 345**	**697**	**75 223**
Liabilities:			
Trade payables and accrued expenses	27 244	29 747	33 744
Inter-co GiG Inc.	-	88 333	-
Total current liabilities	**27 244**	**118 080**	**33 744**
Total long term liabilities	**68 749**	**63 089**	**65 185**
Total liabilities	**95 993**	**181 169**	**98 929**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**168 338**	**181 866**	**174 152**
CONDENSED STATEMENTS OF CHANGES IN EQUITY:			
Equity at beginning of period	**75 223**	**-1 089**	**-1 089**
Adjustment on adoption of IFRS16	-198	-	-
Reclassification of capital contribution of merged companies	-	-	6 446
GIG Inc loans converted into capital contribution	-	-	89 760
Fair value movement in available for sale investments	40	26	-15
Share compensation expense	-282	409	1 078
Non-controlling interests	-5	6	2
Exchange differences on translation of foreign operations	-32	86	133
Net results	-2 401	1 259	-21 092
Equity at end of period	**72 345**	**697**	**75 223**

Gaming Innovation Group plc.

Condensed statement of cash flows

EUR 1000 - Unaudited			
	Q1 2019	Q1 2018	2018
Cash flows from operating activities:			
Results before income taxes	-2 271	1 243	-20 275
Adjustments to reconcile profit before tax to net cash flows:			
Tax expense	-135	22	-815
Depreciation and amortization	6 566	4 691	19 973
Impairment of intangible assets	-	-	13 726
Cash deposit for licence application	-	-	-4 000
Other adjustments for non-cash items and changes in operating assets and liabilities	1 107	-1 306	7 152
Net cash provided by operating activities	**5 267**	**4 650**	**15 761**
Cash flows from investing activities:			
Purchases of intangible assets	-2 363	-2 123	-9 458
Purchases of property, plant and equipment	-1 717	-607	-2 511
Purchases of affiliates	-100	-760	-460
Cash flow from other investing activities	-	-	43
Net cash used by investing activities	**-4 180**	**-3 490**	**-12 386**
Cash flows from financing activities:			
Loan from related party	-2 675	-2 441	-682
Net cash provided by financing activities	**-2 675**	**-2 441**	**-682**
Translation loss	-32	86	133
Fair value movements	40	26	-15
Net increase (decrease) in cash	**-1 580**	**-1 169**	**2 811**
Cash and cash equivalents - beginning	14 596	11 785	11 785
Cash and cash equivalents - end	**13 016**	**10 616**	**14 596**

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