ANNUAL REPORT 2015

Gaming Innovation Group Inc.

CONTENTS

LETTER TO SHAREHOLDERS

FROM THE CEO OF GAMING INNOVATION GROUP INC.

iGAMING MADE LEAN

2015 was an amazing year for Gaming Innovation Group. We launched successful startups, we listed on the Oslo Stock Exchange, and we reached all time high revenues. However, the most important accomplishment might be our successful transformation from a marketing firm to a technology company. Our proprietary software platform allows us to control our own destiny, and pursue our big ideas at a grand scale.

In Gaming Innovation Group we invest into ideas that have the potential to disrupt the iGaming industry. We call them seeds. These seeds share a common denominator; the iGaming value chain relates their activities.

Innovation happens at the intersection of people, product and services. By operating across the value chain we can innovate, draw synergies, and cut costs, for the benefit of our customers.

This is the strategy we are pursuing at Gaming Innovation Group. We have a vision of excelling the iGaming industry by advancing it. We are looking for seeds that can force meaningful change.

Such a seed is iGamingCloud. The Cloud based platform was launched in 2015 after the flawless migration of Guts.com onto the service in June. iGamingCloud connects applications such as casino games, odds providers, payment suppliers and other ancillary software, with an ecosystem of operators. The conneciton is made through a platform in the shape of a «Software-As-A-Service». This SaaS allows the operator to launch and operate his business through one seamless application and wallet.

With iGC we are looking to create the leading platform, the technological layer, of the iGaming industry. It is a big idea that we must dare to pursue. Increased red tape, regulation, taxation, and competition have put operator margins under pressure while increasing the threshold to start up. The reaction in the market has been consolidation, however innovation nearly always comes from beneath. iGamingCloud has the potential to reduce costs for established operators, while enabling startups to successfully bring their ideas to market. The beneficiary will be the end user, and that benefit is what will help drive the industry forward.

Already in its infant stage, iGamingCloud has till date attracted 16 external clients, in addition to hosting our three internal brands. They are receiving the necessary infrastructure, software and licenses from GIG, allowing them to focus on their ideas and customers.

We are also helping these customers with distribution. Innovation Labs is another seed. In Innovation Labs we are improving the touch points of our industry. Through content such as reviews, strategy articles, videos and images we are displaying the best of the breed operators, promotions, features and campaigns. All the reasons for why customers should venture into and enjoy iGaming as a source of fun and exciting entertainment.

Our new brand Rizk.com soft launched in December 2015. Rizk has the vision to be the most liked casino online, and it will do that by providing an immersive and fun experiencing. Rizk was enabled by iGC's real-time data serving capability - allowing Rizk to use advanced gamification techniques to build a personalized customer journey. Whilst playing you collect rewards from the wheel of Rizk and the approach has certainly been successful. By February 2016 data was provided us that evidenced Rizk to be one of the most successful launches over the last year in terms of gaming revenues in first 60 days.

As a technology firm we will continue to innovate on software, user interfaces, and user experience and this is the fundament for our organic growth. To accelerate that growth we completed several complimentary acquisitions over the last year. We have bought five affiliate networks to boost our traffic driving capability, especially in regulated, or soon to be re-regulated markets. And we acquired the very exciting company OddsModel whom will make us one of the few companies that are able to produce our own prices on sports market, from ground up. 2015 was the first year our Company was in a position to do such transactions and having seen the results so far, we are very happy in our ability to succeed with these acquisitions.

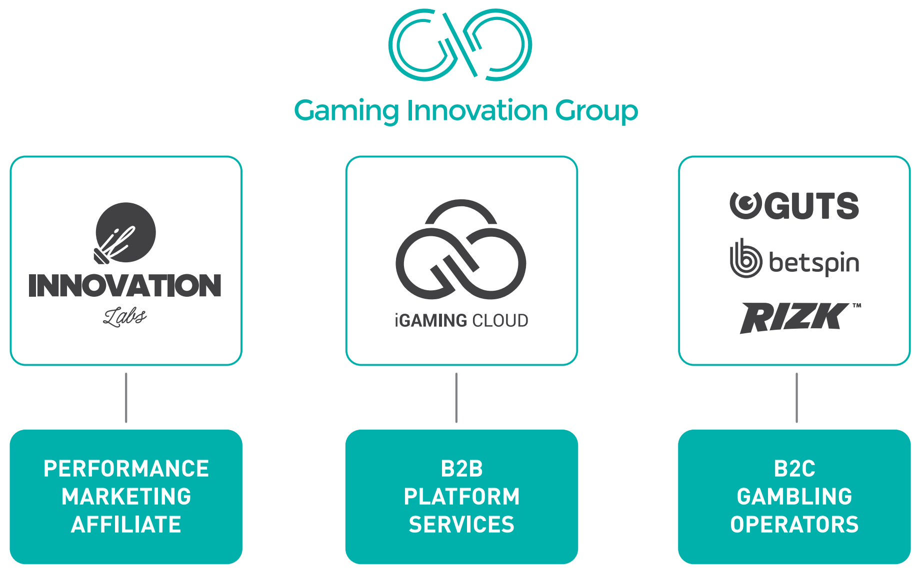
The key focus of 2016 will be to grow revenues through organic growth and M&A activity in regulated markets. We will increase our focus on technology. In an increasingly complex environment operational excellence is key for us to succeed. Our organization grew from around 40 to 137 over the last 18 months and we are especially happy to see only a handful of people departing in the same period.

I am truly humbled and thrilled to lead such an organization and operation. GIG is unique and plays a very positive role in a very exciting industry. We are only at the beginning of our company lifecycle and I am very much looking forward to an even more eventful and prosperous 2016.

Robin Reed
CEO

DESCRIPTION OF BUSINESS

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



iGAMING CLOUD

iGamingcloud (IGC) was founded on the vision of making the iGaming industry lean. To do so GIG have created a cloud based platform as a software-as-a service. We are transforming the industry by putting product first and our open platform solution allows the easy integration of third party suppliers.

The iGC casino solution gives operators access to over 1000 casino games from industry leading suppliers, including a large catalogue of the most renowned mobile games. Game orders and game categories can be added and adjusted on the fly thanks to our intelligent game manager allowing easy access and real-time management. The iGC back-office features a range of CRM, Bonusing, Gamification/Game Layer and analytics tools to increase the customer's lifetime value. With iGC's Sportsbook solution, the operator has access to over 170,000 world wide sporting events all being controlled by our innovative back office.

The system framework for iGaming Cloud has been built around the latest technology, and maximizes uptime and allows updates without disruption to the operations. 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.

Data is important to an iGaming operation and iGC platform provides full real time reporting and advanced business intelligence tools, allowing the operator to store and utilize data for proprietary utilization. The first operator on the iGC platform, Betspin.com, went live in January 2015, followed by a successful migration of Guts.com in June. The first external client signed in April and went live in September. As of today, 16 external clients have signed whereof 6 are in operation.

INNOVATION LABS

Through Innovation Labs (ILL), GIG operates within iGaming affiliate marketing.
ILL is a European marketing company attracting paying users across multiple online channels and directs them

to quality online iGaming operators. A typical iGaming operator invests heavily in brand building through online and offline advertising to attract online players, and also use a network of marketing partners, known as affiliates, to promote their products and services.

The players are attracted through online marketing techniques to ILL's portfolio of websites that subsequently seeks to channel this high valued ''traffic'' to iGaming operators. The operators convert this traffic into paying customers.

The traffic itself is attracted to ILL's websites by publications and advertisements and are then directed to iGaming operators in return for a life time share of the revenue generated by the players, a fee generated per player acquired, fixed fees or a combination of these. The business model is largely performance based, and in 2015 around 80 per cent of revenues came from lifetime revenue sharing agreements.

Innovation Labs generates revenue using three primary marketing methodologies; search engine optimization (SEO), digital media buying and e-mail marketing. The majority of revenues is generated from monetization of traffic generated by self owned and operated websites. These websites rank well on highly valued search terms in search engines (such as Google). By utilizing a large portfolio of gambling related websites in ten languages, ILL is able to drive a large volume of paying customers to operators through the quality of their content and highly converting design.

ILL also runs and acquires online advertising and traffic from different media platforms, performing direct advertising and retargeting of visitors to our websites, and targeted e-mail campaigns to users who have signed up for promotions via ILL's websites and social media channels.

ILL completed three bolt-on acquisitions in 2015, increasing its traffic driving capabilities and so far in 2016, two additional acquisitions are added, increasing the business further.

ILL are only sourcing reputable sites to generate traffic, and will close down any non-reputable source immediately.

ONLINE GAMING (CASINO)

In GIG we believe online gaming should be the most rewarding form of entertainment online. The symbiosis of a fun and playful environment coupled with the exciting possibilities of betting and winning, makes it one of the strongest and most compelling entertainment propositions available.

Our gaming division exists to enhance this experience and to make it available for more people, and we do so by innovating, and by promoting a fair and safe service.

At the heart of this innovation lies the endless possibilities in User interfaces (UI) and User Experiences (UX), enabled by our technological front-end platform. Passion lies at the intersection of modern technology and liberal arts, our designs tells a unique and personal story to each user.

Our UI and UX is the backbone of our acquisition and retention marketing strategies. By introducing people to our stories, we spark their interest and make people to customers. More than 350,000 people have to date registered with our three brands; Guts.com, Betspin.com, and Rizk.com.

Every person has their own taste and by applying a multi brand strategy, we can optimize our value propositions to our target demographics. Through differentiation, we avoid cannibalization of internal brands, and churn to competitors. In GIG Gaming we strive to build truly differentiated products.

In an open and connected world we strive to make our products available for everyone. In the regulated iGaming landscape this is challenging due to the complicated and diverse applicable rules. It is therefore a key priority for GIG Gaming to pursue available licenses to extend our geographical footprint.

GIG Gaming is predominantly focused on the Casino, Sportsbook and Poker product verticals.

BOARD OF DIRECTORS' REPORT

BOARD OF DIRECTORS' REPORT

DESCRIPTION OF THE BUSINESS

Gaming Innovation Group Inc. ("GIG", "Inc" or the "Company", formerly Nio Inc.) is a US corporation incorporated in the state of Delaware with its registered address in Bokeelia, Florida, USA, and is traded on the Oslo Stock Exchange with the ticker symbol "GIG". The Company's operations are based out of Malta.

The Company has been operating within the internet gaming sector for the past years, and in June 2015 the Company merged with Gaming Innovation Group Ltd. effective from 17 June 2015. The strategy has been to build and create a leading iGaming company, and during 2015 several achievements have been made to fulfill this strategy.

The Company started its online gaming activities in 2013, and entered early 2014 into a partnership with Gaming Innovation Group Ltd. The two companies incorporated Candid Gaming Limited as a joint venture in Malta in June 2014 with the plan to become a fully integrated online gaming operator. As a consequence of the new strategy, the Company focused on gaming operations out of Malta.

Candid Gaming built up its organization and products offering during the second half of 2014 and launched its online gaming website Betspin.com in January 2015, as the first operator on the iGaming Cloud platform. Initial reception from players and marketing partners was good, with a major focus on the UK and Nordic countries.

In February 2015, the Company entered into a share purchase agreement regarding the acquisition of all outstanding shares in Gaming Innovation Group Ltd., its partner in Candid Gaming, where the Company purchased Gaming Innovation Group Ltd., for a consideration in new shares. Gaming Innovation Group Ltd. is the parent company of several iGaming subsidiaries including the site Guts.com, platform technology provider iGamingCloud.com and online marketing firm Innovation Labs.

The combined company is aiming at becoming the most customer oriented, partner friendly and innovative company in the iGaming industry and become one of the largest iGaming companies in Europe. The company will follow a start-to-end strategy by developing proprietary technology and applications across the iGaming value chain. Through a vendor-neutral policy, the company will promote openness and connectivity allowing partnership with key players within the industry in order to offer innovative and lean services business to business (B2B) and business to consumer (B2C).

The Company operates out of Malta across three different iGaming business areas:

- Cloud Services (B2B)
- Operators (B2C)
- Performance Marketing (B2B)

CLOUD SERVICES

iGamingCloud.com (iGC), GIG's innovative Software-as-a-Service platform for iGaming, was unveiled in February 2015 at ICE London, the largest iGaming trade show. iGC is a client management platform that offers the full spectrum of services for iGaming operators. With the core functions of eliminating technological bottlenecks and significantly reducing costs for operators and white labels alike, iGC has the potential to become a game changer in the entire iGaming industry.

GIG's own brands operate on iGC, and external demand for the service has been high. At year end ten external customers had signed contracts for the serviceand 16 have signed as of today. Six already operate on the platform, and the remaining will go live during the first half of 2016. The external customers are a mix of new brands and existing operators that are migrating to iGC from other platforms. The growth in the customer base is expected to continue in 2016.

iGC generates recurring revenue from customers, based on their volumes through the platform, and the Company estimates that its current portfolio of external B2B customers will contribute approximately EUR 6.8 million on an annual basis.

The Company has developed a proprietary sportsbook gaming service, mixing in-house technology with that of leading providers. The application was completed in September 2015, and launched at our own brand Guts.com and is now bundled with the iGC platform as a Business-to-Business cloud service. The service will be developed to provide very competitive pre-match and live betting services, and will provide all the tools and licenses required to manage a sports betting business.

