



Q1 INTERIM FINANCIAL STATEMENTS

LL LUCKY GAMES AB (PUBL)

INTERIM REPORT | JANUARY-MARCH 2024



SUMMARY OF THE PERIOD

FINANCIAL OVERVIEW OF FIRST QUARTER OF 2024 (2023)

The Group posts its highest quarterly revenue result and is close to achieving positive EBITDA for the period.

(Million SEK)	Q1 24	Q1 23	% movement	FY 23
Revenue	16.1	0.7	↑ 2,295%	28.9
EBITDA	(0.5)	(10.2)	↑ 96%	(41.1)
Operating loss	(4.8)	(12.1)	↑ 60%	(59.0)
Loss for the period	(7.4)	(12.5)	↑ 41%	(64.9)
Total assets	79.6	24.5	↑ 225%	73.1
Net assets	45.0	17.8	↑ 153%	36.9
Loss per share, SEK	(0.05)	(0.12)	↑ 58%	(0.57)
Total number of shares	158,290,057	121,989,816		158,290,057
Average number of shares	158,290,057	100,902,864		114,040,814

All comparative figures presented have been recalculated in accordance with EU-IFRS. The year ended 31 December 2023 was the first reporting period that the Group complied with EU-IFRS. The details of the impact of the IFRS conversion and the full set of IFRS accounting policies that the Group has adopted can be found in the 2023 year-end report published under the financial reports heading within the investors section of our corporate website (ladyluckgames.io/investor-relations/).

SIGNIFICANT EVENTS DURING THE FIRST QUARTER OF 2024

- On 25 January 2024, the Board of Directors of the Company resolved on a directed new issue of shares corresponding to a maximum of approximately SEK 20.5m at subscription price SEK 0.2454 per share, and a set-off issue of a maximum of approximately SEK 40.2m, which will fully settle the principal of the outstanding loan from NCTK Holdings International Limited (“NCTK”).
- The company's CEO, Calvin Lim Eng Kiat, acquired and then sold shares in the Company, initially triggering and subsequently ceasing the obligation for a mandatory bid.
- The Company completed conversion of its accounting principles for financial reporting from K3 to International Financial Reporting Standards (IFRS).
- Carina Beck resigned from the Board.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- The company terminates liquidity guarantee agreement with Carnegie Investment Bank.
- The new shares for both the directed issue (83,847,317) and the set-off issue (44,510,532) as resolved on 25 January 2024, are fully issued in the second quarter of 2024. The directed share issue generated approximately SEK 20.5m in cash, which will be used to support ongoing operations, ensure process continuity, and cover team development and operational costs. The set-off issue will settle the NCTK convertible loan of approximately SEK 40.2m.
- Fully owned subsidiary in Latvia is fully dissolved with insignificant financial impact due to impairments made in 2023.

A WORD FROM THE CEO

Dear Shareholders,

In the first quarter of 2024, we continued to capitalize on the opportunities identified in 2023, a year during which we marked significant developments and established ourselves as a key player in the gaming industry. These opportunities have positioned us for increased innovation and profitability. This quarter, we successfully conducted both a directed share issue and a set-off issue, which have enhanced our financial position and enabled us to further exploit our strong potential for expansion.

The strategic acquisition completed in 2023 opens new doors in Asia for 2024

At the end of 2023, we concluded the acquisition of 20% of the shares in CYG Pte. Ltd, which includes CY Labs. CYG Pte. Ltd is a prominent software development company specializing in Fintech and backend systems for the gaming industry. Through this acquisition, we have strengthened our presence and expanded our distribution network in Asia. In 2024, we are maximizing the newly found synergies and connections, and this has resulted in new revenue stream from CYG Pte. Ltd., where the Company provides technology development, maintenance and consulting services.

Directed share issue and set-off issue bolster company's financial position

Based on the authorization from the 2023 AGM, we conducted a directed share issue totalling approximately SEK 20.5m to existing shareholder Yi Ning Ko and external investor Bryan Fun Kha Choong in the first quarter of 2024. Additionally, a set-off issue totalling approximately SEK 40.2m has been executed for our major shareholder, NCTK Holdings International Limited. These share issues are expected to result in a dilution of approximately 45 percent in both the number of shares and votes for existing shareholders.

Bryan Fun Kha Choong, an influential investor active in our Asian market, has joined as a shareholder. His entry aligns with our expansion plans, and his involvement brings new resources to the Company. The capital from the directed issue will be used to

support ongoing operations, ensure an uninterrupted flow of processes, and aid in the development and management of our teams. The set-off issue forms part of the terms for repaying a loan from NCTK Holdings International Limited, as previously communicated.

