LL LUCKY GAMES AB (PUBL)
ANNUAL REPORT & ACCOUNTS | 2023

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Lady Luck GAMES

TABLE OF CONTENTS

Annual and consolidated accounts of LL Lucky Games AB (publ) for the year 2023, with organization number 559214-3316.

A WORD FROM THE CEO

Dear shareholders,

As CEO of LL Lucky Games, I report that 2023 has been a pivotal year for our company, marking significant developments in our business. We have strengthened our position within the gaming industry.

Our strong position in the market together with a strengthened financial position ensures a continued strong 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.

Our continued focus on innovation and quality has been central to our success. I am particularly proud that the company has received multiple nominations at prestigious industry awards, reflecting our active position in the market and our continued growth.

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 support of our global expansion, we have also restructured our organization by establishing a new platform development centre in Taiwan.

We are now in a better financial position that enables us to focus on expansion. This has been achieved through a series of fund-raising exercise carried out. A directed share issue was carried out in Q1 2023 (SEK 30.8m) and a drawdown of convertible loan was made in Q2 2023 (SEK 40.2m), both from NCTK Holdings International Ltd ("NCTK"), a major shareholder. And more recently in Q1 2024, we conducted a directed share issue (SEK 20.5m) to an existing shareholder Yi Ning Ko and an external investor Bryan Fun Kha Choong, and additionally, a set-off issue (SEK 40.2m) has been carried out for our major shareholder, NCTK, which fully repaid the outstanding convertible loan drawdown in Q2 2023. The funds raised will support ongoing operations, maintain process continuity, and cover team and operational expenses.

Furthermore, we have obtained licenses from the Swedish Gambling Authority and 'Recognition Notice Certificate' from the Malta Gaming Authority, which has helped expand our content distribution reach.

On the product side, we launched several new games, including an exclusive release of the Popeye Slot Game across various platforms. The launch of our Storm RGS gaming platform was a key step in extending our reach to both new and existing partners.

During 2023 we continued to expand into new territories. Our expansion efforts include new strategic partnerships formed with Roobet and Pomadorro, and distribution agreement signed with Hub88, which enhanced our market presence, particularly in Latin America.

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

Stockholm, 7 June 2024
Calvin Lim Eng Kiat
CEO, Lucky Games

THE GAMING MARKET FOR IGAMING

According to Mordor Intelligence, the Online Gambling Market is projected to expand from USD 93.26 billion in 2024 to USD 153.21 billion by 2029, achieving a Compound Annual Growth Rate (CAGR) of 10.44%. A significant driver of this growth, as reported by the International Telecommunication Union (ITU), is the widespread internet access globally, with 5,300 million users in 2022.

The online gambling market is witnessing significant growth, driven by increased internet and mobile device usage globally, according to the IMARC Group. This market, which includes sports betting, casino games, and poker, is benefiting from technological advancements like AI, VR, and blockchain, enhancing user experiences and transaction security. Key growth factors include the accessibility of cost-effective mobile apps, changing consumer gambling habits, and the legalization of online gambling in various regions. The market is expanding notably in Europe and Asia-Pacific, fuelled by supportive regulatory frameworks and rising internet penetration. Despite challenges like regulatory diversity and cybersecurity concerns, the industry sees opportunities in enhancing responsible gambling practices and developing adaptable, secure platforms.

Online platforms offer a diverse range of games including slots, poker, and sports betting, catering to varied player interests. Sports betting is especially popular in the Asia-Pacific region. In Europe, draw-based and scratch-off games are gaining traction, influencing market growth positively. According to the European Gaming & Betting Association, the online gambling gross win in Europe reached EUR 29.3 billion in 2022. Technological advancements like virtual reality and blockchain are being leveraged by companies to develop innovative platforms that meet customer needs and enhance competitive positioning.

ABOUT THE COMPANY

LL Lucky Games AB (publ) designs, develops, and markets slot games for gaming operators. Founded in Stockholm in 2019 by game development veterans, the company focuses on exceptional game experiences and design. Leveraging a blend of creative forces and technical expertise, the company has developed a wide-ranging portfolio of games and is listed on the Nasdaq First North Growth Market.

Products and services

The company specializes in developing digital video slots, with emphasis on the creation of unique and entertaining gaming experiences. The company offers a comprehensive solution for the integration of these games into gaming operators' platforms.

The company provides a proprietary technical platform that delivers gaming products and services through an extensive portfolio of games, which includes approximately twenty titles in the Premium Slot Games category. These games are crafted with a unique blend of creativity and technical expertise, ensuring a high-quality gaming experience. They are designed to meet the demanding needs of modern gaming operators and to maximize user engagement and enjoyment.

Business model

The primary sources of revenue for the company are royalties from slot games distribution, technology access fee for getting access to our proprietary technology, and IT development services.

The company's games are available through direct or indirect integration with operators, or via distribution partners who have integrated their licensed platforms with a large network of operators. These operators, in turn, offer the games to end customers.

The company is committed to product innovation, operational capabilities, and market expansion as fundamental strategies for building a robust foundation for future growth.