In August 2015, the Company signed a license agreement with MicroGaming, which permits GIG's operators to use MicroGaming's poker software. Poker was launched to Guts.com's player base in January 2016, with plans to expand to Betspin.com and Rizk.com later in 2016. The strategic agreement with MicroGaming permits the inclusion of poker in GIG's cloud services offering to B2B clients, and further enables the Company to become a full-scale iGaming entertainment and service provider.

OPERATORS

GIG is offering Business-to-Consumer (B2C) casino and sports betting services through its three brands, Guts.com, Betspin.com, and Rizk.com. GIG is contracting with most major gaming and payment services providers, and operates on its own licenses from Malta Gaming Authorities (MGA) and the United Kingdom Gaming Commission (UKGC).

GIG's major brand is Guts.com, an online sportsbook and casino launched in May 2012. Guts.com won the award for Best Global Casino in the IGB Awards in London in January 2015. Betspin.com launched in February 2015, as the iGC platform's first user. Betspin.com has been well received by customers and the gaming industry alike.

MISSION STATEMENT

"to **excel** in the iGaming industry"

During 2015, GIG has also developed a new casino brand, Rizk.com, that successfully launched in January 2016. The focus of this brand is «Gamification» and on providing an innovative user interface, which will differentiate its target audience from that of the two other brands.

GIG's brands reached 51,654 active real money players in fourth quarter 2015, up 110 per cent when compared with the 24,556 players in fourth quarter 2014. Starting with promotion of Guts.com, the Company launched a major TV advertising campaign in August 2015. The campaigns proved to increase the number of players, and, given the lifetime revenues of new customers, the campaign investment is expected to yield solid return over the coming years

PERFORMANCE MARKETING

GIG's subsidiary Innovation Labs aims to become one of the leading companies in online performance marketing, or affiliation. Innovation Labs mainly serves external operators, but also the Company's own brands. Innovation Labs refers paying users to B2B clients primarily through perpetual revenue share agreements. Paying users are sourced by obtaining competitive rankings for high-value keywords in search engines through SEO (search engine optimization), thus generating traffic to websites owned by the Company. These websites contain guides and quality content for the gaming industry and serve as paths to operators. Innovation Labs also refers paying users through data-driven media-buying techniques.

During 2015, GIG acquired three affiliate networks, in May, July and August respectively, adding to GIG's existing operations and to the Company's cash flow going forward. All three acquisitions have proven successful, and the combined operations are expected to generate a considerable number of new real money players going forward. Innovation Labs generates a strong cash flow and a high gross margin from its large portfolio of paying users. So far in 2016, two additional affiliate networks has been acquired, one in the Netherlands and one in Sweden.

Cooperation between Innovation Labs and the first external iGC client and Rizk.com ensured a strong start for both brands, with Innovation Labs referring more than 1,000 FTDs (First Time Depositors) to each brand during their first month of operation.

EASY PAYMENT GATEWAY

In May 2015, GIG purchased 10% of the shares in Easy Payment Gateway Ltd. for a consideration of GBP 500,000, with an option to purchase an additional 15% of the shares. iGamingCloud has integrated the application into its services- which will provide an immediate cost saving for gateway fees in excess of EUR 60,000 annually for GIG´s B2C brands. This service will also be part of iGC's offering to B2B customers.

OPERATIONAL PERFORMANCE

2015 has been an exciting year for the Company, completing the merger of the two companies combined with progress within all three business areas.

GIG is offering Business-to-Consumer (B2C) casino, sports betting and poker services through Guts.com, and casino services through Betspin.com, and Rizk.com. Guts.com operated on an external platform since launch in May 2013, but successfully migrated to GIG's iGC platform on June 1, 2015, improving the user experience and back-end capabilities.

In August 2015 GIG launched a TV advertising campaign for Guts.com, followed by a campaign for Betspin.com in November. GIG has decided to allocate resources to up front marketing expenses through TV campaigns, focusing on long-term margins and player value. The increase in marketing expenses during the latter of the year has, as expected, affected results negatively, but with more active users who are not subject to future revenue share payments, the Company is confident that this investment will be profitable going forward. A positive development in line with the current prognosis will have a significant effect on the 2016 results. The TV campaigns are planned to continue at approximately the same level of spending through 2016.

Rizk.com soft launched in December 2015, and fully launched early January 2016. During the first three months of operation, Rizk.com's new registered customers (NRC), exceeded the Company's expectations, and a conversion rate of freespin players to paying users of around 40% highlights the attractiveness of the concept. The launch of Rizk.com is supported by a marketing campaign, fronted by Hollywood actor Kevin Dillon (Johnny Drama, Entourage).

After launch of the iGaming Cloud platform early 2015, the demand for the service has been high, and in April, iGC signed up its first external customer. In August, two additional operators signed with iGC, and by year end, a total of 10 external clients had signed. So far in 2016, an additional 6 clients have signed. The first customer launched its brand in September, and two more have started to operate so far in 2016. The remaining clients signed to date are scheduled to be operational during the first half of 2016.

These agreements clearly indicate market acceptance for iGamingCloud's innovative cloud-based services, and the Company is expecting in excess of 20 external signed agreements by the end of 2016. As the development of the platform, and the later integration of these B2B agreements implied significant operational expenses, they had minimal impact on 2015 revenues. But as the clients migrate or establish their services on the iGC platform, an entirely new revenue source will come into effect for GIG in 2016.

The current portfolio of signed contracts is expected to contribute a gross profit in excess of EUR 6.8 million annually.

In 2015 iGC developed a proprietary Sportsbook Gaming Service using a mixture of in-house technology and leading providers. The application was launched on Guts.com in September. Based on a new license from the Malta Gaming Authority, GIG will migrate all in-house brands to this service, and bundle the offering with the iGC platform as a Business-to-Business cloud service. This will allow clients to offer their customers a very competitive pre-match and live betting service, as well as all tools and licenses required to manage a sports betting business.

In August 2015, GIG signed a license agreement with MicroGaming where MicroGaming will supply their poker software to GIG's operators. GIG launched Poker to the player base of Guts.com in January 2016, with the plan to expand to Betspin.com and Rizk.com later in 2016. The strategic agreement marks a further milestone in GiG's commitment to become a full-scale iGaming entertainment and service provider, including the offering of poker as part of its cloud services offering to B2B clients.

INNOVATION LABS

GIG acquired Spaseeba AS in Q2 2015. Spaseeba is a sizable performance-marketing firm for online gaming, focusing on the Nordic market, increasing the Company's volumes of FTDs (First Time Depositors). The acquisitions of a Finnish affiliate network and an Estonia-based affiliate network were completed in July and August 2015, adding to GIG's existing operations and to the Company's cash flow going forward. The combined operations are expected to generate a considerable number of new real money players over the next three years. Innovation Labs has a strong cash flow and a high gross margin as a result of its large portfolio of paying users. In 2015, Innovation Labs has served both the Company's own brands and external operators, with own brands only being around 10-15% of the volume.

Innovation Labs' affiliate operations had a significant growth through 2015, increasing to around 4,500 new FTDs referred to operators in the fourth quarter. Cooperation between Innovation Labs and the first external iGC client ensured an excellent start, with Innovation Labs referring more than 1,000 FTDs to the client during the fourth quarter.

FINANCIAL PERFORMANCE

GIG's consolidated financial statements are prepared in conformity with IFRS and on the going concern assumption. For a summary of significant accounting policies, see Note 2 to the Consolidated Financial Statements.

The Company's accounting policies for revenue recognition are as follows: Gaming revenues are reported net after real money winnings, bonuses and jackpot contribution. In previously reported quarterly results, these items were treated as cost of sales. This reclassification had no effect on gross or operating profit. Previous periods have been reclassified accordingly.

Consolidated revenues were EUR 17.75 million in 2015, an increase of 85 per cent from EUR 9.59 million in 2014. Costs of sales consist mainly of fees to game and payment providers and gaming tax and amounted to EUR 4.04 million, or 23 per cent of revenues, in 2015 compared with EUR 3.41 million, or 36 per cent, in 2014. Gross profit for 2015 ended at EUR 13.71 million, an increase of 122 per cent from EUR 6.18 million in 2014.

Marketing expenses amounted to EUR 7.67 million in 2015, or 43 per cent of revenues, compared with EUR 1.95 million or 20 per cent, in 2014. Personnel expenses were EUR 3.86 million in 2015, up from EUR 2.11 million in 2014. Other operating cost consists mainly of general and administration expenses and amounted to EUR 4.23 million in 2015, compared with EUR 2.24 million in 2014. The increase in operating expenses is a result of growing operations and an increase in the number of employees. Depreciation and amortization amounted to EUR 0.33 million in 2015, compared with EUR 0.13 million in 2014

2015 ended with an operating loss of EUR -2.40 million, compared to EUR -0.25 million in 2014. Net other income was EUR 0.34 million in 2015, compared with EUR 0.18 million in 2014. Net result for 2015 was EUR -2.06 million, compared with EUR 0.67 million in 2014. The Company's current assets mainly consist of trade and other receivables related to operations and bank balances. As at 31 December 2015, the Company had cash and cash equivalents of EUR 2,091,721. Non-current assets includes goodwill on the purchase of Gaming Innovation Group Ltd. of EUR 22.23 million as of December 2015. Long term liabilities includes long term loans of EUR 1,541,375.

Current liabilities includes short term loans of EUR 2,031,391, as well as of accounts payable and other current liabilities related to on-going business.

The Company's combined equity was EUR 27,069,831 as of 31 December 2015.

Parent only statements consists of Gaming Innovation Group Ltd. as the accounting acquiror. The parent has

little activity with no revenues in 2015 or 2014 and only minor operating expenses.

For more information, see the attached 2015 Consolidated and Parent only Financial Statements with accompanying notes.

The Board of Directors propose that the Parent Company's net loss shall be covered by other equity.

The Board of Directors confirms that the financial statements have been prepared based on the assumptions of a going concern. In our opinion, the consolidated financial statements present, in all material respects, the financial position of Gaming Innovation Group Inc. and subsidiaries as of 31 December 2015.

The Board of Directors believes that the initiatives taken during 2015 have secured a sound basis for a positive development in 2016, and operations so far in 2016 have been in line with these expectations.

CORPORATE GOVERNANCE

The Board of Directors has, to the best of its knowledge, ensured that the Company has implemented sound corporate governance, and GIG's Board of Directors and management adhere to the Norwegian Code of Practice for Corporate Governance. Adherence with the Code of Practice is based on a "comply-or-explain" principle, and a detailed description of the Company's adherence to the Code of Practice is found on page 20 in this 2015 Annual Report.

SHAREHOLDER MATTERS

Gaming Innovation Group Inc. is listed on the Oslo Stock Exchange, Norway, with the ticker symbol "GIG". Following the acquisition of Gaming Innovation Group Ltd. in 2015, the annual meeting of the shareholders on 12 May 2015 approved to change the name of the Corporation from Nio Inc. to Gaming Innovation Group Inc. The name change was effective from May 20, 2015.

As of 1 January, 2015, the number of authorized shares in the Company was 250,000,000, whereof 159,974,952 were issued and 137,974,952 were outstanding, each with a par value of US$ 0.10. In a special shareholder meeting in March 2015, the authorized shares were increased to 750,000,000. In December 2014, the Company purchased the minority interest in its subsidiary Candid Gaming Ltd. for a consideration of 27,000,000 new shares. In addition 14,000,000 new shares were issued and reserved for employee compensation. These new shares were issued in January 2015 were issued in January 2015, increasing the number of outstanding shares from 159,974,952 to 200,974,952.

In June 2014, the Company purchased 53,000,000 of its own shares at a share price of NOK 0.21 per share, which represented 33.1 % of the outstanding shares. As part of this transaction, the Company assumed options whereby third parties could purchase 6.15 million shares at a share price of NOK 1.30 with expiry on 31 August 2015. The Company also entered into a NOK 12 million loan facility with maturity on 30 September 2015 to partly finance the purchase of own shares, and the lenders had an option to convert the loan into shares in GIG at a share price of NOK 0.50. The lenders under the June 2014 loan agreement converted their loans into shares in September 2015, and 23,890,000 of the Company's treasury shares were used for this conversion. As of 1 January 2015, the holding of treasury shares were 24,000,000.

In February 2015, the Company signed an agreement to exchange the entire issued share capital of Gaming Innovation Group Ltd. for 290 million shares. In addition, the sellers would be entitled to a variable consideration of up to a maximum of 125 million shares, provided that GIG reaches certain revenue targets in 2015 and 2016.

In June 2015, the Company issued 290,000,000 new shares of its common stock for the acquisition of Gaming Innovation Group Ltd. plus 5,000,000 shares for the conversion of a EUR 500,000 loan from Gaming Innovation Group Ltd. to GIG's subsidiary Candid

Gaming Ltd. In addition, 5,125,000 new shares were issued for the exercise of warrants at a share price of NOK 1.30 per share and 1,021,000 new shares for the purchase of an affiliate network were issued. Thus, a total of 301,146,000 were issued, increasing the number of issued shares to 502,120,952 shares.