Having concluded that a directed share issue is the optimal path forward under the current market conditions, we have successfully completed this capital-raising exercise. The full amount of approximately SEK 20.5m of share proceeds has now been received, reinforcing our stakeholders' confidence in this strategic direction.

Transition to international accounting principles enhances global accessibility and comparability

In early 2024, the Group successfully completed the transition from K3 to International Financial Reporting Standards (IFRS) for financial reporting. This transition marks a significant milestone for the Company, aligning its financial reporting with globally recognized standards. This shift will notably improve our financial statements' accessibility and comparability on a global scale.

Accelerating our growth strategy in 2024

Our strong position in the market, combined with a strengthened financial position, ensures continued robust growth this year as more and more operators around the globe incorporate our games into their platforms. In addition to our strong organic growth, we will continue to evaluate strategic acquisitions and new revenue streams that complement our offerings and strengths.

We are grateful for the support and trust that you, our shareholders, have shown, and we look forward to continuing to build on these successes together. Our goal is to launch the next phase of our growth strategy, where we see opportunities for sustained increases in revenue.

Stockholm, 31 May 2024

Calvin Lim Eng Kiat

CEO



FINANCIAL PERFORMANCE (CONSOLIDATED)

REVENUES

Revenue for Q1 2024 amounted to SEK 16,073k (Q1 2023: SEK 671k), which represents a significant growth of 2,295% as compared to Q1 2023. The main contributing factor for the increase in revenue for Q1 2024 was approximately SEK 8,505k of new service fees derived from technology development, maintenance and consulting services rendered to CYG Pte. Ltd., an equity accounted associate, and the rest are made up of SEK 6,881k royalties and SEK 687k technology access fees.

OPERATING EXPENSES

Operating expenses for Q1 2024 amounted to SEK 20,835k (Q1 2023: SEK 12,765k). This increase is primarily a result of the following factors:

(Million SEK)	Q1 24	Q1 23	Increase
Personnel costs	6.7	4.2	2.5
Amortisation, depreciation and impairment	4.3	1.9	2.4
Other operating expenses	8.9	6.7	2.2
Share of associate results	0.9	-	0.9
	20.8	12.8	8.0

The increase in personnel costs is the result of a circa 20% increase in employee headcount. The increase in Amortisation, depreciation, and impairment is primarily due to the Taiwan lease and the related leasehold improvements. In Q1 2024, the Company's 20% share of associate's results, resulted in a loss of SEK 909k. Overall, these movements highlight the Company's rapid growth and expansion efforts, which have led to increased operational costs needed to support the Company's expanded operations.

OPERATING LOSS

Operating loss for Q1 2024 amounted to SEK (4,762k), representing a decrease of 60% as compared to the same period in 2023, which was SEK (12,094k). **Total loss** for Q1 2024 amounted to SEK (7,425k), representing a decrease by 41% as compared with SEK (12,490k) for the same period in 2023.

NET ASSETS

Net assets at the end of Q1 2024 amounted to SEK 45,016k, representing an increase of 153% as compared to the same period in 2023, when it was SEK 17,817k. **Total assets** at the end of Q1 2024 amounted to SEK 79,616k, representing an increase of 225% as compared to the same period in 2023, when it was SEK 24,507k.

CASH AND FINANCING

Net cash outflow from operations for the first quarter of 2024 was SEK (2,677k), representing a decrease as compared to the same period in 2023, when it was SEK (11,980k). **The closing cash balance** for Q1 2024 was SEK 16,385k, representing an increase as compared to the same period in 2023, when it was SEK 4,558k.

RELATED PARTY TRANSACTIONS

Please refer to note 3 of these interim financial statements for the disclosures made in accordance with IAS 24 related party transactions.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(Thousands SEK)	Q1 24	Q1 23	FY 23
Revenue	16,073	671	28,864
Personnel costs	(6,730)	(4,172)	(33,613)
Amortisation, depreciation and impairment	(4,314)	(1,925)	(17,833)
Other operating expenses	(8,882)	(6,668)	(36,388)
Share of associate result	(909)	-	-
Operating loss	(4,762)	(12,094)	(58,970)
Net Financing items	(2,183)	(396)	(5,809)
Taxation	(480)	-	(121)
Loss for the period	(7,425)	(12,490)	(64,900)
Other comprehensive expense			
Translation differences	(694)	(246)	(750)
Total comprehensive loss for the period	(8,119)	(12,736)	(65,650)
Loss per share (basic and diluted)	(0.05)	(0.12)	(0.57)