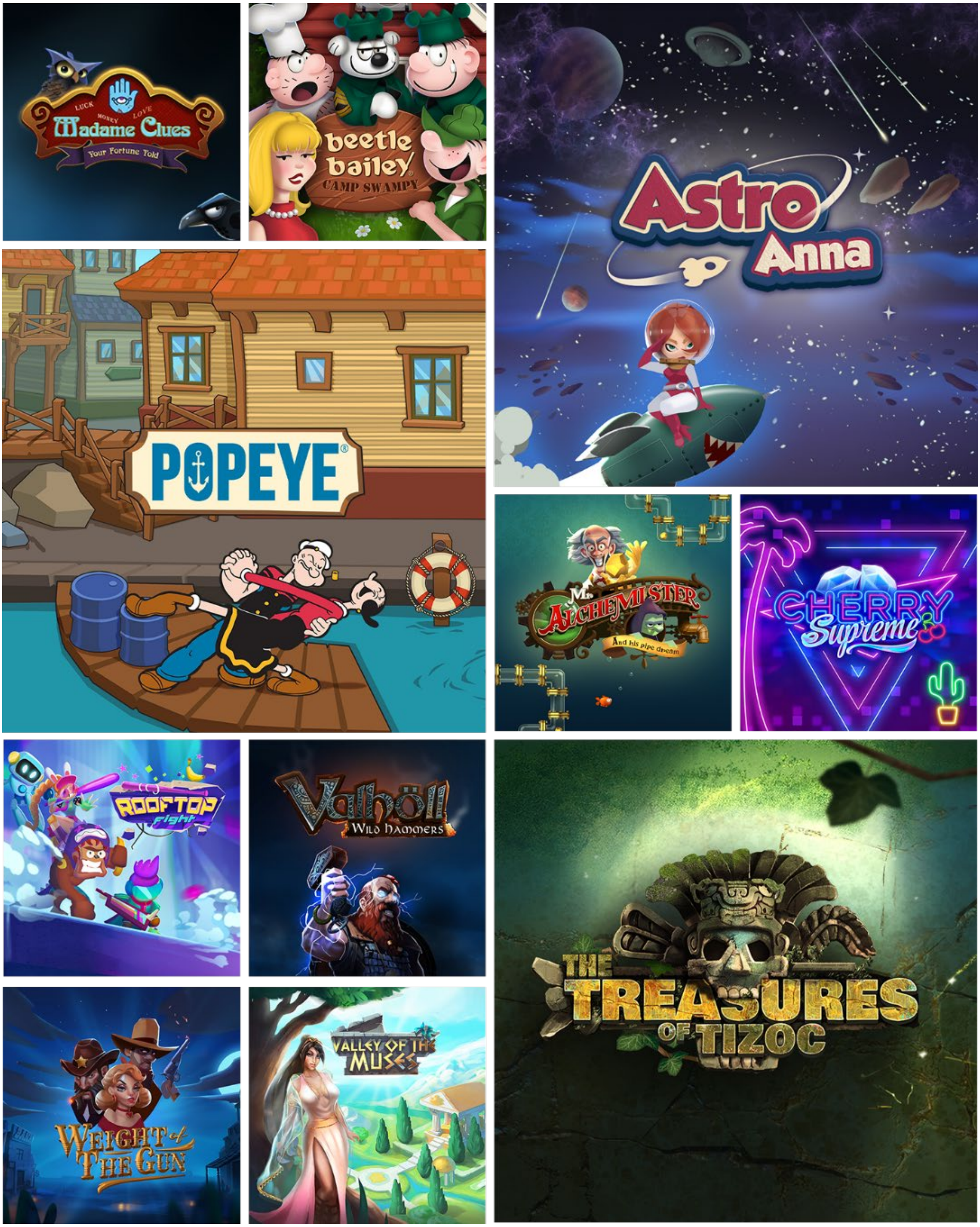
Licenses

The Group currently holds licenses from:

- Spelinspektionen in Sweden, for the provision of online games.
- The United Kingdom Gambling Commission, with a Combined Remote Operating Licence which allows us to manufacture, supply, install, or adapt gambling software and to operate a casino.
- The Malta Gaming Authority, which has issued a 'Recognition Notice Certificate', giving authority to provide gaming services, critical gaming supplies, key functions, and other related activities.

GAME PORTFOLIO - PREMIUM SLOT GAMES

LL Lucky Games designs, develops and markets digital slot machines to 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.

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors and the CEO of LL Lucky Games (publ), with corporate identity number 559214-3316, hereby present the annual report for the financial year ended 31 December 2023. LL Lucky Games (publ) is registered in Stockholm.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

January:

- Directed share issue of approximately SEK 30.8m was carried out for NCTK Holdings International Limited.
- Signed partnership agreement with Cbet for Latin America.

February:

- Signed distribution agreement with Hub88.
- Launched Storm RGS gaming platform.
- Martin Jensen joined as the new Chief Technology Officer (CTO).
- NCTK Holdings International Limited divested 16,000,000 shares to avoid a mandatory bid.

March:

- Obtained “Recognition Notice Certificate” from Malta Gaming Authority, extending global content distribution reach.

April:

- Michael Chi-Ho Li joined as new board member.
- Marked an important milestone for market expansion and growth with a partnership with Soft2Bet.

May:

- Strengthened the management team with new CFO, Keat Wong.
- Secured additional loan financing of SEK 40.2m from NCTK Holdings International Limited.
- Expanded to Taiwan with a new platform development centre.

June:

- Corpura Fondkommission AB became the new Certified Adviser.

July:

- Established partnership with Roobet via the Hub88 platform.
- The Swedish Gambling Authority granted license to manufacture, provide, install, and modify gaming software.
- Strengthened market presence by launching on Pomadorro via the Relax Gaming Platform.

August:

- Completed a directed set-off issue of shares for former CEO’s special bonus of SEK12,960k as approved at the Annual General Meeting.
- Introduced a qualified employee stock option program and a board employee stock option program.

October:

- Calvin Lim Eng Kiat became the new CEO.

November:

- Erik Penser Bank became liquidity provider, which subsequently changed to Carnegie Investment Bank AB.
- Acquisition of 20% in CYG Pte. Ltd for SEK 16.4m via set-off shares issue, enhanced presence in the Asian market.

SIGNIFICANT EVENTS AFTER THE FINANCIAL YEAR

January:

- Board member Carina Beck resigned at her own request.
- Conducted a directed share issue of up to approximately SEK 20.5m to an existing shareholder and an external investor. A set-off issue of up to approximately SEK 40.2m for the existing NCTK convertible loan was also carried out at the same time.

February:

- Transitioned accounting principles to IFRS, a globally recognized standard, to enhance accessibility and comparability.

March:

- CEO Calvin Lim Eng Kiat acquired shares, triggering a mandatory bid, and simultaneously sold a small portion of the shares, negating the need for a mandatory bid.

April:

- The company terminates liquidity guarantee agreement with Carnegie Investment Bank.
- Fully owned subsidiary in Latvia is fully dissolved with insignificant financial impact, as impairment was already made in 2023.

May:

- 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.
- The Group signed two separate leases of office property in Taiwan and Malaysia respectively. As a result of these agreements, lease assets and lease liabilities in the region of SEK 9.1m were recognised.

ORGANIZATION AND BOARD OF DIRECTORS

At the end of 2023, the group had 36 permanent employees. At the end of 2023, the Board of Directors consisted of 6 members.

THE WORK OF THE BOARD OF DIRECTORS

The Board of Directors is appointed at the Annual General Meeting for the period until the next Annual General Meeting. There are no provisions in the Company's Articles of Association concerning the appointment and/or dismissal of directors. The company's board of directors has formalised rules and procedures for the distribution of work and reporting. In addition to the statutory meeting, the board aims to hold at least four ordinary board meetings per year. At ordinary board meetings, performance monitoring, external reporting, budget and strategy issues are addressed.

RISKS AND UNCERTAINTIES SURROUNDING THE INDUSTRY AND THE COMPANY'S BUSINESS

The Company's business may be affected both directly and indirectly by potential risks and uncertainties, which may include the following factors:

Competitive market

The Company is dependent on both gaining and maintaining market share for its platform in the face of competing products. Several of the company's competitors have greater financial, marketing, and research and development resources, which means that competition is fierce, and the challenge is great for the company.

Product development

The company regularly develops new products to meet customer needs and demand. Growing interest in digital games could lead to heightened product development demands in the future, potentially causing costs to exceed expectations.

Growth and customers

The Company is dependent on continuously meeting customer demand and developing its products to retain existing customers and attract new ones. In an industry where product development and innovation are critical to satisfying customer needs, competition may negatively impact the company's future growth.

System failures and IT security

Operating an online-based gaming platform exposes the company to vulnerabilities such as system failures, disruptions, data breaches, and computer viruses. The business relies on robust IT security, and the techniques used to degrade services or sabotage systems are constantly evolving, posing risks to the company's protection against unauthorized access.

Intellectual property rights

The company's platform, which combines different solutions for customers, is one of many in a market with similar offerings. The value of the company's platform lies in its infrastructure, know-how, and the unique games with specific characters and themes offered to customers, but there is a risk that other players will develop similar products and games.

Licenses

The company is dependent on maintaining its licenses, permits, and certifications. In the future, the need may arise to obtain new licenses, permits, and/or certifications in various jurisdictions, especially in markets that are newly regulated or re-regulated, necessitating compliance with local licensing requirements. It is possible that the company may not be able to obtain or maintain the necessary licenses and certifications in these jurisdictions.

FINANCING AND CONTINUED OPERATION

The Board believes that working capital and liquidity will be sufficient to continue the operations of the company. In January 2024, the company carried out a directed new issue of shares corresponding to a maximum of approximately SEK 20.5m 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. This has further strengthened the company's working capital and finances.

DIVIDENDS

The Board of Directors proposes that no dividend be paid for the financial year 2023, and that the result be carried forward.