Related to the acquisition of Gaming Innovation Group Ltd., 283,061,867 shares are subject to a two year lock up period, whereof shares with a trading value of NOK 10 million will be released in June 2016.

During 2015, the assumed options to purchase 6.15 million shares at a share price of NOK 1.30 were exercised, whereof 5,125,000 new shares were issued in June 2015 and treasury shares were used for the remaining 1,025,000 options. Further, in connection with the acquisition of Gaming Innovation Group Ltd., a warrant to purchase 5 million GIG shares held by Gaming Innovation Group Ltd. was cancelled.

In June, August and October 2015, a total of 5,050,000 options were granted to new key employees, After this grant, a total of 8,150,000 options are outstanding as of December 31, 2015.

In connection with the purchase of the minority interests in the Company's subsidiary Candid Gaming Ltd. in December 2014, 14,000,000 shares were issued to a trust for the benefit of key employees. In August 2015 it was agreed to reduce the number of shares held by the trust to 9,000,000 shares, and the 5,000,000 excess shares were returned to GIG as treasury shares.

In July 2015, GIG acquired an Estonia-based affiliate for a consideration of EUR 900,000 plus 795,000 GIG shares. Part of the Company's treasury shares were used for the share payment.

In October 2015, the Company converted EUR 400,000 in liabilities and EUR 62,000 in board fees for 2015 into 2,875,000 of the Company's treasury shares a share price of NOK 1.50.

The sellers of Gaming Innovation Group Ltd. are entitled to a variable consideration of up to 125 million earn-out shares, provided that the Company reaches a revenue of EUR 24 million or more in 2015 and EUR 39 million or more in 2016. If revenue is lower than these thresholds, the variable portion will be proportionally reduced, based on the increase in revenue for the year. If the combined revenue for 2015 and 2016 is higher than EUR 63 million, the sellers will receive all 125,000,000 earn-out shares. The earn-out shares will be determined upon the final audited 2015 and 2016 accounts based on the assumptions agreed. Given the Company's audited financial statements for 2015, 47.9 million earn-out shares will be issued in May 2016 based on 2015 performance. The calculation of earn-out will be based on the criteria set out in the SPA and will not be influenced by the change in accounting principles.

The total issued number of shares as at 31 December 2015 was 502,120,952. At the same date, the Company owned 415,000 treasury shares, and held 9,000,000 shares for the Candid employee trust.

The Company had 2,977 shareholders as of 31 December 2015 and except for the lock up mentioned above, all shares are freely tradable. For more details on shares and options, see note 20 in the Consolidated Financial Statements.

In January 2016, GIG issued 23,000,000 new shares at a share price of NOK 1.95, directed towards a Swedish fund manager, securing net proceeds to the Company of approximately EUR 4.45 million.

The Company has 525,120,952 issued shares as of today.

BOARD OF DIRECTORS AND MANAGEMENT

As of 1 January 2015, the Company's Board of Directors consisted of four members, Mr Helge Nielsen as Chairman and Mr Jon Skabo, Mr Morten Soltveit and Mr Christopher Langeland as directors. The board was re-elected at the annual shareholder meeting on May 12, 2015 and has served since.

In May 2015, the Board appointed Mr. Robin Eirik

Reed as the new CEO of the Company, replacing Mr. Kjetil Myrlid Aasen. Mr. Reed is the founder and current Managing Director of GIG's subsidiary Gaming Innovation Group Ltd. in Malta, and has spent the last eight years founding and operating businesses and partnerships within the iGaming space.

The annual meeting of the shareholders in Gaming Innovation Group Inc. was held on May 12, 2015 in Oslo. The board was re-elected by the shareholders as follows; Helge Nielsen (chairman), Jon Skabo, Morten Soltveit, and Christopher Langeland. The shareholder meeting also approved to change the name of the Corporation from Nio Inc. to Gaming Innovation Group Inc.

THE BOARD OF DIRECTORS ARE:

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

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

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

Christopher Langeland, DIRECTOR
Mr. Langeland, is the founder and owner of the investing company CMM Invest AS and has been a major shareholder in several startup companies, including the gaming industry. Langeland has wide experience in the online gaming industry from his time in Australian based company Centrebet Pty Ltd from 2002 to 2004 as well in UK based company bet365 from 2005 to 2007. Currently Mr. Langeland runs several companies in the gaming industry and holds various directorships.

All board members are independent of the Company's large shareholders and senior management. In the opinion of the Board, the Board of Directors has a composition that the Company's needs for varied competency, continuity and changes in ownership structure.

The Board of Directors' and management's shareholding

The following table (p.15) shows the number of shares, options and warrants held by the members of the Board of Directors and top management of GIG and close associates or companies controlled by the Board of Directors or the senior management, as of 31 December 2015, and 2014. For details on compensation to board members and management, see note 28 in the Consolidated Financial Statements.

PERSONNEL AND ORGANIZATION

Gaming Innovation Group Inc. has its registered address in Bokeelia, Florida (USA), and the group's operations are mainly carried out from Malta. As of 31 December 2015, GIG had 137 employees.

GIG has had stock option programs for its employees, and options were granted in March 2014 to key employees. Warrants and options in GIG are detailed in Note 16 to the Financial Statements.

Of GIG's 137 employees, 53 are female. In future recruitment of new staff, GIG will continue to encourage diversity with regards to, including but not limited to, gender, cultural background and experience. The Company has a low sickness absence ratio, and in the opinion of the Board of Directors, the Company's working environment is good.

The Company does not pollute the external environment. The Board of Directors takes on the responsibility for the Company's impact on the environment and it is the Company's management who set and follow up any environmental goals as well as to comply with legislation and regulations.

RISK

The Company has in 2015 and in previous years suffered recurring losses from operations. The continuation of the Company as a going concern is dependent upon its ability to generate revenues and profits from the internet portals and its ability to raise sufficient funding to meet any short-term needs. There is no assurance that the Company will continue to be profitable in the future, which could make it difficult to raise new capital if necessary.

The Company faces competition from existing competitors, as well as potential new competitors, which could result in loss of market share and diminished profits for its operations. Both markets are characterized by technological advances, changes in customer requirements, and frequent new product introductions and enhancement. The Company's future success will depend mainly upon its ability to enhance its current products, maintaining relations

Name	Position	Shares December 31, 2015	Options & Warrants December 31, 2015	Earn-out shares pending performance in 2015 and 2016*
Helge Nielsen	Chairman	747,362	0	0
Jon Skabo	Director	11,981,954	0	0
Morten Soltveit	Director	212,000	0	0
Christopher Langeland	Director	6,436,818	0	1,362,853
Robin Reed	CEO	52,468,528	0	22,615,745
Tore Formo	CFO	4,081,670	500,000	0

**Close associates of Reed and Langeland may receive earn out share from the acquisition of Gaming Innovation Group Ltd., whereof 8,666,353 and 522,245 respectively for 2015 (see note 20)*

Name	Position	Shares December 31, 2014	Options & Warrants December 31, 2014	Conversion rights December 31, 2014
Helge Nielsen	Chairman	597,362	0	0
Jon Skabo	Director	9,406,954	0	3,000,000
Morten Soltveit	Director	137,000	0	0
Christopher Langeland	Director	3,200,000	0	0
Kjetil Myrlid Aasen	CEO	2,736,867	1,025,000	0
Tore Formo	CFO	3,081,670	500,000	1,000,000
Mikko Hirvonen	CEO Candid Gaming Ltd	5,000,000	500,000	0

For the years 2015 and 2014, board fees were paid to the board members by converting the board fee into shares in GIG. Total compensation to the Board of Directors amounted to EUR 39,469 in 2015. None of the directors are entitled to any severance payment upon termination or expiration of their service as board members.

with various payment providers, positive cash flow and to develop and introduce new products and services. In addition, there is risk associated with the marketing and sale of new products and the payment processing from the internet portals.

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

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

GIG conducts B2B (business-to-business) activities through the offer of its in-house developed online gaming platform software iGamingCloud. The software has been certified as compliant with the Remote Gaming Regulations of Malta. According to the UK laws and regulations, a company who manufactures, supplies, installs or adapts gambling software (such as iGamingCloud) that is used in connection with remote gambling, must have a remote gambling software licence. GIG is also in possession of such license and therefore able to supply gambling software also to UKGC licensed B2C operators.

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

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

19 April 2016

Helge Nielsen
CHAIRMAN

Jon B. Skabo
DIRECTOR

Morten Soltveit
DIRECTOR

Christopher Langeland
DIRECTOR

Robin Reed
CEO

RESPONSIBILITY STATEMENT

Today, the Board of Directors and Chief Executive Officer reviewed and approved the Board of Directors' report and the consolidated financial statements of Gaming Innovation Group Inc. and Subsidiaries and the Company financial statements for the year ended as of 31 December 2015. Gaming Innovation Group Inc. consolidated financial statements have been prepared in accordance with IFRS.

We declare to the best of our knowledge that the consolidated financial statements of Gaming Innovation Group Inc. and Subsidiaries and the Company financial statements for the year ended as of 31 December 2015 have been prepared in accordance to prevailing financial reporting standards and that the consolidated financial statements of Gaming Innovation Group Inc. and Subsidiaries and the Company financial statements for the year ended as of 31 December 2015 gives a true and fair view of the assets, liabilities, financial position and results of operations as a whole for the group and parent company.

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

19 April 2016

Helge Nielsen
CHAIRMAN

Jon B. Skabo
DIRECTOR

Morten Soltveit
DIRECTOR

Christopher Langeland
DIRECTOR

Robin Reed
CEO

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

Gaming Innovation Group Inc. ("GIG", "Inc" or the "Company") is a US public limited company incorporated in the State of Delaware, with its registered office in Bokeelia, Florida, USA and operations in Malta. As a Delaware company, GIG is subject to Delaware company legislation and regulations. In addition, certain aspects of Norwegian Securities law apply to the Company due to the listing on the Oslo Stock Exchange.

The Company's Board of Directors and management adheres to the Norwegian Code of Practice for Corporate Governance. The Company aims for compliance in all essential areas of the recommendation not fully met.

Adherence with the Code of Practice will be based on a "comply-or-explain" principle. If the Code of Practice is not complied with, an explanation shall be given as to why the company has chosen to deviate. The Code of Practice includes 15 main points and the Company's operations are in all material respects in accordance with these. Below is a brief item-by-item account of the Company's adherence to the Code of Practice.

1. IMPLEMENTATION AND REPORTING ON CORPORATE GOVERNANCE

The Code of Practice is in material respects complied with through regular board meetings, ordinary follow-up of operations, periodic press releases and statements in annual reports and other information from the Company. Given the nature of GIG's business, the Company is constantly working to improve its ethical and fair business practice. The Company is committed to be in compliance with all laws and regulations affecting our business. The Company has not defined ethical and CSR guidelines in accordance with the Company's basic corporate values.

2. BUSINESS

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

3. EQUITY AND DIVIDENDS

The Code of Practice is in material respects complied with.

GIG's equity at 31 December 2015 was EUR 27,069,831. Apart from financing of normal operating expenses, GIG's business model requires low tied up capital in fixed assets, and the Board of Directors considers the current equity capital sufficient. The Board of Directors constantly assesses the Company's need for financial strength in light of the Company's objectives, strategy and risk profile.

The Company has adopted a dividend policy under which, all else being equal, the Company will aim to pay a dividend according to continued self-imposed restrictions concerning financial solidity and liquidity, all of which should be complied with. To date, the Company has not paid any dividends to shareholders.

According to common practice for Delaware companies, the Company has an authorized number of shares available which is higher than the current number of issued shares. The authorized number of shares has been approved by the shareholders in a Special Meeting of the Shareholders. In compliance with the Company's by-laws and Delaware corporate law, the Board of Directors may issue shares up to this limit without any further shareholder approval.

4. EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH CLOSE ASSOCIATES

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

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

The Company owns treasury shares. When the Company carries out transactions in its own shares, it will be carried out either through the stock exchange or at prevailing stock exchange prices if carried out in any other way. Any transactions carried out by the Company in treasury shares will be reported to the Oslo Stock Exchange.

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

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

5. FREELY NEGOTIABLE SHARES

The Company is compliant with the Code of Practice. The Company has no limitations on the ownership or sale of the Company's shares, except for the lock-up related to the shares issued to the former owners of Gaming Innovation Group Ltd. (as described in Nore 20). All shares of GIG are freely negotiable and no form of restriction on negotiability is included in the Company's articles of association.

6. GENERAL MEETINGS

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

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

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

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

7. NOMINATION COMMITTEE

The Code of Practice in this instance is not complied with. As a Delaware corporation, the governing law does not require a nomination committee, and the Company does not have a nomination committee.

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

The Company does not have a corporate assembly.

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

The current board of directors consists of four members, whereof all are independent of the Company's main shareholders. Close associates of Helge Nielsen hold a minority stake in the Company's main shareholder Bryggen Holding AS. Information on the board members can be found in the Board of Director's report on page 16. All of the board members own shares in the Company, either directly or indirectly.