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET

At 31 March (Thousands SEK)	31 March 2024	31 March 2023	31 Dec 2023
NON-CURRENT ASSETS			
Intangible assets	8,420	15,990	7,501
Tangible assets	15,144	60	15,798
Right of use lease assets	16,274	-	17,846
Investment in associates	15,347	-	16,256
Other non-current assets	4,988	544	4,670
	60,173	16,594	62,071
CURRENT ASSETS			
Trade and other receivables	3,058	3,355	2,029
Cash and bank balances	16,385	4,558	8,962
	19,443	7,913	10,991
TOTAL ASSETS	79,616	24,507	73,062
CURRENT LIABILITIES			
Trade payables	(1,975)	(1,126)	(3,075)
Accruals and other payables	(10,142)	(5,030)	(9,555)
Borrowings	(731)	(534)	(499)
Leases	(7,858)	-	(7,773)
	(20,706)	(6,690)	(20,902)
NON-CURRENT LIABILITIES			
Leases	(13,894)	-	(15,305)
TOTAL LIABILITIES	(34,600)	(6,690)	(36,207)
NET ASSETS	45,016	17,817	36,855
SHAREHOLDERS EQUITY			
Share capital	3,166	2,440	3,166
Share premium	125,253	96,866	125,346
Shares to be issued	55,872	-	40,193
Translation reserve	(1,483)	(285)	(789)
Retained losses	(137,792)	(81,204)	(131,061)
SHAREHOLDERS EQUITY	45,016	17,817	36,855

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Thousands SEK)	Share Capital	Share premium	Shares to be issued	Currency Translation	Retained losses	Total Equity
As at 31 December 2022	1,505	67,352	-	(39)	(68,714)	104
New shares issued	1,661	58,423	-	-	-	60,084
Share issue costs	-	(429)	-	-	-	(429)
Convertible loans	-	-	40,193	-	-	40,193
Shareholder contributions	-	-	-	-	2,553	2,553
Total comprehensive loss	-	-	-	(750)	(64,900)	(65,650)
As at 31 December 2023	3,166	125,346	40,193	(789)	(131,061)	36,855
Share issue costs	-	(93)	-	-	-	(93)
Shareholder advances	-	-	15,679	-	-	15,679
Shareholder contributions	-	-	-	-	694	694
Total comprehensive loss	-	-	-	(694)	(7,425)	(8,119)
As at 31 March 2024	3,166	125,253	55,872	(1,483)	(137,792)	45,016

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

(Thousands SEK)	Q1 24	Q1 23	FY 23
Loss for the period	(7,425)	(12,490)	(64,900)
<i>Adjustments for non-cash items</i>			
Amortisation, depreciation, and impairment	4,314	1,925	17,833
Share awards	-	-	12,960
Fair value charge on convertible bonds	694	-	2,553
Lease interest	373	-	751
Share of loss of associate	909	-	-
<i>Movements in working capital</i>			
Movement in trade and other receivables	(1,029)	(743)	702
Movement in trade and other payables	(513)	(672)	4,082
Net cash outflow from operating activities	(2,677)	(11,980)	(26,019)
Investing activities			
Deposits paid	(318)	(540)	(3,012)
Internal development costs capitalised	(1,885)	-	(2,030)
Capital expenditures	(1,053)	-	(12,986)
Net cash used in investing activities	(3,256)	(540)	(18,028)
Financing activities			
Proceeds from share issues	-	30,750	30,750
Advances for shares to be issued	15,679	-	-
Share issue costs	(93)	(430)	(430)
Net movement in borrowings	232	(13,466)	(13,501)
Issue of convertible bonds	-	-	40,193
Lease rental payments	(1,854)	-	(3,795)
Net cash inflow from financing activities	13,964	16,854	53,217
Foreign exchange on cash balances	(608)	(117)	(549)
Net increase in cash	7,423	4,217	8,621
Cash at beginning of period	8,962	341	341
Cash at end of period	16,385	4,558	8,962

The accompanying notes form an integral part of these consolidated financial statements.

NOTES TO THE INTERIM REPORT

1. PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. In addition, the Group applies the Swedish Annual Accounts Act and the Swedish Corporate Reporting Board's recommendation RFR 1, Supplementary Accounting Rules for Groups. The accounting policies applied by the Group are unchanged from the 2023 year-end report.

2. CONDENSED PARENT COMPANY STATEMENTS

The parent company has prepared its financial statements in accordance with the Swedish Annual Accounts Act (1995:1554) and RFR 2, Accounting for legal entities. According to RFR 2, the parent company shall apply all the International Financial Reporting Standards endorsed by the EU as far as this is possible within the framework of the Swedish Annual Accounts Act.