GROUP FINANCIAL OVERVIEW 2023

The Group (Million SEK)	**2023**	**2022**	**% movement**
Revenue	28.9	5.0	⬆ 475%
EBITDA	(41.3)	(31.8)	⬇ 30%
Operating loss	(59.0)	(37.6)	⬇ 59%
Loss for the period	(64.9)	(41.6)	⬇ 56%
Total assets	73.1	20.9	⬆ 250%
Net assets	36.9	0.1	⬆ 35,337%
Loss per share, SEK (basic and diluted)	(0.57)	(0.79)	⬆ 28%
Total number of shares	158,290,057	75,257,294	
Weighted average number of shares	114,040,814	52,524,093	

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 note 19.

Definitions of key figures	
Revenue	Income generated from contracts with customers through normal business operations.
EBITDA	Net income with interest, taxes, amortisation, depreciation 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.
Weighted average number of shares	The weighted average number of shares in issue during the reporting period.

FINANCIAL REPORT 2023

REVENUES

Revenues for 2023 amounted to SEK 28.9m representing a 475% increase from the previous year's of SEK 5.0m. The notable increment in revenue can be predominantly attributed to the inflow of technology access fees from expanding the clientele base into the Asian market which has notably increased revenue streams, thereby catalysing the overall financial performance of the Group.

COSTS

Employee costs increased by SEK 3.1m (18%) to SEK 20.6m (excluding non-cash special bonus for the former CEO, see below), from SEK 17.5m in 2022. This was attributable to increased headcount to 36 (2022: 23).

Other operating expenses increased to SEK 36.5m compared with SEK 19.3m in 2022, reflecting our strategic investment in business growth. Significantly more was spent on consultancy, software and IT services, and recruitment expenses underscoring our commitment for innovation and operational excellence. Moderate increases were also observed in marketing and travel expenses.

OPERATING LOSS

The 2023 operating loss of SEK 59.0m was SEK 21.4m higher than the operating loss in 2022 of SEK 37.6m. However, it included SEK 19.0m of non-cash and non-recurring items as follows:

❶ Former CEO special bonus of SEK 13.0m settled in newly issued shares awarded for his role in driving business growth, including listing on the Nasdaq First North Growth Market.	❷ Impairment charges relating to previously capitalised Latvian platform development costs of SEK 6.0m (and associated Goodwill) owing to the strategic shifts towards more viable solutions in Taiwan.

Excluding these non-cash and non-recurring items, the operating loss was similar to 2022 as the increased revenue performance was channelled into enhancing brand visibility and accelerating business expansion.

BALANCE SHEET

Net assets increased to SEK 36.9m (2022: 0.1m) primarily owing to normal trading combined with the following:

- January 2023: Raised SEK 30.8m via new ordinary shares issued to NCTK Holdings Limited ("NCTK").
- February 2023: Repaid (all) SEK 14.0m external debt such that nil is owed to external lenders.
- May 2023: Received SEK 40.2m through related party convertible debt issuance to NCTK.
- August 2023: Commenced a 3-year lease in Taiwan, SEK 9.9m capex for leasehold improvements.
- October 2023: Fully impaired SEK 6.0m capitalised Latvian development costs and associated Goodwill as project terminated.
- November 2023: Acquired 20% stake in CYG Pte Ltd for SEK 16.3m, via 23,194,000 set-off shares issue, and treated as an equity accounted associate.

The convertible debt raised in May 2023 which is presented in equity as shares to be issued, and this was fully repaid via set off issue in May 2024. This is further explained in note 17 of the financial statements.

CASH AND FINANCING

The cash outflow from operations for 2023 amounted to SEK 26.1m, showing a decrease compared to the previous year's figure of SEK 33.7m. Cash used in investing activities was SEK 18.0m (2022: Cash gained SEK 1.0m), primarily due to CAPEX of SEK 13m. This was offset by a substantial increase in net cash raised from financing activities of SEK 53.2m (2022: SEK 32.5m) meaning the overall cash position as of the reporting date improved significantly, reaching SEK 9.0m, compared to SEK 0.3m in the prior year.

IFRS CONVERSION

The group successfully transitioned to International Financial Reporting Standards (IFRS), marking a significant achievement. This transition not only lays a solid foundation for further international expansion but also eliminates a major obstacle to potential future access to capital markets. As a result, three years of IFRS-compliant financial history will be available upon approval of next year's annual report, removing a significant barrier to entry for pursuing admission to the main Nasdaq or a European stock exchange.

The impact of the transition to IFRS is explained in note 19 of the financial statements with the significant IFRS accounting policies adopted by the Group detailed in note 20.

PROPOSAL FOR THE ALLOCATION OF EARNINGS

The following profits are at the disposal of the Annual General Meeting (Thousands SEK)	
Share premium account	125,346
Retained earnings	(59,007)
Loss for the year	(62,017)
	4,322

The Board of Directors proposes that the profits be appropriated as follows:	
To be carried forward	4,322
	4,322

THE SHARE

According to the Company's Articles of Association, the share capital shall be no less than SEK 2,000,000 and no more than SEK 8,000,000 divided into no less than 100,000,000 and no more than 400,000,000 shares. At the end of the year, the Company's share capital amounted to SEK 3,165,801 with a total of 158,290,057 shares. Trading in the Company's share on Nasdaq First North Growth Market began in 2021.

Share information	
Marketplace	First North Stockholm
Stock ticker	LADYLU
ISIN code	SE0015797873

DEVELOPMENT OF THE SHARE CAPITAL DURING THE FINANCIAL YEAR

The total number of shares increased from 75,257,294 to 158,290,057, an increase of 83,032,763 due to a series of offset issues and a directed new share issue. Corresponding to the increase in the number of shares, the share capital has also increased from SEK 1,505,146 to SEK 3,165,801.

At the end of May 2024, the total number of shares was 286,647,906, and the share capital amounted to SEK 5,732,958, due to an offset issue a directed new share issue.

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 and the share capital in SEK.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Thousands SEK)	Note	**2023**	**2022**
Revenues	3	28,864	5,023
Personnel costs	4	(33,613)	(17,545)
Amortisation, depreciation and impairment	10, 11 and 12	(17,645)	(5,782)
Other operating expenses	5	(36,458)	(19,296)
Share of associate result	13	(118)	-
Operating loss		**(58,970)**	**(37,600)**
Interest income	6	519	830
Interest expense	7	(6,328)	(4,802)
Taxation	8	(121)	-
Loss for the year		**(64,900)**	**(41,572)**
Other comprehensive income/ (expense)			
Translation differences		(750)	(39)
Total comprehensive loss for the year		**(65,650)**	**(41,611)**
Loss per share (basic and diluted)	9	**(0.57)**	**(0.79)**

All results are attributable to the parent company shareholders and are derived from continuing operations.

This is the Group's first annual report prepared in accordance with International Financial Reporting Standards as endorsed by the European Union ("EU-IFRS" or "IFRS"). All comparative figures presented have been recalculated using EU-IFRS with the impact of adoption on the previously reported K3 amounts are presented at note 19.