For the election of a new Board at the annual shareholder meeting in May 2016, the Company will aim to propose a composition that will be in line with the provisions in the Code of Practice. As a Delaware company, the board members have unlimited periods, but the board members will be proposed, elected and re-elected at the Annual Shareholders Meeting.

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

9. THE WORK OF THE BOARD OF DIRECTORS

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

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

The Board of Directors had 8 ordinary meetings in 2015, with a 88 % director attendance.

GIG is not considered a large company and does not have an audit committee.

10. RISK MANAGEMENT AND INTERNAL CONTROL

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

11. REMUNERATION TO THE BOARD OF DIRECTORS

The Code of Practice is in material respects complied with. Remuneration to board members is at a sufficiently competitive level in order to ensure the desired composition of the board. The remuneration is a fixed amount and has no performance related elements. No board members have been granted share options in 2015 and no board members take part in incentive programs available for management and/or other employees.

As a general rule, no members of the Board of Directors (or companies with which they are associated) shall take on specific assignments for the

Company in addition to their appointment as director. If such assignments are made, it shall be disclosed to the full Board and the remuneration shall be approved by the Board. All remuneration paid to each of the directors is described in the Annual Report.

12. REMUNERATION OF THE EXECUTIVE MANAGEMENT

The Code of Practice is complied with. The remuneration for the Chief Executive Officer is set by the Board. The Board also establishes guidelines for the remuneration of other members of senior management, including both the level of fixed salaries, the principles for and scope of bonus schemes and any option grants. The Company has incentive stock option programs, that are described in the notes to the consolidated financial statements (Note 20). The remuneration to senior management in 2015 is included in the Board of Directors report on page x in this Annual Report.

13. INFORMATION AND COMMUNICATIONS

The Code of Practice is complied with. The Company assigns importance to informing its owners and investors about the Company's development and economic and financial status. Prompt financial reporting reduces the possibility of leakage and contributes to the equal treatment of shareholders. Responsibility for investor relations (IR) and price sensitive information rests with the company's chief executive officer (CEO) and chief financial officer (CFO), including guidelines for the Company's contact with shareholders other than through general meetings.
All information distributed to the Company's shareholders is available through the Company's web-site. Each year the Company publishes to the market the dates of reporting for planned major events.

14. TAKE-OVERS

The Code of Practice is complied with. The Company has no restrictions in its articles of associations or by-laws regarding company take-overs, and the Board of Directors is pragmatic with respect to a possible take-over of the Company.

If a take-over bid is made for the Company, the Board of Directors will ensure that shareholders are given sufficient and timely information and make a statement prior to expiry of the bid, including a recommendation as to whether the shareholders should accept the bid or not. The main responsibility of the Board under such circumstances is to maximize value for the shareholders, while simultaneously looking after the interest of the company's employees and customers.

15. AUDITOR

The Company does not have an audit committee. This task is performed by the Board of Directors in collaboration with the CFO.

The Code of Practice is in material respects complied with, except for specific guidelines for the management's opportunity to use the auditor for other services than audit. The Company uses the auditors as advisors for general financial purposes and in connection with the preparation of tax returns and tax advice generally.

For the 2015 fiscal year, the auditors have not participated in the board meeting that approved the annual financial statements or presented to the board a review of its work and the Company's internal procedures. The auditors have, however, had a meeting with the chairman of the board regarding the annual financial statements. The auditors are also available for questions and comments at the Board of Directors' discretion. The auditors were paid EUR 141,854 in 2015, whereof EUR 104,504 for audit work and EUR 37,350 for other services.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF GAMING INNOVATION GROUP, INC.

Report on the Financial Statements for the Years Ended 31 December 2015 and 2014

We have audited the consolidated and stand-alone financial statements of Gaming Innovation Group, Inc., which comprise the statements of financial position as at 31 December 2015 and 2014, and the statements of comprehensive income (loss), changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory notes.

The Board of Directors' and the Chief Executive Officer's Responsibility for the Financial Statements

As explained more fully in the statement of the Board of Directors' and Chief Executive Officer's responsibilities for the financial statements, the Board of Directors and Chief Executive Officer are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and the requirements of the Norwegian Accounting Act, and for such internal control as the Board of Directors and the Chief Executive Officer determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the entity, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion the financial statements give a true and fair view of the financial position of the Company and the Parent as at 31 December 2015 and 2014, and the statements of comprehensive income (loss), changes in equity and cash flows for the years then ended in accordance with IFRS as adopted by the EU and the preparation requirements of the Norwegian Accounting Act.

Report on Other Legal and Regulatory Requirements for the Years Ended 31 December 2015 and 2014

We also have responsibilities under the Norwegian Accounting Act, to report to you if, in our opinion:
The information given in the Board of Directors' and Chief Executive Officer's reports are not consistent with the financial statements:

- Adequate accounting records have not been kept, or that returns adequate for our audit have not been received from branches not visited by us.
- The financial statements are not in agreement with the accounting records and returns.
- We have not received all the information and explanations we require for our audit.
- Certain disclosures of directors' remuneration specified by law are not made in the financial statements, giving the required particulars in our report.

We have nothing to report to you in respect of these responsibilities.

Israeloff, Trattner & Co. P.C.

Israeloff Trattner Co., P.C.
1225 Franklin Ave,
Garden City, New York 11530

19 April 2016

CONSOLIDATED
FINANCIALSTATEMENTS

STATEMENTS OF COMPREHSENSIVE INCOME (LOSS)

FOR THE YEARS ENDING 31 DECEMBER 2015 AND 2014

		COMPANY		PARENT	
	Notes	2015	2014	2015	2014
Net revenue	2, 3	17,749,037	9,591,876	-	-
Cost of sales	22	4,042,188	3,412,708		
Gross profit		13,706,849	6,179,168	-	-
Operating expenses					
Personnel expenses	25	3,864,600	2,106,641	-	-
Depreciation and amortization		333,211	128,002	-	-
Marketing, including commission		7,670,104	1,945,691	-	
Other operating expenses	23	4,234,258	2,244,259	21,689	3,111
Total operating expenses		16,102,173	6,424,593	21,689	3,111
Operating income (loss)		(2,395,324)	(245,425)		
Other income (expense)					
Other income (expense)	26	337,265	178,852	633,831	679,922
Total other income (expense)		337,265	178,852	633,831	679,922
Results before income taxes		(2,058,059)	(66,573)	612,142	676,811
Tax income/(expense)	24	(31,438)	(80,418)	-	(135)
Net results		(2,089,497)	(146,991)	612,142	676,676
Other comprehensive income (loss)	2	(150,368)	-	(33,459)	-
Total comprehensive income (loss)		(2,239,865)	(146,991)	578,683	676,676
Total comprehensive income (loss) attributable to:					
Owners of the Company	2, 9	(2,136,071)	(131,240)	578,683	676,676
Non-controlling interests	2, 9	(103,794)	(15,751)	-	-
		(2,239,865)	(146,991)	578,683	676,676
Earnings (losses) per share attributable to GIG Inc:					
Basic and diluted earnings (losses) per share		-0.01	-0.00		
Weighted average shares outstanding		405,056,147	317,000,000		

See accompanying notes to the financial statements

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015 AND 2014

		COMPANY		PARENT	
	Notes	2015	2014	2015	2014
ASSETS					
Non-current assets					
Goodwill	2,6	22,230,484	-	-	-
Intangible assets	2,7	5,906,768	525,125	-	-
Property, plant and equipment	2,8	510,325	212,662	-	-
Investments in subsidiaries	9	-	-	28,186,185	1,856,020
Investments in associate	10	-	53	-	53
Deferred income tax assets	19	12,919	10,958	-	-
Other non-current assets	16	247,741	-	-	-
Available-for-sale financial assets	11	655,626	-	655,626	-
Total non-current assets		29,563,863	748,798	28,841,811	1,856,073
Current assets					
Derivative financial asset	12	-	-	-	520,556
Trade and other receivables	13	3,474,238	2,159,039	2,800,214	904,209
Cash and cash equivalents	14	2,091,721	1,282,114	507	170,275
Other current assets	15	159,805	73,493	-	-
Total current assets		5,725,764	3,514,646	2,800,721	1,950,040
Total assets		35,289,627	4,263,444	31,642,532	3,451,113
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital issued	20	43,410,350	28,190,810	43,410,350	28,190,810
Share premium	20	(13,900,611)	(25,775,390)	(13,900,611)	(25,775,390)
Accumulated translation income (loss)		(139,936)	6,157	-	-
Accumulated earnings (deficit)		(2,197,816)	(212,113)	2,097,163	1,006,869
Total equity attributable to owners of the Company		27,171,987	2,209,464	31,606,902	3,422,289
Non-controlling interests		(102,156)	494,302	-	-
Total equity		27,069,831	2,703,766	31,606,902	3,422,289
Liabilities					
Non-current liabilities					
Long term loans	18	1,541,375	-	-	-
Total long term liabilities		1,541,375			
Current liabilities					
Trade and other payables	17	4,647,030	1,559,678	35,630	28,824
Short term loans	18	2,031,391	-	-	-
Total current liabilities		6,678,421	1,559,678	35,630	28,824
Total liabilities		8,219,796	1,559,678	35,630	28,824
Total equity and liabilities		35,289,627	4,263,444	31,642,532	3.451.113

See accompanying notes to the financial statements

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDING 31 DECEMBER 2015 AND 2014

COMPANY

	Treasury shares	Common Stock Shares issued	Common Stock Shares Outstanding	Common Stock Amount	Treasury Shares at cost	Share Premium/ Adjustment	Non-controlling interest	Comprehensive inc/loss	Retained Earnings (Deficit)	Total Equity
Balance at 1 January 2014	-	174,291	174,291	1,743	-	949,433	215,279	(2,315)	(72,401)	1,091,739
Adjustment to give effect to the exchange of GIG shares for 317,000,000 shares of Nio Inc.	-	316,825,709	316,825,709	28,189,067	-	(28,189,067)	-	-	-	-
Equity attibutable to non-controlling interest on business combinations	-	-	-	-	-	-	294,774	-	-	294,774
Equity settled share based payments	-	-	-	-	-	158,973	-	-	-	158,973
Shares subscriptions received	-	-	-	-	-	1,305,271	-	-	-	1,305,271
Net results	-	-	-	-	-	-	(15,751)	-	(139,712)	(155,463)
Exchange differences on translating foreign operations	-	-	-	-	-	-	-	8,472	-	8,472
Balance at 31 December 2014	**-**	**317,000,000**	**317,000,000**	**28,190,810**	**-**	**(25,775,390)**	**494,302**	**6,157**	**(212,113)**	**2,703,766**
Exchange of shares of GIG for Nio Inc.	36,000,000	173,974,952	137,974,952	14,226,572	(705,642)	8,707,081	-	4,275	-	22,232,286
Sale of subsidiary interest	-	-	-	-	-	1,492,664	(492,664)	-	-	1,000,000
Exercise of warrants	(1,025,000)	5,125,000	6,150,000	455,766	33,015	426,013	-	-	-	914,794
Issuance of treasury shares in repayment of debt and purchase of affiliates	(25,560,000)	-	25,560,000	-	672,627	-	-	-	-	672,627
Issuance of shares in repayment of debt and purchase of affiliates	-	6,021,000	6,021,000	537,202	-	1,125,246	-	-	-	1,662,448
Share compensation expense	-	-	-	-	-	123,775	-	-	-	123,775
Net results	-	-	-	-	-	-	(103,794)	-	(1,985,703)	(2,089,497)
Exchange differences on translating foreign operations	-	-	-	-	-	-	-	(150,368)	-	(150,368)
Balance at 31 December 2015	**9,415,000**	**502,120,952**	**492,705,952**	**43,410,350**	**-**	**(13,900,611)**	**(102,156)**	**(139,936)**	**(2,197,816)**	**27,069,831**

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDING 31 DECEMBER 2015 AND 2014

PARENT	**Treasury shares**	**Common Stock Shares issued**	**Common Stock Shares Outstanding**	**Common Stock Amount**	**Treasury Shares at cost**	**Share Premium/ Adjustment**	**Retained Earnings (Deficit)**	**Total Equity**
Balance at 1 January 2014	-	174,291	174,291	1,743	-	949,433	330,193	1,281,369
Adjustment to give effect to the exchange of GIG shares for 317,000,000 shares of Nio Inc.	-	316,825,709	316,825,709	28,189,067	-	(28,189,067)	-	-
Equity settled share based payments	-	-	-	-	-	158,973	-	158,973
Shares subscriptions received	-	-	-	-	-	1,305,271	-	1,305,271
Net results	-	-	-	-	-	-	676.676	676,676
Balance at 31 December 2014	**-**	**317,000,000**	**317,000,000**	**28,190,810**	**-**	**(25,775,390)**	**1,006,869**	**3,422,289**
Exchange of shares of GIG for Nio Inc.	22,000,000	159,974,952	137,974,952	14,226,572	(705,642)	9,711,356	-	23,232,286
Sale of subsidiary interest	-	-	-	-	-	1,000,000	-	1,000,000
Exercise of warrants	-	5,125,000	5,125,000	455,766	33,015	426,013	-	914,794
Issuance of treasury shares in repayment of debt and purchase of affiliates	(21,585,000)	-	21,585,000	-	672,627	-	-	672,627
Issuance of shares in repayment of debt and purchase of affiliates	-	6,021,000	6,021,000	537,202	-	1,125,246	-	1,662,448
Share compensation expense	-	-	-	-	-	123,775	-	123,775
Net results	-	-	-	-	-	(511,611)	1,090,294	578,683
Balance at 31 December 2015	**415,000**	**488,120,952**	**487,705,952**	**43,410,350**	**-**	**(13,900,611)**	**2,097,163**	**31,606,902**