The main deviations between the accounting policies applied by the Group and the parent company are described below.

- Shares and participations in group companies and Investments in associated companies are recognized at cost in the parent company and test for impairment is performed annually.
- The parent company applies the exception in the application of IFRS 9 which concerns accounting and measurement of financial contracts of guarantee in favour of subsidiaries and associated companies. The parent company recognizes the financial contracts of guarantee as contingent liabilities.

Other differences that exist but are not currently relevant to the results are that in RF2 dividends are recognised in the income statement and RFR 2 includes an exception regarding IFRS 16, allowing all lease contracts to be accounted for as operational lease contract when the parent company is a lessee. Whilst these are not currently relevant, they may become so in future years.

Parent Company condensed profit and loss (Thousands SEK)	Q1 24	Q1 23	FY 23
Revenues	4,824	642	17,609
Other operating expenses	(12,957)	(5,542)	(77,382)
Operating loss	(8,133)	(4,900)	(59,773)
Financial expenses	(78)	(355)	(2,243)
Loss before and after taxation	(8,211)	(5,255)	(62,016)

2. CONDENSED PARENT COMPANY STATEMENTS (CONTINUED)

Parent Company condensed balance sheet (Thousands SEK)	31 Mar 2024	31 Mar 2023	31 Dec 2023
NON-CURRENT ASSETS			
Intangible assets	8,420	15,397	7,501
Tangible assets	14,248	60	15,180
Investments in Group undertakings and associates	18,126	596	18,104
Other non-current assets	2,881	453	2,449
	43,675	16,506	43,234
CURRENT ASSETS			
Trade and other receivables	1,354	3,239	885
Amounts owed from Group undertakings	8,940	12,422	10,526
Cash and cash equivalents	9,484	4,423	1,431
	19,778	20,084	12,842
TOTAL ASSETS	63,453	36,590	56,076
CURRENT LIABILITIES			
Trade and other payables	(7,788)	(1,012)	(7,937)
Borrowings	(609)	(534)	(458)
TOTAL LIABILITIES	(8,397)	(1,546)	(8,395)
NET ASSETS	55,056	35,044	47,681
TOTAL SHAREHOLDERS EQUITY			
Share capital	3,166	2,440	3,166
Share premium	125,253	96,866	125,346
Shares to be issued	55,872	-	40,193
Retained losses	(129,235)	(64,262)	(121,024)
TOTAL SHAREHOLDERS EQUITY	55,056	35,044	47,681

3. RELATED PARTIES

On 15 May 2024, set-off issue to the Company's majority shareholder, NCTK Holdings International Limited ("NCTK"), has been finalized, and this has fully settled the the outstanding convertible loan, which is currently recognized as Shares to be issued of SEK 40,193k.

During Q1 2024, the Group generated service fees of approximately SEK 8,505k (Q1 2023: nil) from CYG Pte. Ltd., an equity accounted associate, through the provision of technology development, maintenance and consulting services.

4. POST BALANCE SHEET EVENTS

The new shares for both the directed issue (83,847,317) and the set-off issue (44,510,532) as resolved on 25 January 2024, are fully issued in the second quarter of 2024. The directed share issue generated approximately SEK 20.5m in cash. The set-off issue has settled the NCTK convertible loan of approximately SEK 40,193k, that will transfer into share capital of SEK 890k and share premium of SEK 39,303k.

EVOLUTION OF THE SHARE CAPITAL

Date	Event	Increase in number of shares	Total number of shares	Increase in share capital	Total share capital	Subscription price	Quota value
8-Aug-19	New formation	2,500,000	2,500,000	50,000	50,000	0.020	0.02
17-Apr-20	New share issue	22,500,000	25,000,000	450,000	500,000	0.020	0.02
19-Feb-21	New share issue	6,784,260	31,784,260	135,685	635,685	1.125	0.02
15-Jul-21	New share issue	12,121,212	43,905,472	242,424	878,109	1.650	0.02
26-Oct-21	Offset Issue	1,000,000	44,905,472	20,000	898,109	2.980	0.02
29-Mar-22	New share issue	3,961,034	48,866,506	79,221	977,330	3.00	0.02
1-Jun-22	Offset Issue	2,500,000	51,366,506	50,000	1,027,330	3.30	0.02
12-Jul-22	New share issue	1,500,667	52,867,173	30,013	1,057,343	3.00	0.02
4-Oct-22	Offset Issue	6,258,095	59,125,268	125,162	1,182,505	1.800	0.02
7-Dec-22	Offset Issue	1,079,977	60,205,245	21,600	1,204,105	1.800	0.02
7-Dec-22	New share issue	15,052,049	75,257,294	301,041	1,505,146	0.941	0.02
8-Feb-23	New share issue	46,732,522	121,989,816	934,650	2,439,796	0.658	0.02
5-Sep-23	Offset Issue	13,106,241	135,096,057	262,124	2,701,921	0.988	0.02
22-Dec-23	Offset Issue	23,194,000	158,290,057	463,880	3,165,801	0.85	0.02
15-May-24	New share issue	83,847,317	242,137,374	1,676,946	4,842,747	0.2454	0.02
15-May-24	Offset Issue	44,510,532	286,647,906	890,211	5,732,958	0.903	0.02