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

CONSOLIDATED BALANCE SHEET

At 31 December (Thousands SEK)	Note	**31 Dec 2023**	**31 Dec 2022**	**1 Jan 2022**
NON-CURRENT ASSETS				
Intangible assets	10	7,501	17,537	16,183
Tangible assets	11	15,798	384	-
Right of use lease assets	12	17,846	-	-
Investment in associates	13	16,256	-	-
Other non-current assets	14	4,670	3	3
		62,071	**17,924**	**16,186**
CURRENT ASSETS				
Trade and other receivables	15	2,029	2,612	4,419
Cash and bank balances		8,962	341	729
		10,991	**2,953**	**5,148**
TOTAL ASSETS		**73,062**	**20,877**	**21,334**
Share capital		3,166	1,505	898
Share premium		125,346	67,352	27,328
Shares to be issued	17	40,193	-	-
Translation reserve		(789)	(39)	-
Retained losses		(131,061)	(68,714)	(27,142)
SHAREHOLDERS EQUITY	17	**36,855**	**104**	**1,084**
CURRENT LIABILITIES				
Trade payables	16	3,075	2,271	1,114
Accruals and other payables	16	9,555	4,502	3,011
Borrowings	17	499	14,000	16,125
Leases	18	7,773	-	-
		20,902	**20,773**	**20,250**
NON-CURRENT LIABILITIES				
Leases	18	15,305	-	-
TOTAL LIABILITIES		**36,207**	**20,773**	**20,250**
TOTAL EQUITY AND LIABILITIES		**73,062**	**20,877**	**21,334**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Thousands SEK)	Note	Share Capital	Share premium	Shares to be issued	Translation reserve	Retained losses	Total Equity
01 January 2022 – K3 reported		898	27,328	-	-	(26,885)	**1,341**
EU-IFRS impact on transition date		-	-	-	-	(257)	**(257)**
As at 1 January 2022		**898**	**27,328**	**-**	**-**	**(27,142)**	**1,084**
New shares issued		607	51,708	-	-	-	**52,315**
Share issue costs		-	(11,684)	-	-	-	**(11,684)**
Total comprehensive loss		-	-	-	(39)	(41,572)	**(41,611)**
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	17	-	-	40,193	-	-	**40,193**
Shareholder contributions	17	-	-	-	-	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**

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

CONSOLIDATED CASH FLOW STATEMENT

(Thousands SEK)	2023	2022
Loss for the year	(64,900)	(41,572)
Adjustments for non-cash items		
Amortisation, depreciation, and impairment	17,645	5,782
Share awards	12,960	-
Fair value charge on convertible bonds	2,553	-
Lease interest	751	-
Share of loss of associate	118	-
Taxation	121	-
Movements in working capital		
Decrease in trade and other receivables	583	212
Increase in trade and other payables	4,082	1,838
Net cash outflow from operating activities	**(26,087)**	**(33,740)**
Investing activities		
Sale of intangible assets	-	10,781
Deposits paid	(3,012)	-
Internal development costs capitalised	(2,030)	(6,892)
Capital expenditures	(12,986)	-
Acquisition of subsidiaries	-	(2,935)
Net cash (used)/ earned from investing activities	**(18,028)**	**954**
Financing activities		-
Proceeds from share issues	30,750	46,323
Share issue costs	(429)	(11,684)
Net movement in borrowings	(13,501)	(2,125)
Issue of convertible bonds	40,193	-
Lease rental payments	(3,795)	-
Net cash inflow from financing activities	**53,218**	**32,514**
Foreign exchange on cash balances	(482)	(116)
Net increase / (decrease) in cash	**8,621**	**(388)**
Cash at beginning of year	341	729
Cash at end of year	**8,962**	**341**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were prepared in accordance with the Annual Accounts Act, RFR 1 Supplementary Accounting Rules for Groups, and the International Financial Reporting Standards (IFRS) and interpretations of the IFRS Interpretations Committee (IFRIC) as adopted by the EU and in force as of 31 December 2023.

This is the Group's first annual report prepared in accordance with International Financial Reporting Standards as endorsed by the European Union ("EU-IFRS" or "IFRS"). The date for transition to IFRS is January 1, 2022, which means that comparative figures for the financial year 2022 have been restated in accordance with IFRS. The effect of the transition to IFRS on the Group's financial statements is disclosed at note 19.

The consolidated financial statements have been prepared under the historical cost convention and the IFRS accounting policies presented at note 20 have been applied consistently across all years presented. The accounts are presented in Swedish Krona (SEK) and all values are rounded to the nearest thousand (SEK 000), unless otherwise indicated.

2. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

In preparing the Financial Statements following the Group's accounting policies, management identifies the following areas as critical estimates and judgements to the Group's reporting:

Going Concern

Given the Group's history of operating losses since its establishment in 2019, the going concern principle's applicability hinges on its ability to secure financing and maintain sufficient access to capital. This principle is deemed applicable, as evidenced by funding commitments secured on January 25, 2024, detailed in the post balance sheet events, note 22.

Revenues

During the year, the Group received upfront payments from contracts with new customers that represented payments for two performance obligations. Firstly, to provide access to certain aspects of the Group's proprietary gaming platform technology and system architecture design. Secondly, to provide post contract completion support services for the following 12 months thereafter. The technology access fee revenue is recognised at the point in time that the customer is granted access to the intellectual property whereas the service revenue is recognised evenly over the 12 months service period. It was necessary to deterimine how much of the upfront payment to allocate to the first performance obligation and how much to allocate to the second performance obligation. As the first performance obligation is considered to be the primary value driver, 85% of the upfront payment received was recognised when control passed to the customer on commencement of the contract. The remaining 15% of the upfront payments received are being recognised as revenue over the 12 month post contract completion service period. This is materially similar to the estimated man hours for delivering the services. If the judgement was made that in fact 80% of the upfront payment related to the initial technology access fee then an additional SEK 0.5m of revenue would have been deferred to next year. The breakdown of 2023 revenues is provided in note 3 revenues.

Capitalized Development Expenses

The Group has invested significantly in the development of its gaming platform technology projects and software, resulting in internally developed intangible assets amounting to SEK 2.0m (2022: SEK 6.9m) recognized on the balance sheet. Internally developed expenses are recognized as assets once the intangible assets meet capitalization criteria. This determination involves judgements on the asset's potential to generate future economic benefits and assessments of its useful life. This year, the decision to terminate development of the original technology platform, based on an evaluation favoring other projects with better future profitability, resulted in an impairment charge of SEK 5.4m (2022: nil) for legacy development projects, primarily located in Latvia. This action aligns with the Group's shift towards a new development project based in Taiwan.

3. REVENUES

(Thousands SEK)	2023	2022
Technology access fees	19,531	-
Royalties	6,912	4,100
Fee for services	2,421	923
	28,864	**5,023**

Technology access fee revenue comprises fixed income received in advance for granting customers access to proprietary technology such as gaming software or platform designs. This revenue is recognised when access to the technology is granted. Royalties from game licensing are variable and based on a percentage of gaming operators' revenue, recognised when gaming transactions occur. Fees for post-contract completion and other related services, such as integration startup fees, are recognised over time as services are rendered. Revenue is disaggreageted by performance obligation below:

(Thousands SEK)	**Technology access fees**		**Royalties**		**Service fees**		**Total**	
Customer Location	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Asia	18,170	-	6,247	-	2,092	-	26,509	-
Europe	1,361	-	665	4,100	329	923	2,355	5,023
Full Year	**19,531**	**-**	**6,912**	**4,100**	**2,421**	**923**	**28,864**	**5,023**

In excess of 90% of the Group's revenue came from four customers (Customer A – 34%, Customer B – 24%, Customer C – 17%, Customer D – 17%) whereas in 2022 two customers individually contributed 72% and 18% respectively. Customer contract liabilities of SEK 3.02m (compared to SEK 0.81m in 2022) have been received in advance for future services and will be recognized as revenue in the next fiscal year when those services are provided. During the year, the Group made nil revenue from Sweden (2022: nil).