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDING 31 DECEMBER 2015 AND 2014

	Notes	COMPANY 2015	COMPANY 2014	PARENT 2015	PARENT 2014
Cash flows from operating activities					
Results before income taxes		(2,058,059)	(66,573)	612,142	676,811
Taxes	7	(31,438)	(80,418)	-	-
Amortization of intangible assets	8	192,336	66,078	-	-
Depreciation		140,875	61,924	-	-
Share based compensation		123,775	158,973	-	-
Profit on disposal of fixed assets	8	13,865	-	-	-
Provision for impairment of trade receivables	13	(81,437)	118,013	-	-
Fair value losses/(gains) on derivative financial asset	12	-	-	378,852	(520,556)
Provision for impairment of investment in subsidiaries	9	-	-	-	(422)
Profit on disposal of investment in subsidiary	29	-	-	(1,000,000)	-
Change in trade and other receivables		(1,195,349)	(520,925)	(784,920)	46,525
Change in current assets		11,459	-	-	-
Change in non-current assets		(62,659)	-	-	-
Change in trade and other payables		1,723,829	(189,104)	29,265	(9,331)
Tax refund (paid)		-	3,644	-	(135)
Net cash (used in)/generated from operating activities		(1,222,203)	(70,180)	764,661	192,892
Cash flows from investing activities					
Purchases of intangible assets	7	(659,042)	(298,627)	-	-
Purchases of property, plant and equipment	8	(358,816)	(220,062)	-	-
Acquisition of subsidiaries, net of cash acquired	9	-	-	-	(806,997)
Repayment of loans to related parties	29	-	-	500,000	-
Purchase of investment in associate	10	-	(53)	-	(53)
Purchase of investment in available-for-sale financial asset	10	(689,085)	-	(689,085)	-
Cash acquired as result of reverse merger		102,914	-	-	-
Loans granted to related parties	30	-	(500,000)	-	(500,000)
Net cash used in investing activities		(1,604,029)	(1,018,742)	(189,085)	(1,307,050)
Cash flows from financing activities					
Repayment of loans	18	(752,944)	-	-	-
Proceeds from loans	18	4,360,645	-	-	-
Proceeds from issuance of shares	20	145,047	-	-	-
Proceeds from the issuance of ordinary shares Limited	20	-	1,305,271	50,519	1,305,271
Proceeds from the issuance of ordinary shares to non-controling interests Limited	29	-	294,774	-	-
Repayments of related party borrowings		-	-	-	(24,995)
Proceeds from of related party borrowings		-	-	700,000	-
Net cash generated from financing activities		3,752,748	1,600,045	750,519	1,280,276

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDING 31 DECEMBER 2015 AND 2014

CASH FLOW CONTINUED		COMPANY		PARENT	
	Notes	2015	2014	2015	2014
Translation gain/(loss)		(150,368)	-	-	-
Fair value movements		33,459	-	33,459	-
Net movement in cash and cash equivalents		809,607	511,123	(169,768)	166,118
Cash and cash equivalents at beginning of year	14	1,282,114	770,991	170,275	4,157
Cash and cash equivalents at end of year	14	2,091,721	1,282,114	507	170,275
Translation gain/(loss)		(150,368)	-	-	-
Fair value movements		33,459	-	33,459	-
Net movement in cash and cash equivalents		809,607	511,123	(169,768)	166,118
Cash and cash equivalents at beginning of year	14	1,282,114	770,991	170,275	4,157
Cash and cash equivalents at end of year	14	2,091,721	1,282,114	507	170,275
NON CASH FINANCING AND INVESTING ACTIVITIES					
Issuance of shares and treasury shares to purchase affiliates		4,015,891	-	4,015,891	-
Issuance of shares and treasury shares in repayment of trade payables		220,571	-	-	-
Issuance of shares and treasury shares in repayment of debt		1,177,395	-	-	-
ACQUISITION OF INC. FOR SHARES					
Non-cash assets acquired					
Intangibles		104,046	-	-	-
Property and equipment		93,587	-	-	-
Non-current assets		187,643	-	-	-
Trade receivables		38,413	-	-	-
Other current assets		97,771	-	-	-
Inc. non-cash assets acquired		521,460	-	-	-
Goodwill		22,227,205	-	-	-
Total non-cash assets acquired		22,748,665	-	-	-
Liabilities assumed					
Trade and other payables		1,660,525	-	-	-
Shrt term loans		1,493,760	-	-	-
Total liabilities assumed		3,154,285	-	-	-
Net non-cash assets acquired		19,594,380	-	-	-
Shares issued		19,697,294	-	-	-
Cash acquired		102,914	-	-	-

NOTES

Notes to Consolidated Financial Statements
For the Years Ended December 31, 2015 and 2014

1. CORPORATE INFORMATION

Gaming Innovation Group Inc. (formerly Nio Inc.), ("Inc." 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" or "Parent") is incorporated and domiciled in Malta, having a registered office at GB Buildings Penthouse, Watar Street, Ta' Xbiex, XBX 1301. Pursuant to a reverse merger transaction consummated effective 17 June 2015, Limited became a wholly-owned subsidiary of Inc. In connection with the reverse merger, Nio Inc. changed its name to Gaming Innovation Group, Inc. The transaction resulted in Limited owning approximately 64% of Inc.'s post-transaction outstanding shares. Accordingly, although Inc. is the legal parent, Limited is treated as the accounting acquiror and Parent. (See the discussion of the accounting treatment in the last paragraph of this Note). The Company's principal activity is to provide a platform for and facilitate internet gambling, gaming and betting.

Except as discussed in the following paragraph, the consolidated financial statements of the Company as at and for the years ended 31 December 2015 and 2014 are comprised of Limited, and its accounting basis subsidiaries: Inc., Candid Gaming Ltd ("Candid") and Gridmanager Ltd ("Grid") (corporations registered in Malta), GE Online Ltd ("Online") (a corporation registered in Gibraltar) and Les Encheres Bidou Inc. ("Bidou") (a corporation registered in Canada), MT Secure Trade Ltd, ("Secure") Innovation Labs Ltd, ("Labs") iGaming Cloud Ltd. (90%), ("iGC") 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).

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 BASIS OF PREPARATION

Statement of Compliance and Presentation of Financial Statements

The consolidated Company financial statements include the financial statements of the accounting parent, Limited, and its subsidiaries. These financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU"). The consolidated financial statements report the full year's operations of Limited and its subsidiaries for the years ended 31 December 2015 and 2014 except for the operations of Inc, Candid, Grid, GE and Bidou are only consolidated from 17 June 2015, the effective date of the reverse acquisition.

The consolidated financial statements are presented on the historical cost basis and reflect all acquisitions, adjusted for all post acquisition gains, earnings and losses. Parent only financial statements report the results of Limited, the accounting parent. The statements were approved by the Board of Directors and issued on 15 April 2016.

Liquidity

As at 31 December 2015, the Company's current liabilities exceeded its current assets by EUR 952,657, at such date the Company had an accumulated deficit of EUR 2,197,816 after sustaining a net loss for the year ended 31 December 2015 of EUR 2,089,497.

See Note 31 for details of debt and equity financing transactions entered into after year end.

Standards, Interpretations and Amendments to Published Standards Effective in 2015

In 2015, the Company adopted new standards, amendments and interpretations to existing standards that are mandatory for the Company's accounting period beginning on 1 January 2015. The adoption of these revisions to the requirements of IFRSs as adopted by the EU did not result in substantial changes to the Company's accounting policies.

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

Certain new standards, amendments and interpretations to existing standards have been published by the date of authorization for issue of these financial statements but are mandatory for the Company's accounting periods beginning after 1 January 2016. The Company has not early adopted these revisions to the requirements of IFRSs as adopted by the EU and management is of the opinion that there are no requirements that will have a possible significant impact on the Company's financial statements in the period of initial application.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

Use of Estimates, Judgements and Assumptions

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

Estimates constitute the basis for the assessment of the net book value of assets and liabilities when these values cannot be derived from other sources. Estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the revisions are made and in any future periods affected.
The following are significant areas in the Company's consolidated financial statements where estimates and judgment are applied to account balances: Goodwill, Intangibles, Investments in subsidiaries, Property, plant and equipment, related write-offs, depreciation, amortization and income taxes. The amount and timing of recorded expenses for any period would vary by any changes made to such estimates. The following are key assumptions and estimates of uncertainty at the consolidated financial statement dates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next twelve months.

Goodwill and Intangible Assets

The Company assesses the existence of any indicators of impairment for all non-financial assets at each reporting date. Goodwill is tested for impairment annually and at other times when such indicators exist. The impairment test for goodwill is based on the value derived from calculations using a discounted cash flow model. The cash flows are derived from the next five year budgets and do not include any future investments that would enhance the asset base of the cash generating unit being tested.

The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the cash generating unit (CGU), including a sensitivity analysis, are further explained in Note 6. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the acquiror's CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiror are assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated:

(a) Represent the lowest level within the entity at which the goodwill is monitored for the internal management purposes; and

(b) Is not larger than an operating segment as defined by paragraph 5 of IFRS 8 "Operating Segments".

2.2 CONSOLIDATION

Subsidiaries

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

The Company applies the acquisition method of accounting to account for business combinations that fall within the scope of IFRS 3. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Company. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement.

Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed (identifiable net assets) in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Company recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of the acquiree's identifiable net assets.

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

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

Transactions with non-controlling interests

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

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

Foreign Currency Translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

2.3 FINANCIAL INSTRUMENTS

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

2.4 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are carried in the statements of financial position at fair value. For the purposes of the statements of cash flows, cash and cash equivalents comprise cash in hand and deposits held at call with banks and e-wallets.

2.5 TRADE AND OTHER RECEIVABLES

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

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

2.6 INTANGIBLE ASSETS

(a) Goodwill

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

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGUs, or groups of CGUs (Note 2.1), that are expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

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

(b) Domains

Separately acquired domains are shown at historical cost. The majority of separately acquired domains have an indefinite useful life. The useful life of domains with a finite useful life, which comprise a small number of domains acquired in the past, is three years. Amortization is calculated using the straight-line method to allocate the cost of domains over their estimated useful lives.

(c) Computer software

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

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

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

Directly attributable costs that are capitalized as part of the software product include the software development employee costs.

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

2.7 PROPERTY, PLANT AND EQUIPMENT

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

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

	Years
Installations and improvements to premises	6
Computer equipment	3
Furniture and fittings	6

2.8 IMPAIRMENT OF NON-FINANCIAL ASSETS

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

2.9 FINANCIAL ASSETS

2.9.1 Classification

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

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

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

(b) Loans and receivables

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

(c) Available-for-sale financial assets

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

2.9.2 Recognition and measurement

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

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

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

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

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

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

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

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

2.9.3 Impairment

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

(a) Assets carried at amortized cost

For financial assets carried at amortized cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount is reduced and the amount of the loss is recognised in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognized in profit or loss. Impairment testing of trade receivables is described in Note 1.8.

(b) Assets classified as available-for-sale

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

2.10 INCOME TAXES

The Company provides deferred income taxes resulting from temporary differences between the financial statement and tax bases of assets and liabilities. Deferred tax assets or liabilities at the end of each period are determined using the tax rates expected to be in effect when taxes are actually paid or recovered. Valuation allowances are established when necessary to reduce deferred deferred tax assets to the amount that is probable of being realized. Temporary differences result principally from the use of different depreciation methods for tax purposes

The Company files U.S. federal income tax returns and state income tax returns in Florida and California. Returns filed in these jurisdictions for tax years ended on or after December 31, 2012 are subject to examination by the relevant taxing authorities. In addition, Limited and its subsidiaries, Candid and Grid file tax returns in Malta, GE in Gibraltar and Bidou in Canada.

2.11 SHARE-BASED COMPENSATION

The share-based compensation program allows management and key personnel to acquire shares in the Company. The plan is an equity-settled, share-based compensation plan, under which the Company receives services from employees as consideration for equity instruments ('shares or options") in the Company. The fair value of the employee services received in exchange for the grant of the instrument is recognized as an expense. The total amount expensed is determined by reference to the fair value of the options granted, excluding the impact of any non-market service and performance vesting conditions. On the date instruments are granted, their fair value is recognized as an employee expense with a corresponding adjustment in equity, over the period that the employees become unconditionally entitled to the instruments (vesting period). The fair value of the instruments granted is measured using the Black-Scholes model, taking into account the terms and conditions as set forth in the share option program. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behavior), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value. At each reporting date, management revises its estimate of the number of instruments that are expected to vest based on the non-market vesting conditions. Management recognizes the impact of such revision, if any, in the consolidated statement of comprehensive income (loss), with a corresponding adjustment to equity.