The table above shows changes in the number of shares in SEK.

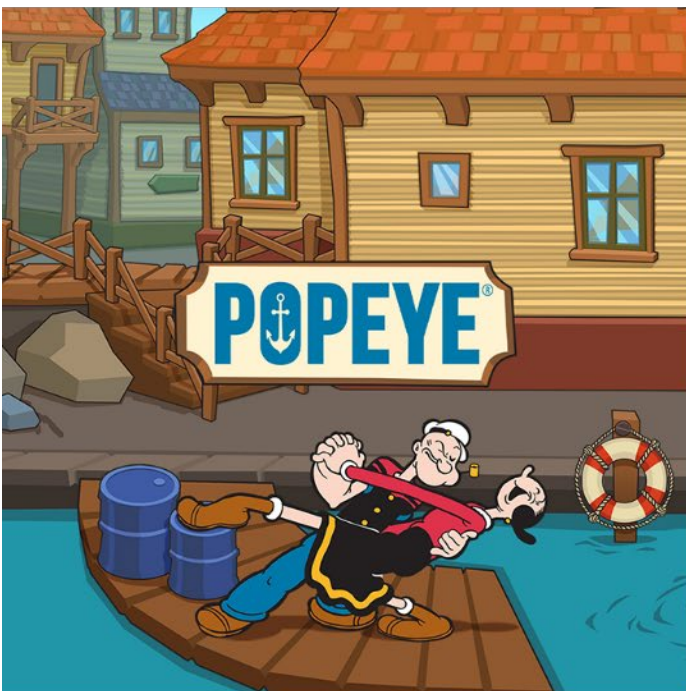
APPENDIX I - DEFINITIONS OF KEY FIGURES

Revenue	Income generated from contracts with customers through normal business operations.
EBITDA	Net income with interest, taxes, depreciation, amortisation and impairments added back, reflecting operational profitability.
Operating loss	Reflects the total loss from all operational activities.
Loss for the period	Total loss for the relevant reporting period excluding unrealised gains or losses caused by consolidating overseas subsidiaries into Swedish Krona.
Total assets	The total of all non-current and current assets on the balance sheet.
Net assets	Total assets minus total liabilities, indicating equity value.
Loss per share (basic and diluted)	The Loss for the period divided by the weighted average number of shares in issue for period.
Total number of shares	The total number of parent company shares in issue at the reporting date.
Average number of shares	The weighted average number of shares in issue during the reporting period.



GAME PORTFOLIO - PREMIUM SLOT GAMES

LL Lucky Games designs, develops and markets digital slot machines for gaming operators. With the combination of creative forces, technical knowledge and business know-how, the Company has developed a broad game portfolio consisting of around twenty games within Premium Slot Games.



GAME PORTFOLIO – REEL NRG SLOT GAMES

LL Lucky Games designs, develops and markets digital slot machines to gaming operators through the Reel NRG game portfolio.



STORM RGS



OTHER INFORMATION

ACCOUNTING PRINCIPLES

This interim report covers the Swedish parent company LL Lucky Games AB (publ), company registration number 559214-3316, and its subsidiaries. The parent company is a public limited liability company registered in Stockholm, Sweden. The address of the head office is Östermalmstorg 1, 114 42 Stockholm, Sweden. The interim report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable parts of the Swedish Annual Accounts Act (1995:1554) (ÅRL).

FUTURE REPORTING DATES

Annual General Meeting*	June 28, 2024
Q2 2024	August 23, 2024
Q3 2024	November 22, 2024
Q4 2024	March 14, 2025

* Financial reports for the general meeting will be available three weeks before the meeting takes place. All financial reports are published on the company's website, ladyluckgames.io.

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STOCKHOLM, MAY 31, 2024

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