4. PERSONNEL COSTS

Average number of employees (Number)	2023	2022
Male employees	26	17
Female employees	10	6
	36	**23**
Board of Directors ("BOD")	83 % Men	83 % Men
Senior executives	100 % Men	100 % Men

Cost of employee benefits (Thousands SEK)	2023	2022
Salary and other remunerations	20,834	16,822
Social security expenses	1,232	1,959
Other personnel expenses	13,372	969
Pension expenses (defined contribution)	205	56
Own work capitalised	(2,030)	(2,261)
	33,613	**17,545**

Cost of remuneration of CEO (Thousands SEK)	2023	2022
Salary and other remunerations	3,648	1,707
Other personnel expenses	13,368	103
	17,016	**1,810**

Cost of remuneration of other senior executives (Thousands SEK)	**2023**	**2022**
Salary and other remunerations	3,713	1,916
Social security expenses	92	338
Other personnel expenses	647	-
	4,452	**2,254**

Fee for Directors (Thousands SEK)	**2023**	**2022**
Per Eriksson, Chairman	200	200
Claes Kalborg	100	100
Carl Falkenberg	100	100
Calvin Lim Eng Kiat	100	17
Carina Beck	100	17
Michael Chi-Ho Li	67	-
Other personnel expenses	**667**	**434**

Included within other personnel expenses was a special bonus amounted to SEK 13.0m paid to the former CEO, which was settled via newly issued shares such that there was no cash outflow associated, see note 21 Related Parties. The number of other senior executives at the end of 2023 was 3 (2022: 3)

5. OTHER OPERATING EXPENSES

(Thousands SEK)	**2023**	**2022**
Professional services	13,280	4,929
Direct costs	6,786	5,916
Recruitment	4,437	294
Premises	3,603	626
Marketing	1,848	1,813
Travel and subsistence	1,591	1,178
Audit and audit related fees	670	220
Other costs of administration	4,243	4,320
	36,458	**19,296**

Direct costs include license fees, software, regulatory and IT service costs. Premises costs primarily relates to rental charges for short term flexible or shared office space which does not qualify for recognition as an asset under IFRS 16 Leases.

The total fees agreed with Deloitte AB to audit the financial accounts under IFRS for the years ended 31 December 2023 amounted to SEK 570k, audit related services were performed for which they received a fee of SEK 100k and no non-audit services have been provided by the external auditor.

Remuneration of auditors (Deloitte AB) (Thousands SEK)	**2023**	**2022**
Audit	570	140
Audit related services	100	80
	670	**220**

6. FINANCE INCOME

(Thousands SEK)	**2023**	**2022**
Interest income	90	-
Currency exchange gains	429	830
	519	**830**

7. FINANCE EXPENSES

(Thousands SEK)	2023	2022
Fair value gains	2,553	-
Interest payable	1,638	4,417
Currency exchange losses	1,386	385
Interest expenses on lease liabilities	751	-
	6,328	**4,802**

As the 1.5% annual interest rate on the convertible loan from NCTK Holdings International Limited ("NCTK") (refer to note 17) is considered to represent a related party benefit, IFRS requires a fair value uplift of the interest charged which has been calculated as SEK 2,553k with reference to the interest rate experienced on the external loans that were settled in February 2023.

As the Group does not have to pay this value and has made a gain as such, a capital contribution from the shareholder NCTK has also been reflected in reserves representing the value of the preferential interest rate. This accounting is in accordance with IFRS 9 financial instruments with the uplift being a non-cash item which has no impact on the retained losses (owing to the equal and opposite capital contribution booked directly to retained losses).

8. TAXATION

(Thousands SEK)	2023	2022
Current taxation	1,779	-
Deferred taxation	(1,658)	-
	121	**-**

During 2023 the Group made taxable profits in two jursidications (2022: nil). For the purposes of explaining the relationship between the tax charge in the accounts and the loss before tax a blended tax rate of 18.75% (2022: 20.6%) has been applied, reflecting the corporate income tax rate applicable to the profitable entites. The reconciliation of the tax expense for the year to the loss before tax is detailed below.

(Thousands SEK)	2023	2022
Loss before tax	(64,900)	(41,572)
Tax at the blended corporation tax rate of 18.75% (20.6%)	(12,169)	(8,564)
Current year losses not recognized	13,948	8,564
Recognition of deferred tax assets	(1,658)	-
Net tax charge	**121**	**-**

Current tax is the income tax expected to be paid in respect of taxable profits using the tax rates enacted or substantively enacted at the balance sheet date. Deferred tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the balance sheet. It is provided using the tax rates enacted or substantively enacted at the balance sheet date that are expected to apply in the year when the related assets or liabilities are expected to be settled.

At the reporting date, the Group has unused tax losses of SEK 125.5m (2022: 75.5m) available for offset against future profits. A deferred tax asset has been recognised in respect of SEK6.6m (2022: nil) of such losses. No deferred tax asset has been recognised in respect of the remaining SEK 118.9m (2022: 75.5m) as it is not considered probable that there will be future taxable profits available. All tax losses may be carried forward indefinitely.

9. LOSS PER SHARE

(Thousands SEK)	2023	2022
Loss for the year	(64,900)	(41,572)
Weighted average number of shares	114,040,814	52,524,093
Loss per share (basic and diluted)	**(0.57)**	**(0.79)**

There is no difference between basic and diluted loss per share as (1) No share options have currently been granted under employee share plan and (2) 44,510,532 shares that will be issued in 2024 to settle the outstanding convertible loans are anti-dillutive at the reporting date. If these shares were included the loss per share would reduce to 0.07 SEK per share, refer to note 17 Financial Instruments, note 21 Related Parties and note 22 Post Balance Sheet Events.

10. INTANGIBLE ASSETS

(Thousands SEK)	Goodwill	Capitalised Development Expenses	Other Intangible Assets	Total
Costs				
01 January 2022	**593**	**3,438**	**13,242**	**17,273**
Additions	-	6,892	11,585	18,477
Disposals	-	-	(13,242)	(13,242)
31 December 2022	**593**	**10,330**	**11,585**	**22,508**
Additions	-	2,098	-	2,098
Impairment	(593)	(10,330)	-	(10,923)
31 December 2023	**-**	**2,098**	**11,585**	**13,683**
Amortisation				
01 January 2022	**-**	**(428)**	**(662)**	**(1,090)**
Amortisation	-	(2,253)	(3,393)	(5,646)
Disposal	-	-	1,765	1,765
31 December 2022	**-**	**(2,681)**	**(2,290)**	**(4,971)**
Amortisation	-	(2,215)	(3,892)	(6,107)
Impairment	-	4,896	-	4,896
31 December 2023	**-**	**-**	**(6,182)**	**(6,182)**
Carrying Amount				
31 December 2023	**-**	**2,098**	**5,403**	**7,501**
31 December 2022	**593**	**7,649**	**9,295**	**17,537**
01 January 2022	**593**	**3,010**	**12,580**	**16,183**

In 2023 there were impairment charges of SEK 6.0m (2022: nil) included within the amortisation, depreciation and impairments line. The Latvian technology platform's development was terminated in favour of projects with better future profitability. This led to an impairment charge of SEK 5.4m (compared to nil in 2022) as the Group shifts focus to a new project in Taiwan. Additionally, the full impairment of legacy Latvian Goodwill, amounting to SEK 0.6m, was recognized. Intangibles assets are amortised over a useful economic life of 3 years (2022: 3 years).