2.12 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. The total number outstanding options and warrants at 31 December 2015 was 8,150,000 were non-dilutive due to the loss incurred for the year. The total number of outstanding options and warrants at 31 December 2014 was 14,933,334 were non-dilutive due to the loss incurred for the year.

2.13 INTER-COMPANY TRANSACTIONS

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

2.14 FOREIGN CURRENCY TRANSACTIONS

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

2.15 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 entity and when specific criteria have been met as described below.

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

Revenue from gaming transactions that are deemed to be financial instruments, where the Company takes open positions against players, 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 commission arising on transactions where the company does not take open position against players, such as poker, is recognized when players place wagers in a pool.

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

Interest income is recognized in profit or loss for interest-bearing instruments as it accrues, on a time-proportion basis using the effective interest method, unless collectability is in doubt.

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

2.16 NON CONTROLLING INTEREST

The Company has determined that its 90% interest in Cloud represents a controlling interest and therefore has consolidated its financial statements and has presented a non-controlling interest for the portion of Cloud it does not own.

2.17 SHARE CAPITAL

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

2.18 TRADE AND OTHER PAYABLES

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

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

2.19 CURRENT AND DEFERRED TAXATION

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

Deferred tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

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

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

2.20 OPERATING LEASES

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

2.21 DIVIDEND DISTRIBUTION

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

3. SEGMENT INFORMATION

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

Inc. operated a single segment in 2015 and 2014 and, as such, segment information is not presented. Users are connected to the internet sites as such revenues are earned from various geographical areas from all over the world.

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

	2015	2014
Nordic countries	10,334,305	5,517,716
Europe excluding Nordic countries	2,148,555	1,195,066
Rest of world	5,266,177	2,879,094
Total	**17,749,037**	**9,591,876**

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

	2015	2014
Europe	98	31
North America	2	-
Total	**100**	**31**

Similarly, the Company has assets at December 31 2015 and 2014 by continent:

	2015	2014
Europe	9,321,813	4,263,444
North America	25,967,814	-
Total	**35,289,627**	**4,263,444**

4. FINANCIAL RISK MANAGMENT

4.1 Financial risk factors

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

(a) Market risk

(i) Foreign exchange risk

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

A sensitivity analysis for foreign exchange risk disclosing how profit or loss and equity would have been effected by changes in foreign exchange rates that were reasonably possible at the end of the reporting period is not deemed necessary.

(ii) Price risk

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

The Company is exposed to market risk due to the possibility of an unfavourable outcome on events on which the Company has accepted bets. The Company has adopted risk management policies to mitigate this risk. Management monitors the odds real time to determine the appropriate risk levels for certain events and where possible reacts to large risks by, inter-alia, not accepting bets that exceed the maximum risk limit on an individual bet or by closing the event that was offered as a bet. The risk is spread across a large number of events and sports. The Company's exposure to open bets was not significant as at 31 December 2015 and 2014 and on this basis, management considers the potential impact on profit or loss of a shift in odds that is reasonably possible at the end of the reporting period to be immaterial.

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

The maximum exposure to credit risk at the reporting period in respect of the financial assets mentioned above is equivalent to the gross carrying amount.

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

(b) Credit risk

The Company seeks to manage credit risk by only undertaking transactions with reputable counterparties. Control structures are in place to assess credit risk on similar lines.

Other than trade receivables for which provisions for impairment of €36,576 (2014: €118,013) have been recorded, the Company did not hold any past due impaired financial assets as at 31 December 2015 and 2014. The Company manages credit limits and exposures actively in a practicable manner such that past due amounts receivable from partners are within controlled parameters. The Company's receivables, which are not impaired financial assets, are principally debts in respect of transactions with partners for whom there is no recent history of default. Management does not expect any losses from non-performance by these partners.

The Company did not hold any past due or impaired assets as at 31 December 2015 and 2014. The Company's receivables mainly comprise amounts due from related parties. The Company considers credit risk in relation to amounts due from shareholders and related parties to be limited.

(c) Liquidity risk

The Company and the Parent are exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise principally trade and other payables and loans (refer to Notes 15 and 16). Prudent liquidity risk management includes maintaining sufficient cash to ensure the availability of an adequate amount of funding to meet the Company and Parent's obligations.

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

4.2 Capital risk management

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

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

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

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

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

Company & Parent **31 December 2015**	Level 1	Level 2	Level 3	Balance
Assets				
Available-for-sale assets	-	-	-	-
Equity Securities	-	-	-	-
Unlisted	-	-	655,626	655,626
Parent	-	-	-	-
31 December 2014				
Financial assets at fair value through profit or loss	-	520,556	-	520,556

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

4.3 Fair values of financial instruments

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

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The Company and Parent's instrument included in level 3 comprise a private equity investment, disclosed in Note 10 of these financial statements, which also includes a reconciliation from opening to closing value of the instrument. Level 3 valuations are reviewed regularly by management.

There were no transfers between levels of the fair value hierarchy during 2015 and 2014.

At 31 December 2015 and 2014 the carrying amounts of cash at bank, receivables, payables, and borrowings reflected in the financial statements are reasonable estimates of fair value in view of the nature of these instruments or the relatively short period of time between the origination of the instruments and their expected realization.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

The Company and Parent make estimates

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

Company and Parent

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

During 2015, the Company, acquired an available-for-sale financial asset for a consideration of EUR 689,085, together with an option to purchase up to 15% of the ordinary share capital in the same equity investment. In the opinion of the director, the fair value of the available-for-sale financial asset is not significantly different from its acquisition price. Additionally, in management's opinion the fair value of the option to acquire the additional shares in the available-for-sale financial asset is not determinable and would be immaterial to these financial statements.

Company

(i) Impairment test of domains

The Company has invested a considerable amount in the acquisition of a number of domains throughout the year. The Company's assets arising from domains are presented within intangible assets in the statement of financial position and have a carrying amount of €5,418,556 (2014: €171,204) (see Note 7) at year end. These domains have primarily been attributed an indefinite useful life, and therefore are tested for impairment in accordance with IAS 36 on an annual basis. The Company has assessed the revenue generating capabilities of each asset acquired and has determined that all assets are generating sufficient cash flows.

Accordingly, management determined that no impairment was necessary during the year. Information on assumptions and other inputs used in the impairment test are disclosed in Note 2.6.

(ii) Valuation of share options

As explained in Note 20 the Company operates equity-settled share-based compensation plans under which the Company receives services from employees as consideration for equity instruments of Inc. In order to determine the fair value of services provided, the Company estimates the fair value of the ordinary shares as of each grant date using the Black-Scholes valuation model. Refer to Note 20 for a summary of the inputs used and other assumptions made on calculating the fair value of share options granted as part of the share-based payment scheme.

6. GOODWILL

In February 2015, the Company signed an agreement to acquire the entire issued share capital of Limited for 290 million shares. The agreement encompassed the acquisition of Candid for 27,000,000 shares. (See Note 20). In addition, the sellers are entitled to a variable consideration of up to a maximum of 125 million earn-out shares, provided that Limited reaches a revenue of EUR 24 million or more in 2015 and EUR 39 million or more in 2016.

Under IFRS 3, goodwill is the excess of consideration paid in a business combination over the fair value of the net tangible and intangible assets acquired. Pursuant to reverse acquisition accounting, Limited has valued the Company's net outstanding 148,099,952 shares at their market price on the closing of the merger transaction, NOK 1.16 (EUR 0.133). These are the shares Limited is deemed to have issued to effect the merger. The aggregate fair value of these shares was EUR 19,697,294 and the fair value of the Company's other assets and its liabilities have been preliminarily determined to be equivalent to their carrying values (EUR 2,529,911), resulting in goodwill of EUR 22,227,205.

On 2 March 2015, the Company acquired 100% of the shares in Performance, a company whose principal activity is to promote the gaming operations of Secure. Goodwill of EUR 3,279 was recognized as a result of this acquisition. Management does not consider the assets and liabilites of Performance as at date of acquisition to be material in the context of the group results and no further disclosure was deemed to be required.

As a result of the above two acquisitions, the Company has recognized total goodwill of 22,230,484. In accordance with applicable IFRS, such measurement of goodwill is preliminary, pending a final determination of the net fair value of acquired assets as allocated pursuant to the IFRS guidance. An increase or decrease in the final determination of such acquired net assets would result in an equivalent offsetting adjustment to goodwill. Under the applicable guidance, the Company has twelve months from the date of acquisition to finalize the calculation of goodwill. Further, the applicable guidance provides for recognition of certain post-merger synergies in determining the ultimate amounts to be recorded.

The recoverable amount of the cash-generating unit is determined using cash flow projections from financial budgets approved by the Board of Directors. The after-tax discount rate applied to cash flow projections is 15%. A variation of +/-1% does not materially affect the conclusion. The Company did not use cash flows projection beyond the five-year period. Using a pre-tax discount rate would have immaterial effect on the estimated recoverable amount.

Key assumptions used for calculations:

Discount rates 11.3%

Gross margin – based on actual gross margin during the last three years, it is assumed the gross margin will remain stable in the years to come.

Market share during the periods – the calculation is based on the assumption that market share will increase reasonably from the date of the calculation.

Growth rate - the industry is expected to have a high growth rate in the foreseeable future. The applied growth reflects these expectations.

A reconciliation of goodwill for the year ended 31 December 2015 is as follows:

COMPANY	Goodwill
Year Ended 31 December 2015	
Opening net book amount	-
Acquisitions through business combinations	22,230,484
Closing net book amount	22,230,484
At 31 December 2015	
Cost	22,230,484
Accumulated amortization	-
Net book amount	22,230,484

7. INTANGIBLE ASSETS

COMPANY	Domains	Computer Software	Total
At 1 January 2014			
Cost	243,407	144,345	387,752
Accumulated amortization	(51,780)	(43,397)	(95,177)
Net book amount	**191,627**	**100,948**	**292,575**
Year ended 31 December 2014			
Opening net book amount	191,627	100,948	292,575
Additions	1,204	297,424	298,628
Amortization charge	(21,627)	(44,451)	(66,078)
Closing net book amount	**171,204**	**353,921**	**525,125**
At 31 December 2014			
Cost	244,611	441,762	686,373
Accumulated amortization	(73,407)	(87,841)	(161,248)
Net book amount	**171,204**	**353,921**	**525,125**
Year ended 31 December 2015			
Opening net book amount	171,204	353,921	525,125
Additions	5,255,223	318,756	5,573,979
Amortization charge	(7,871)	(184,465)	(192,336)
Closing net book amount	**5,418,556**	**488,212**	**5,906,768**
At 31 December 2015			
Cost	5,499,834	760,518	6,260,352
Accumulated amortization	(81,278)	(272,306)	(353,584)
Net book amount	**5,418,556**	**488,212**	**5,906,768**

The fair value of domains acquired through the acquisition of Spaseeba, amounting to EUR 3,589,891, were based on the market price of the ordinary shares of the Company, which were used as consideration for the acquisition of these domains. The recoverable amount of the acquired domains was assessed on the basis of value-in-use calculations. A detailed assessment was performed at the end of the reporting period. The Company's conclusion is that the recoverable amount is well in excess of the carrying amount.

The recoverable amount was based on the cash flow projections reflecting actual income from operations in 2015, the budget for 2016 as confirmed by the entity's Board of Directors, and an estimate for year 2017 – 2019 in which an average annual rate of growth of 5% was assumed.

The projected cash flows were discounted by 20% after tax. The effective tax rate was estimated at 35%. The Company management method for determining the values inherent to each significant assumption is based on experience and expectations regarding the performance of the market. Consequently, management has assessed that there is no need to impair the acquired domains.

8. PROPERTY, PLANT & EQUIPMENT

COMPANY	Installations and improvements to premises	Furniture & fittings	Computer & office equipment	Total
At 1 January 2014				
Cost	-	27,075	47,028	74,103
Accumulated depreciation	-	(5,302)	(14,277)	(19,579)
Net book amount	**-**	**21,773**	**32,751**	**54,524**
Year ended 31 December 2014				
Opening net book amount	-	21,773	32,751	54,524
Additions	32,433	144,202	43,427	220,062
Depreciation charge	(5,405)	(27,973)	(28,546)	(61,924)
Closing net book amount	**27,028**	**138,002**	**47,632**	**212,662**
At 31 December 2014				
Cost	32,433	171,277	90,455	294,165
Accumulated depreciation	(5,405)	(33,275)	(42,823)	(81,503)
Net book amount	**27,028**	**138,002**	**47,632**	**212,662**
Year ended 31 December 2015				
Opening net book amount	27,028	138,002	47,632	212,662
Additions	92,428	83,429	276,546	452,403
Disposals	(19,603)	-	-	(19,670)
Depreciation charge	(38,212)	(11,441)	(91,222)	(140,808)
Depreciation released on disposal	5,738	-	-	5,738
Closing net book amount	**67,379**	**209,990**	**232,956**	**510,325**
At 31 December 2015				
Cost	105,191	260,520	395,436	761,147
Accumulated depreciation	(37,812)	(50,530)	(162,480)	(250,822)
Net book amount	**67,379**	**209,990**	**232,956**	**510,325**

9. INVESTMENT IN SUBSIDIARIES

	PARENT	
	2015	2014
Year ended 31 December		
Opening net book amount	1,856,020	889,628
Additions	26,653,605	1,165,970
Return of capital	(323,440)	(200,000)
Provisions for impairment losses	-	(777)
Reversals of provisions for impairment losses	-	1,199
Closing net book amount	**28,186,185**	**1,856,020**

	PARENT	
	2015	2014
At 31 December		
Cost	28,186,185	1,856,442
Provision for impairment losses	-	(422)
Net book amount	**28,186,185**	**1,856,020**

During 2015, the Parent entered into a merger agreement with Inc. resulting in an investment in subsidiaries of EUR 22,227,205 (see Note 9).