11. TANGIBLE ASSETS

(Thousands SEK)	Leasehold Improvements	Computers	Total
Cost			
31 December 2022	**-**	**384**	**384**
Additions	14,783	3,261	18,044
31 December 2023	**14,783**	**3,645**	**18,428**
Accumulated Depreciation			
31 December 2022	-	-	-
Depreciation	(2,052)	(578)	(2,630)
31 December 2023	**(2,052)**	**(578)**	**(2,630)**
Carrying Amount			
31 December 2023	**12,731**	**3,067**	**15,798**
31 December 2022	**-**	**384**	**384**

Depreciation is provded on a linear basis to allocate the cost of the asset, less its estimated residual value, over its estimated utilisation period as follow:

- Leasehold Improvements – shorter of lease term or 3 years
- Computers- 3 years

12. LEASE ASSETS

On 1 August 2023 the Group entered into a finance lease for the studio in Taiwan and accordingly reflected a right of use lease asset which is being depreciated over the three-year lease term. In accordance with IFRS 16 Leases the following assets have been recognised in the balance sheet this year.

(Thousands SEK)	1 January 2023	Additions	Depreciation	31 December 2023
Right of use lease assets	-	20,727	(2,881)	17,846
	-	**20,727**	**(2,881)**	**17,846**

13. INVESTMENT IN ASSOCIATES

On 22 November 2023 LL Lucky Games AB acquired 20% of CYG Pte Ltd ("CYG"), a software development company specializing in fintech and gaming back-end systems for 23,194,000 newly issued shares. CYG is headquartered in Singapore and has an office in Manila, Philippines. The organization develops a robust and scalable back-end system that enables high data throughput and is a platform provider for InPlay, a leading online casino site in the Philippines.

On the basis that that Group has significant influence (as opposed to control), the entity is accounted for as an associate using the equity method. The amounts recognised this year are as follows:

Investment carrying value (Thousands SEK)	
Initial recognition on 22 November 2023	16,374
Share of CYG post-acquisition results	(118)
Carrying value on 31 December 2023	**16,256**

At the end of the year, the balance sheet of the associate, as amended to make consistent with the accounting policies of the Group is as follows:

Balance sheet on 31 December 2023 - CYG Pte Ltd (Thousands SEK)	
Goodwill and Intangible assets	14,383
Other non-current assets	326
Current assets	3,995
Current liabilities	(2,448)
Net Assets on 31 December 2023	**16,256**

The associate is considered a related party as defined by IAS 24 related party transactions, refer to note 21 Related Parties.

14. OTHER NON CURRENT ASSETS

(Thousands SEK)	2023	2022	1 Jan 2022
Deferred tax assets	1,658	-	-
Financial assets - deposits	3,012	3	3
	4,670	**3**	**3**

15. TRADE AND OTHER RECEIVABLES

(Thousands SEK)	2023	2022	1 Jan 2022
Trade receivables	364	1,300	1,100
Expected credit losses	(141)	-	-
Other receivables and prepayments	1,806	1,312	3,319
	2,029	**2,612**	**4,419**

The Group applies the IFRS 9 simplified approach to providing for expected credit losses, measuring lifetime expected credit losses for all trade receivables on initial recognition, which as of 31 December 2023 was SEK 141k (2022: nil) and then providing for material trade receivables with with reference to the time elasped since payment was due as follows (Past due – 10%, 31 days past due – 25%, 91 days past due - 50%, 180 days past due - 100%).

The expected credit loss allowance provision as of December 2023 was SEK 141k (2022: nil), in line with the risk assessment as detailed below:

(Thousands SEK)	2023	2022
High risk (>180 days overdue)	141	-
Medium risk (>90 days overdue)	-	-
Low risk (below 90 days overdue)	-	-
Expected credit losses	**141**	**-**

16. TRADE AND OTHER PAYABLES

(Thousands SEK)	2023	2022	1 Jan 2022
Trade payables	3,075	2,271	1,114
	3,075	**2,271**	**1,114**
Employee-related liabilities	2,452	727	480
Tax liabilities	2,219	2,065	263
Other accrued expenses	1,868	901	2,268
Contract liabilities	3,016	809	-
	9,555	**4,502**	**3,011**

Tax liabilities include corporation, payroll, withholding and value added taxation. Contract liabilities include SEK 1,447k (2022: nil) received in advance from the Group's associate, CYG Pte. Ltd. which will be released to the profit and loss statement as revenue in 2024 when the services are performed, refer to note 21 Related Parties.

17. FINANCIAL INSTRUMENTS

The table below analyses the carrying amounts of financial instruments in the consolidated balance sheet. All financial instruments are initially recognised at fair value and subsequently measured as indicated below:

(Thousands SEK)	Subsequent measurement	2023	2022	1 Jan 22
FINANCIAL ASSETS				
Cash and cash equivalents	Amortised cost	8,962	341	729
Trade receivables	Amortised cost	223	1,300	1,100
Financial assets - deposits	Amortised cost	3,012	3	3
		12,197	**1,644**	**1,832**
FINANCIAL LIABILITIES				
Trade and other payables	Amortised cost	(3,075)	(2,271)	(1,114)
Employee related liabilities	Amortised cost	(2,452)	(727)	(480)
External borrowings	Amortised cost	-	(14,000)	(16,125)
Related party borrowings - interest	Amortised cost	(499)	-	-
Lease liabilities (excluding end of life provisions)	Amortised cost	(18,141)	-	-
		(24,167)	**(16,998)**	**(17,719)**
Related party borrowings- principal	Not applicable - Equity	**(40,193)**	**-**	**-**
Total financial instruments		**(52,163)**	**(15,354)**	**(15,887)**

Related party borrowings – convertible loan notes

The Group entered into a conditional loan agreement (the "Loan") with NCTK Holdings International Limited (the "Lender") in May 2023 following shareholder approval of this related party transaction (the lender being a significant shareholder in the Group). Under the terms of the loan agreement SEK 40,193,010 was drawn down over a six-week period ending mid-June 2023 with the annual interest rate on the loan set at 1.5% and repayment of the principle and accrued interest required by 30 June 2024.

The terms of the loan contained a right for the Group to choose to repay the Loan in cash or by way of allowing the Lender to subscribe for shares by way of set-off, in a rights issue and in a separate agreement that right was established at a corresponding subscription price of SEK 0.903 per share such that 44,510,532 ordinary shares would need to be issued to discharge the liability.

In accordance with Paragraph 16(b) of IAS 32, commonly referred to as the fixed-for-fixed condition relevant for the classification of financial instruments settled in the issuer's own equity instruments, because the Group has (a) the right to avoid cash settlement of the loan and (b) the number of shares to settle the liability is fixed at 44,510,532, the financial instrument is treated as equity as opposed to debt and as such the SEK 40,193,010 value of the financial liability has been presented as shares to be issued. This will be transferred to share capital and share premium when the shares are formally issued. The 1.5% interest terms is considered preferential then an IFRS 9 fair value uplift amounted to SEK 2,553k has been recognised in 2023 (refer to note 7 finance expenses). As the 1.5% interest has to be repaid in cash, this is presented as a financial liability.

Derivative assets and liabilities

There are no derivative assets or liabilities (2022: nil).

Cash and cash equivalents

The fair value of cash and cash equivalents is considered to equal the carrying amount where the cash is repayable on demand. The Group held most of its cash and cash equivalents with financial institutions with credit ratings of A (S&P) / A2 (Moody's) / A- (Fitch) and BBB+ (S&P) / Baa1 (Moody's) / BBB+ (Fitch).

Trade and other receivables

The fair value of trade and other receivables is considered to approximate the carrying amount due to their short maturities. Where settlement is not due in the short term, and where the effect is material, fair value is estimated as the present value of future cash flows discounted at the market rate of interest at the reporting date.