Also during 2015, the Parent acquired 100% of the ordinary share capital of Spaseeba in exchange for shares in Inc. The investment was recognized at a value of EUR 3,589,891 which represents the market value of the shares of Inc. at the date of acquisition.

			Percentage of ownership and voting rights held directly by the Parent		Percentage of ownership and voting rights held by the Company		Percentage of ownership and voting rights held by non-controlling interests	
			%	%	%	%	%	%
Subsidiaries	**Country of incorporation**	**Class of shares held**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
NV Securetrade	Curacao	Ordinary shares	-	-	100	100	-	-
Igamingcloud NV	Curacao	Ordinary shares	-	-	100	100	-	-
Innovation Labs Limited	Malta	Ordinary shares	100	100	100	100	-	-
MT Securetrade Limited	Malta	Ordinary shares	100	87	100	87	-	13
Igamingcloud Limited	Malta	Ordinary shares	90	100	90	100	10	-
Gaming Exchange Limited	Malta	Ordinary shares	80	80	80	80	20	20
Zecure Gaming Limited	Malta	Ordinary shares	100	-	100	-	-	-
Spaseeba AS	Norway	Ordinary shares	100	-	100	-	-	-
Online Performance Marketing Limited	British Virgin Islands	Ordinary shares	100	-	100	-	-	-
Igamingcloud SLU	Spain	Ordinary shares	-	-	100	-	-	-
Candid Gaming Limited	Malta	Ordinary shares	-	-	100	73	-	27
Gridmanager Limited	Malta	Ordinary shares	-	-	100	100	-	-
Downright Marketing Limited	Malta	Ordinary shares	100	-	100	-	-	-
GE Online Limited	Gilbraltar	Ordinary shares	-	-	100	100	-	-
Les Encheres Bidou Inc.	Canada	Ordinary shares	-	-	100	100	-	-
Gaming Innovation Group Inc	USA	Ordinary shares	-	-	100	100	-	-

Other changes to the Parent structure in the current year are explained in Note 29.

Furthermore, additions also comprise EUR 675,012 (2014: EUR 158,973) which represent the fair value of share options contributed to personnel in subsidiaries. In view of the modification to the share-based payment plan described in Note 20, the amount of EUR 323,440, which was previously treated as part of the cost of investment in subsidiaries, was reversed. This amount is included in return of capital in the reconciliation above.

During 2014, Secure allotted 10,700 ordinary shares with a nominal value of EUR 0.01 to the Company for a consideration of EUR 605,228.

EUR 200,000 return of capital during 2014 represents a deemed distribution from Secure.

10. INVESTMENT IN ASSOCIATE

	COMPANY AND PARENT	
	2015	2014
At 1 January	53	-
Acquisitions	-	53
Disposals	(53)	-
At 31 December	-	53

During the previous year, the Company acquired an investment in Candid for a consideration of EUR 53. As described in Note 2, the investment in Candid was transferred to Inc. during 2015.

11. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	COMPANY AND PARENT	
	2015	2014
At 1 January		
Additions	689,085	-
Fair value movements	(33,459)	-
At 31 December	655,626	-

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

In addition to the preference shares, the Company was also given the option to acquire a further interest in the same company, up to another 15% ownership in ordinary shares. The ordinary shares may be acquired during an exercise period starting on 28 November 2016 and ending on 27 May 2017, for an amount which is contingent on the revenue during the 12 months preceding the service of the exercise notice.

In management's opinion, the fair value of this available-for-sale financial asset is not significantly different from its acquisition price. The fair value of the option to acquire an additional 15% shares is not recognized in these financial statements because management has determined that the fair value is not determinable and would in any case be immaterial to the financial statements as a whole.

12. DERIVATIVE FINANCIAL ASSET

	PARENT	
	2015	2014
Current		
Purchased call option	-	520,556

As explained in Note 2, the Parent acquired a call option embedded in a convertible loan that the Company granted to Candid. The call option, which was valued at EUR 520,556 as at 31 December 2014, was exercised during 2015. The Parent recognized a loss of EUR 378,852 in 2015.

13. TRADE AND OTHER RECEIVABLES

	COMPANY 2015	2014	PARENT 2015	2014
Trade receivables – gross	848,591	632,127	-	-
Less: provision for impairment of trade receivables	(36,576)	(118,013)	-	-
Trade receivables	812,015	514,114		
			-	-
Amounts due from payment providers	1,020,219	426,444	-	-
Amounts due from associate	-	508,125		508,125
Amounts due from related parties	307,413	313,190	2,800,164	396,084
Other receivables	109,171	256,578	-	-
Accrued income	68,515	9,979	-	-
Prepayments	1,137,000	76,000		
Indirect tax	19,905	54,609	50	-
	3,474,238	**2,159,039**	**2,800,214**	**904,209**

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

14. CASH AND EQUIVALENTS

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

	COMPANY 2015	2014	PARENT 2015	2014
Cash and cash equivalents	2,091,721	1,282,114	507	170,275
Restricted cash	(1,009,260)	(368,892)	-	-
Cash, net of restricted cash	**1,082,461**	**913,222**	**507**	**170,275**

Included in the Company's cash in bank are amounts of EUR 1,009,260 (2014: EUR 368,892) that are held in a fiduciary capacity and represent customer monies, whose use is restricted in terms of the Remote Gaming Regulations, 2004.

15. OTHER CURRENT ASSETS

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

16. OTHER NON-CURRENT ASSETS

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

17. TRADE AND OTHER PAYABLES

	COMPANY 2015	COMPANY 2014	PARENT 2015	PARENT 2014
Trade payables	1,530,883	336,385	-	-
Players' accounts	549,260	237,892	-	-
Amounts due to related parties	-	215,963	-	25,100
Other payables	77,048	178,058	21,538	-
Accruals and deferred income	2,026,427	575,813	8,092	3,724
Indirect taxation	463,412	15,567	-	-
	4,647,030	**1,559,678**	**35,630**	**28,824**

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

18. SHORT TERM AND LONG TERM LOANS PAYABLE

In June 2014, the Company entered into a NOK 11,975,000 loan agreement with a group of lenders with an interest rate of 10% per annum and maturity on 15 September, 2015. The lenders were granted an option to convert the loan into Company shares at a share price of NOK 0.50. In January, 2015, one million NOKs in loan value was converted into two million Company shares. In the third quarter of 2015, the remaining loan balance was converted into 21,950,000 Company shares.

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

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

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

Short-term loans outstanding balances at 31 December 2015 and 2014 were EUR 2,031,391 with accrued interest of EUR 114,261. Long term loans outstanding balances at December 31 2015 were EUR 1,541,375 with accrued interest of EUR 6,987. Interest expense during the period following the reverse merger on 17 June 2015 was EUR 155,061. There were no short or long term loans outstanding at 31 December 2014.

19. DEFERRED INCOME TAXATION

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The following amounts are shown in the statements of financial position after appropriate offsetting:

	2015	2014
Deferred tax asset to be recovered after more than 12 months	(12,919)	(10,958)
Deferred tax liability to be recovered after more than 12 months (recorded in Trade Payables and Other)	1,961	-
	(10,958)	**(10,958)**

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

	COMPANY 2015	COMPANY 2014
As at 1 January	(10,958)	(5,071)
Movements during the year:		
Income statement (Note 24)	-	(5,887)
At 31 December	(10,958)	(10,958)

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

		COMPANY
	2015	2014
Net operating loss carryforwards	4,884,000	3,983,000
Temporary differences arising due to differences between the tax base and carrying amounts of tangible assets	(4,790)	(4,790)
Temporary differences arising foreign exchange differences	6,912	6,912
Temporary differences arising unabsorbed capital allowances	(13,080)	(13,080)
Net valuation allowance	(4,884,000)	(3,983,000)
Net deferred income tax asset	**(10,958)**	**(10,958)**

The Company did not recognize deferred income tax assets of EUR 62,946 (2014: EUR 54,737) with respect of losses amounting to EUR 765,655 (2014: Unabsorbed capital allowances of EUR 156,392) from its Maltese operations, net of taxable temporary differences arising on intangibles and other assets of EUR 585,809 (2014: nil).

As at 31 December 2015, the Company had approximately EUR 12,209,000 of net operating loss carry-forwards from its previous operations as well as 2015, which expire at various dates beginning in tax year 2018 through 2035. The availability to offset income taxes in future years in the United States of America was restricted because the Company underwent an ownership change. For the period ended December 31, 2015, the Company incurred taxable losses for U.S. domestic income tax purposes and, as such, had no related U.S. federal or state income tax expense. Income tax expense for the period ended December 31, 2015 was EUR 31,438 which represents a tax accrual from Norwegian and Malta's tax authorities.

In assessing the realizability of the deferred tax assets, management considered whether it is probable that some portion or all of the deferred tax assets will not be realized. The realization of deferred tax assets depends on the Company's ability to generate taxable income in the future. The Company has determined that it is uncertain to what extent it will realize the benefit of its deferred tax assets and as such has recorded an allowance against 100% of its deferred balance.

20. EQUITY

Oslo Bors Registration

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

Authorized Shares

Pursuant to a special shareholders' meeting on 17 March 2015, the Company's number of authorized shares increased from 250,000,000 to 750,000,000 each with par value of EUR 0.08 ($0.10).

Share Based Payment Option Plans

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

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

In March and April 2014, a total of 4,125,000 options were granted to employees at an exercise price of NOK 1.30 per share. Of the options granted, 1,125,000 were granted to key employees, of which 50% were exercisable after 1 March 2015 and 50% after 1 March 2016. The remaining 2,500,000 options may be exercised at any time until they expire on 1 March 2017. In October 2014, 1,025,000 of the employee options were cancelled.

In August 2014, Limited was granted warrants to purchase five million shares at a share price of NOK 1.20. These warrants were cancelled in June 2015.

In June 2015, a total of 2,400,000 options were granted to key employees at an exercise price of NOK 1.25 per share. The options are exercisable in three equal tranches between: (a) 27 May to 27 June 2016, (b) 27 May to 27 June 2017 and (c) 27 May to 27 June 2018. Any shares received upon exercise of the options shall be subject to a lock-up until 27 May 2018.

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

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

In August 2013, subscribers in a private placement received a total of 743,334 warrants with the right to purchase one Company share for NOK 1.50 over the subsequent two years. These warrants expired in August 2015.

The Company has granted stock options and warrants to its executive management and other senior employees in recognition of services totalling 2,525,000.

At 31 December 2015 there were 8,150,000 options outstanding. The following tables summarize information about stock options and warrants outstanding at 31 December 2015 and 2014, respectively:

Exercise Prices		Outstanding & Exercisable at December 31 2015	Weighted Average in Contractual Life in Years	Weighted Average Exercise Price	
€	0.15	100,000	3.17	€	0.15
	0.15	2,500,000	1.17		0.15
	0.15	500,000	0.28		0.15
	0.14	2,400,000	2.49		0.14
	0.17	450,000	2.50		0.17
	0.17	1,500,000	2.33		0.17
	0.17	700,000	2.84		0.17
		8,150,000	**1.96**	€	**0.15**

Exercise Prices		Outstanding & Exercisable at December 31 2014	Weighted Average in Contractual Life in Years	Weighted Average Exercise Price	
€	0.14	100,000	4.17	€	0.14
	0.14	2,500,000	2.17		0.14
	0.14	6,150,000	0.66		0.14
	0.13	500,000	1.33		0.13
	0.14	5,000,000	1.67		0.14
	0.17	743,334	0.66		0.17
		14,993,334	**1.29**	€	**0.14**

Share Issues

In June 2014 prior to the reverse merger, the Company purchased 53,000,000 of its own shares at a share price of NOK 0.21 per share, representing 33.1% of the outstanding shares at that time. As part of the transaction, options were transferred whereby third parties could purchase 6.15 million shares at a share price of NOK 1.30, which option expired on August 31, 2015.

In 2014, 24,000,000 treasury shares were used to purchase sports trading systems, 2,500,000 were used for conversion of debt and 2,500,000 were sold to new investors.

Also in June 2014, the Company entered into a NOK 11,975,000 loan facility with maturity on 30 September 2015 and the lenders had an option to convert the loan into shares at a share price of NOK 0.50. The lenders converted their loans into shares in 2015, and 23,890,000 of the Company's treasury shares were used for this conversion, whereof 2,000,000 prior to the merger.