Trade and other payables

The fair value of trade and other payables is considered to generally approximate the carrying amount due to their short maturities. Where settlement is not due in the short term, and where the effect is material, fair value is estimated as the present value of future cash flows discounted at the market rate of interest at the reporting date.

Financial risk management

The Group has exposure to various financial risks, including in relation to credit, liquidity, currency, and interest rates. This note sets out the Group's key policies and processes for managing these risks. The objectives of the Group's financial financial risk management are to:

- Ensure that the Group can fulfil its payment obligations;
- Manage financial risks;
- Ensure access to the necessary financing; and
- Optimise the Group's net financial income.

The Group's risk management is carried out by the the CEO, CFO, Accounting Department and the Board of Directors. Collectively they identifiy, evaluate and hedges financial risks in close cooperation between the different subsidiaries.

A: Credit risk management. Credit risk arises from balances with banks and credit institutions and customer credit exposures including outstanding receivables. Credit risk is managed at Group level. Standard reviews are conducted when onboarding new customers and on an ongoing basis, although credit risk in this area is considered low.

B: Liquidity risk management. The Group is exposed to liquidity risk as regards to meeting future obligations regarding its financial liabilities. The Group manages liquidity risk by maintaining adequate reserves and by continually monitoring forecast and actual cash flows. The Group's policy is to maintain continuity of funding through available cash and cash equivalents and by matching the maturity profiles of financial assets and liabilities. Taking into account the inflow and outflow of cash that occur at the maturity of financial instruments, the Group's liquidity risk is not considered to be material at reporting date, considering additional financing secured post balance date, see note 22 Post Balance Sheet Events.

The table below analyses maturity profile of the Group's undiscounted liabilities:

31 December 2023 (Thousands SEK)	**Less than 3 months**	**Between 3 months and 1 year**	**Between 1 year and 3 years**
Trade and other payables	(3,075)	-	-
Employee related liabilities	(2,452)	-	-
Related party borrowings - interest	-	(499)	-
Lease liabilities (excluding end of life provisions)	(1,943)	(5,830)	(12,539)
Convertible loan	-	(40,193)	-
Total	**(7,470)**	**(46,522)**	**(12,539)**

31 December 2022 (Thousands SEK)	**Less than 3 months**	**Between 3 months and 1 year**	**Between 1 year and 3 years**
Trade and other payables	(2,271)	-	-
Employee related liabilities	(727)	-	-
External borrowing	(14,000)	-	-
Total	**(16,998)**	**-**	**-**

C: Currency risk management. The Group is subject to exposure on the translation of the assets and liabilities of foreign subsidiaries whose functional currencies differ from that of the Group, with the primary balance sheet translation exposure being to Swedish Krona. The main currencies other than Swedish Krona are EUR and DKK. A reasonably possible 10% strengthening of Swedish Krona would result in the loss before tax being SEK 1.0m lower (2022: SEK 1.0m lower) with a 10% strengthening having an equal but opposite effect.

D: Interest rate risk. This relates to interest on loans, The Group has currently addressed this risk through repayment of all third-party debt and no new external loan are expected to be considered in the near term.

E: Management of capital. The Group defines capital as borrowings and equity. The Group's policy is to have a capital structure to to ensure the Group will be able to continue as a going concern and to support future development of the business. There are currently no external capital requirements imposed on the Group.

18. LEASE LIABILITIES

Corresponding to the lease assets (refer to note 12) the Group has also recognised lease liabilities discounted at the Group's incremental borrowing rate which results in the following indicative maturity profile of the lease liability.

Lease Liabilities maturity profile (Thousands SEK)	**2024**	**2025**	**2026**	**Total**
Rental payments	7,773	6,784	3,584	18,141
Lease retirement obligations	-	-	4,937	4,937
	7,773	**6,784**	**8,521**	**23,078**

19. TRANSISTION TO EU-IFRS

(Thousands SEK)	EU-IFRS as restated		K3 as previously reported		Differences	
	31-Dec-22	1-Jan-22	31-Dec-22	1-Jan-22	31-Dec-22	1-Jan-22
Intangible assets (A)	17,537	16,183	19,093	16,183	(1,556)	-
Other non-current assets	387	3	404	9	(17)	(6)
Trade and other receivables (B)	2,612	4,419	4,618	4,442	(2,006)	(23)
Cash	341	729	341	729	-	-
TOTAL ASSETS	**20,877**	**21,334**	**24,456**	**21,363**	**(3,579)**	**(29)**
Accounts payable	(2,271)	(1,114)	(2,324)	(1,129)	53	15
Accruals and other payables	(4,502)	(3,011)	(5,465)	(3,368)	963	357
Borrowings	(14,000)	(16,125)	(13,131)	(15,525)	(869)	(600)
TOTAL LIABILITIES	**(20,773)**	**(20,250)**	**(20,920)**	**(20,022)**	**147**	**(228)**
NET ASSETS	**104**	**1,084**	**3,536**	**1,341**	**(3,432)**	**(257)**

These financial statements, for the year ended 31 December 2023, are the first the Group has prepared in accordance with IFRS as adopted in the European Union (IFRS). Previously for years up to and including the year ended 31 December 2022, the Group prepared its financial statements in accordance with BFNAR 2012:1 (known as K3 or Swedish GAAP).

In order to provide the comparative 2022 performance in accordance with IFRS the Group's IFRS transition date was 1 January 2022 at which point an opening IFRS balance sheet was prepared. Given that local K3 accounting principles are based on international accounting standards for SMEs, there was no significant impact of first-time adoption to IFRS on the 1 January 2022 transition date. The impact of first-time adoption of IFRS on the 1 January 2022 transition date was to increase retained losses by SEK 257k, which is related to the application of the amortized cost method of accounting for financial liabilities.

Under IFRS, Goodwill is not amortised, whereas under K3 rules, Goodwill amortization of SEK 87k was recorded. Except for these two differences the main impact of converting to IFRS has been presentational.

Two larger adjustments were made during the course of the conversion exercise (A) and (B) above, which represented corrections to historical errors that were identified during the exercise as opposed to authentic accounting policy differences. Firstly, a debtor of SEK 2.0m was deemed irrecoverable upon initial 2022 recognition, and secondly, certain intangible assets were being amortised over a useful life that exceeded the stated K3 policy in error. Given the only material impacts to the 2022 profit and loss statement were for these items, a separate profit and loss reconciliation has not been presented.

The Group took advantage of two optional exemptions from the requirement to apply IFRSs fully retrospectively as follows:

- Cumulative translation differences are set to zero at the date of IFRS transition.
- Not restating past business combinations in accordance with IFRS 3 'Business Combinations' (IFRS 3). which was applied to the acquisitions of Latvia (2019), Denmark (2020), and Malta (1 Jan 2022) that occurred before the 1 January 2022 transition date.

There may have been significant accounting policy differences relating to the convertible debt and the application of lease accounting, but as any instances of such transactions did not arise until May and August 2023 respectively, then these were not converted to IFRS but rather initially accounted for in accordance with IFRS accounting policies relevant to all transactions in the first full year that the Group is reporting under IFRS being the year-ending 31 December 2023.

20. SIGNIFICANT ACCOUNTING POLICIES

The Financial Statements incorporate the Company and entities controlled by it ("subsidiaries"). Control is achieved when the Group has power over the investee, is exposed to, or has rights to, variable returns from its involvement with the investee, and can use its power to affect its returns. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses that control. All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

EQUITY-ACCOUNTED ASSOCIATES

Under the equity method of accounting, the investments in associates are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses in the Group's consolidated income statement, and the Group's share of movements in other comprehensive income of the joint venture in the Group's other comprehensive income. Dividends received or receivable from associates and joint ventures are recognized as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognize further losses unless it has incurred obligations or made payments on behalf of the other entity. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the relevant transferred asset. The carrying number of equity-accounted investments is tested for impairment in accordance with the Group's accounting policies.