In January 2015, the Company purchased the minority interest in its subsidiary Candid for a consideration of 41,000,000 new shares. Of such shares, 27,000,000 shares were issued to acquire Candid and 14,000,000 were issued to a trust for the benefit of key Candid employees. In August 2015, 5,000,000 shares were returned to the Company as treasury shares, leaving 9,000,000 shares in the trust. As these 9,000,000 trust shares are held in the name of the Company, they are treated as treasury shares.

In February 2015, the Company signed an agreement to acquire the entire issued share capital of Limited for 290 million shares. In addition, the sellers would be entitled to a variable consideration of up to a maximum of 125 million earn-out shares, provided that Limited reaches a revenue of EUR 24 million or more in 2015 and EUR 39 million or more in 2016. If revenue is lower than these thresholds, the variable portion will be proportionally reduced, based on the increase in revenue for the year. If the combined revenue for 2015 and 2016 is higher than EUR 63 million, the sellers will receive all 125,000,000 earn-out shares. The earn-out shares will be determined upon the final audited 2015 and 2016 accounts based on the assumptions agreed, and will be calculated based on the accounting principles applied by Limited for 2014. Based on Limited's financial statements for 2015, Limited had revenues of EUR 21.5 million based on these principles, and pending the shareholders' approval of the annual report, 47,900,000 earn-out shares will be issued in May 2016 based on 2015 performance.

In June 2015, the Company issued 290,000,000 new shares of its common stock for the acquisition of Limited together with 5,000,000 shares for the conversion of a EUR 500,000 loan from Limited to the Company's subsidiary, Candid. In addition, 5,125,000 new shares were issued for the exercise of options at a share price of NOK 1.30 per share and 1,021,000 new shares were issued for the purchase of an affiliate network. Thus, including the 27,000,000 shares issued to acquire Candid as noted above, a total of 328,146,000 shares were issued, increasing the number of issued shares to 502,120,952 shares, of which 36,000,000 were held in the treasury resulting in 466,120,952 shares outstanding.

In connection with the reverse merger,283,061,867 shares are subject to a two year lock-up period, whereby shares with a trading value of NOK 10 million are scheduled to be released in June 2016.

During 2015, the assumed options to purchase 6.15 million shares at a share price of NOK 1.30 were exercised, whereof 5,125,000 new shares were issued in June 2015 and treasury shares were used for the remaining 1,025,000 options.

In July 2015, the Company acquired an Estonia-based affiliate for a consideration of EUR 900,000 plus 795,000 Company shares. A portion of the Company's treasury shares were used for the share payment.

In October 2015, the Company converted EUR 400,000 in liabilities and NOK 562,500 in board fees for 2015 into 2,875,000 Company's shares a share price of NOK 1.50. Treasury shares were used for these transactions.

As at 31 December 2015, 9,415,000 were held in treasury, including the trust shares.

TOP 20 SHAREHOLDERS AT DECEMBER 31, 2015:

	Name	Shares	Percentage
01.	Bryggen Holding AS	57 096 707	11.4%
02.	Super Innovation Ltd.	52 468 528	10.4%
03.	Frode Fagerli	37 145 403	7.4%
04.	Bolshoy AS	35 252 732	7.0%
05.	UBS Switzerland AG	35 090 700	7.0%
06.	GIG Share Options Ltd.	18 712 673	3.7%
07.	Anders Berntsen	18 328 623	3.7%
08.	Nordnet Bank AB	16 838 863	3.4%
09.	ICKC Ltd	16 506 568	3.3%
10.	Molasset AS	7 641 353	1.5%
11.	Nordea Bank Danmark AS	7 597 155	1.5%
12.	Jussi Hietalahti	7 385 301	1.5%
13.	Mikko Halmela	7 385 301	1.5%
14.	Skabo Offshore AS	6 900 000	1.4%
15.	Melin Holding AS	6 600 000	1.3%
16.	Nordea Bank AB	6 369 709	1.3%
17.	Flaxvatn Holding AS	6 161 818	1.2%
18.	CMM Invest AS	6 161 818	1.2%
19.	Kjetil Myrlid Aasen	6 116 032	1.2%
20.	Foo Holding Ltd.	5 000 000	1.0%
Total shares owned by the 20 largest shareholders		360 759 284	71.9%
Other		141 361 668	28.1%
Total Shares Issued		**502 120 952**	**100.0%**

21. COMMITMENTS AND CONTINGENCIES

At 31 December, 2015 the Company is obligated under lease agreements in Florida, USA and Malta. At the end of the reporting period, the Company had outstanding commitments under non-cancellable operating leases, which fall due as follows:

	COMPANY	
	2015	2014
Less than one year	361,099	247,469
Between one and five years	876,653	872,160
	1,237,751	1,119,629

Rent expense for the years ended December 31, 2015 and 2014 was EUR 311,046 and EUR 183,231, respectively. Operating lease payments represent rentals by the Company for office premises.

22. COST OF SALES

The Company incurred expenditures within the gaming operations for licensing fees to games providers, costs for payment services via bank and credit cards for deposit and withdrawal transactions, gaming taxes to regulatory authorities and payment of winnings and costs for fraud.

23. OTHER OPERATING EXPENSES

Other operating expenses include:

	COMPANY		PARENT	
	2015	2014	2015	2014
Consultancy fees	1,924,122	512,642		
Other operating expenses	2,310,040	1,731,617	21,689	3,111
	4,234,162	**2,244,259**	**21,689**	**3,111**

Fees charged by the Company's auditors for services rendered during the financial period ended 31 December 2015 are shown below. The 2014 figures relate to fees charged by the predecessor auditors.

Other operating expenses include:

	COMPANY		PARENT	
	2015	2014	2015	2014
Annual statutory audit	104,504	24,610	4,408	1,770
Tax advisory and compliance services	21,000	-	1,700	-
Other non-audit services	16,350	-	-	-
	141,854	**24,610**	**6,108**	**1,770**

24. INCOME TAX EXPENSE

	COMPANY		PARENT	
	2015	**2014**	**2015**	**2014**
Current income tax expense (income)	31,438	86,305	-	135
Deferred income tax (income) (Note 19)	-	(5,887)	-	-
	31,438	**80,418**	**-**	**135**

25. EMPLOYEE BENEFIT EXPENSE

	COMPANY	
	2015	**2014**
Gross wages and salaries	3,629,805	2,129,127
Employee costs capitalized as part of software development	(296,458)	(172,615)
Net wages and salaries, including other benefits	3,333,347	1,956,512
Taxes and costs	271,413	74,553
Share options granted to employees	259,936	75,576
	3,864,696	2,106,641

The Company employed, on average:

	COMPANY	
	2015	2014
Managerial	11	8
Administrative	89	23
	100	31

26. OTHER INCOME (EXPENSE) NET

	COMPANY		PARENT	
	2015	**2014**	**2015**	**2014**
Profit on partial disposal of investment in subsidiary (Note 28)	-	-	1,000,000	-
Finance (expense) income - net	(25,254)	11,769	(26,440)	9,028
Other income	362,519	167,083	(339,729)	670,894
	337,265	178,852	633,831	679,922

27. LITIGATION

The Company is involved in litigation with a vendor relating to costs of inventory carried during the years the Company's predecessor was in the security camera business. The outcome is unknown at the time of issuance of these financial statements.

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

The table below summarizes payments made to key management personnel in 2015.

Establishment of Salaries to Board of Directors and Management

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

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

In addition, the Company has granted stock options to its executive management and other senior employees in recognition of services rendered (Note 20). Fees below were expenses of the periods covered by these statements.

Name	Position	Board fees	Consulting	Salary	Other	Total
Helge Nielsen	Chairman	15,834	-	-	-	15,834
John Skabo	Director	7,917	-	-	-	7,917
Morten Soltveit	Director	7,801	-	-	-	7,801
Christopher Langeland	Director	7,917	-	-	-	7,917
Robin Reed	CEO	-	-	107,863	3,093	110,956
Tore Formo	CFO	-	-	87,843	12,505	100,348
Kjetil Myrid Aasen	CEO until May	-	10,16	-	-	10,167
Total		**39,469**	**10,167**	**195,706**	**15,598**	**260,940**

In 2014, Robin Reed was chairman and CEO of Parent and received EUR 84,046 in salary and EUR 3,921 in other compensation.

29. BUSINESS COMBINATIONS AND OTHER CHANGES TO THE COMPANY

29.1 Business combinations and other changes to the Company

Company and Parent

On 13 February 2015, the Company incorporated Zecure in Malta with 1,200 ordinary shares at EUR 1 each.

On 2 March 2015, the Company acquired 100% of the shares in Performance, a company whose principal activity is to promote the gaming operations of Secure. Goodwill of EUR 3,279 was recognized as a result of this acquisition. Management does not consider the assets and liabilites of Performance as at date of acquisition to be material and no further disclosure was deemed to be required.

29.2 Transactions with non-controlling interests

Company

(a) Acquisition of additional interest in subsidiary

On 14 May 2015 and 2 October 2015, the Company acquired an additional 13% of the issued shares of Secure for a purchase consideration of EUR 160,190. The Company now holds 100% of the equity share capital of Secure. The carrying amount of the non-controlling interests in Secure on the date of acquisition was EUR 476,101. The Company derecognized non-controlling interests of EUR 476,101 and recorded an increase in equity attributable to the owners of the parent of EUR 315,911. The effect of changes in ownership interest of Secure on the equity attributable to the owners of the Parent during year is summarized as follows

Carrying amount of non-controlling interest acquired	476,101
Consideration paid to non-controlling interests	(160,190)
Excess of consideration paid recognized in parent's equity	**315,911**

(b) Disposal of interest in a subsidiary without loss of control

On 17 June 2015, the Company, disposed of a 10% interest out of the 100% interest held in Cloud at a consideration of EUR 1,000,000. This resulted in a negligible increase in non-controlling interests which is not accounted for in these financial statements. Accordingly an amount of EUR 1,000,000 was recognized as an increase in equity attributable to owners of the parent. The effect of the changes in the ownership interest of Cloud on the equity attributable to the owners of the parent during the year is summarized as follows:

Carrying amount of non-controlling interest disposed of	-
Consideration received from non-controlling interests	1,000,000
Increase in company and parent's equity	**1,000,000**

During 2014, shares with a value of EUR 294,774 were allotted to non-controlling interests.

30. RELATED PARTY TRANSACTIONS

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

	COMPANY 2015	COMPANY 2014	PARENT 2015	PARENT 2014
Other receivables from related parties (Note 12):				
• ultimate shareholders	-	41,500	-	-
• parent entity	93,957	-	-	-
• subsidiaries	-	-	2,800,164	396,084
• associates	-	508,125	-	508,125
• other related parties	558,448	271,690	-	-
Other payables to related parties (Note 16):				
• ultimate shareholders	-	25,100	-	25,100
• other related parties	-	190,863	-	-

31. EVENTS AFTER REPORTING PERIOD

In January 2016, the Company completed a share issue to a Swedish investment fund whereas 23 million new shares were issued at a share price of NOK 1.95 for a total consideration of EUR 4,679,649.

On 9 March 2016, the Company, contracted to acquire domains from a third party for a total consideration of EUR 4,200,000. An amount of EUR 2,940,000 will be settled in cash with the remaining consideration to be settled through the issuance of 4,336,314 new shares. The market value of the new shares in Inc. as at the date of the purchase agreement was EUR 1,260,000.

On 22 March 2016, the Company, contracted to acquire sports betting software from a related party for a total consideration of NOK 75,000,000 to be settled through the issuance of 21,870,000 new shares of the Company.

In March 2016, the Company entered into loan agreements for EUR 2.1 million with an interest rate of 10% per annum and maturity ranging from 31 May through 31 December 2016.

On 30 March 2016, the Company contracted to acquire domains from a third party for a total consideration of SEK 47,500,000. An amount of SEK 15,500,000 will be settled in cash with the remaining consideration will be settled through the issuance of new shares based on the average share price the five trading days prior to closing, which is expected in May. Completion is subject to a satisfactory due diligence.

32. SIGNIFICANT RISKS AND UNCERTAINTIES

For internet-based betting operations, there is uncertainty as to which country's law ought to be applied, as the internet operations can be linked to several jurisdictions. Legislation concerning internet betting is under investigation in many jurisdictions. As at the day of this report, certain EU countries have regulated their market by means of country specific licenses while present discussions are in progress on the liberalization of a number of other markets in Europe. The legal scenario in non-EU jurisdictions may be even more complex since EU jurisdictions may benefit from the overriding principle of freedom of pass-porting of services.

A significant portion (25%-33%) of the Company's online gaming revenue is derived from outside the European Union/European Economic Area ("EU/EEA"). No marketing activities are conducted outside the EU/EEA, and no assets are held or operations take place in jurisdictions outside EU/EEA where the Company has any material revenue. The Company has evaluated the risks and uncertainties associated with offering services beyond the EU/EEA and does not believe the Company is exposed to material financial or legal consequences as a result of this evaluation. Regulatory developments in the online gaming sector and their implications for the Company are uncertain and government authorities both within and outside the EU/EEA could make assessments and decisions that differ from the Company's understanding or interpretation. These uncertainties represent both a risk and an opportunity for the Company's ability to develop and grow the business.

33. STATUTORY INFORMATION

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

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