REVENUES

Under IFRS 15, revenue recognition occurs when a company satisfies its performance obligations by transferring promised goods or services to customers in an amount that reflects the consideration the company expects to receive in exchange for those goods or services. Revenue is only recognized when it is considered highly probable that there will not in the future be a significant reversal. If a contract contains multiple performance obligations, the transaction price is allocated to each performance obligation based on its standalone selling price. If the standalone selling price is not directly observable, the company estimates it using relevant information such as market conditions and pricing strategies.

1. Technology access fees:

Consideration for providing customers with access to platform technology, system architecture, and proprietary designs is recognized when control is obtained by the customer normally upon inception of the contract.

2. Royalty Revenue:

Royalty revenue is recognized when the ultimate gaming transaction occurs. Revenue is recognized as the licensee consumes or receives the benefit of the intellectual property, which is generally proportionate to the licensee's usage or sales of products incorporating the licensed asset. The amount of royalty revenue recognized corresponds to the consideration received in exchange for the intellectual property or asset. The consideration is measured at the transaction price agreed upon in the contract, adjusted for any variable consideration, the time value of money, and the effects of any significant financing component, if applicable.

3. Service revenue:

Service revenue is recognized over time when the customer receives and consumes the benefits provided by the company supporting services. Revenue is recognized evenly over the service year as the performance obligations are satisfied. Revenue is recognized on a straight-line basis unless another method better represents the transfer of services to the customer.

4. Contract assets and liabilities:

Contract receivables represent amounts for which the Group has an unconditional right to consideration in respect of unbilled revenue recognized at the balance sheet date. Contract liabilities represent the obligation to transfer goods or services to a customer for which consideration has been received from the customer in advance.

CAPITALISED DEVELOPMENT EXPENSES

Capitalized development expenses pertain to internally developed assets for the gaming portal and the technical platform. They are recognized at cost, including salaries and other personnel-related expenses. Development expenses that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group 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.
- The Group management intends to complete the software product and use 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.
- The expenditure attributable to the software product during its development can be reliably measured.
- Adequate technical, financial, and other resources to complete the development and to use or sell the software product are available. Other development expenditures that do not meet these criteria are recognized as an expense as incurred. The expense of developing the Core Gaming Platform is amortized over an estimated useful life of three years.

Subsequent to initial recognition, capitalised development costs are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

BUSINESS COMBINATIONS AND GOODWILL

In assessing whether an acquired set of assets and activities is a business or an asset, management will first elect whether to apply an optional concentration test to simplify the assessment. Where the concentration test is applied, the acquisition will be treated as the acquisition of an asset if substantially all of the fair value of the gross assets acquired (excluding cash and cash equivalents, deferred tax assets, and related goodwill) is concentrated in a single asset or group of similar identifiable assets. Where the concentration test is not applied or is not met, a further assessment of whether the acquired set of assets and activities is a business will be performed.

On the acquisition of a business, fair values are attributed to the identifiable assets and liabilities. Attributing fair values is a judgment. Contingent liabilities are also recorded at fair value unless the fair value cannot be measured reliably, in which case the value is subsumed into goodwill. Goodwill is the difference between the fair value of the consideration and the fair value of net assets acquired. Goodwill arising on acquisitions is capitalized and subject to an impairment review, both annually and when there is an indication that the carrying value may not be recoverable.

BORROWINGS

Borrowings are initially recognized at fair value, net of transaction costs incurred, and are subsequently measured at amortized cost. Fees paid on the establishment of a loan facility, which are not an incremental cost related to the actual drawdown of the facility, are recognized as prepayments. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the income statement over the year of the borrowings, using the effective interest method.

FINANCIAL ASSETS

Classification Financial assets that are subject to IFRS 9 Financial Instruments: Recognition and Measurement are classified according to the following categories:

- Financial assets and liabilities measured at amortised cost.
- Financial assets and liabilities measured at fair value through profit or loss.
- Financial assets and liabilities measured at fair value through other comprehensive income.

Financial assets and liabilities measured at amortised cost refers to non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Examples of assets in this category include trade accounts receivable, cash and cash equivalents, trade accounts payable and interest-bearing liabilities. These assets (and liabilities) are measured at amortised cost applying the effective-interest method which currently applies to all the Group’s balances except the convertible loans.

Financial assets and liabilities measured at fair value through profit or loss are often derivatives and are measured on an ongoing basis at fair value with changes in value recognised through profit or loss. At present the Group has no assets and liabilities in this category.

Financial assets and liabilities measured at fair value through other comprehensive income are measured on an ongoing basis at fair value with changes in value recognised through other comprehensive income. At present the Group has no assets and liabilities in this category.

The Group recognises financial assets in the balance sheet when it becomes a party to the instruments' contractual terms and conditions. Loan receivables and accounts receivable are initially recognised at fair value plus transaction expenses. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

FINANCIAL LIABILITIES

The Group recognises financial liabilities in the balance sheet when it becomes a party to the instruments' contractual terms and conditions. The Group's financial liabilities consist of current and non-current lease liabilities and trade accounts payables.

Financial liabilities are initially measured at fair value, which is the fair value of the amount received less transaction expenses directly related to the acquisition or issue of the financial liability. Thereafter, such liabilities are recognised at amortised cost. A financial liability is removed from the balance sheet when the Group's obligations according to the agreement have been met, cancelled or expired.

IMPAIRMENT (EXPECTED CREDIT LOSSES)

The Group uses the simplified model for expected credit losses for customer receivables, under which provisions for expected credit losses are made at an amount corresponding to expected credit losses over the term of the receivable and is considered at the first reporting date. Indications that a receivable is at risk of impairment might include that the customer is in financial difficulty, that corporate reconstruction or bankruptcy is probable, delayed payments, disputes or other events that indicate that the customer will be unable to pay. The Group provides for expected credit losses with reference to the time elasped since payment was due as follows (Past due – 10%, 31 days past due – 25%, 91 days past due - 50%, 180 days past due - 100%).

NON-DERIVATIVE FINANCIAL INSTRUMENTS

Other non-derivative financial instruments, including trade and other receivables, cash and cash equivalents, and trade and other payables, are initially recognized at fair value and are subsequently measured at amortized cost.

OTHER FINANCIAL ASSETS AND DERIVATIVES

All other financial assets, including derivatives, are classified as measured at fair value through profit and loss. When these investments are derecognized, the cumulative gain or loss previously recognized directly in equity is recognized in the income statement. Where these investments are interest-bearing, interest calculated using the effective interest method is recognized in the income statement. Where no reliable measurement of fair value is available, investments are stated at the historic acquisition cost.

ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

Accounts receivable are amounts due from customers for services performed in the ordinary course of business. If payment 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. Accounts receivable and other receivables are initially recognised at fair value and subsequently measured at amortised cost, with application of the effective interest method and a deduction for credit loss reserve . The recognised value of the asset is reduced by using an account for credit loss reserve, and the loss is recognised in the income statement under other operating expenses. If a bad debt loss has been established, it is written off. If a previously impaired receivable is collected, it will be credited in the income statement.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents are recognised a nominal value. In the cash flow statement and balance sheet, cash and cash equivalents include cash and current accounts in banks.

ACCOUNTS PAYABLE AND OTHER LIABILITIES

Accounts payable 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 in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Accounts payable and other liabilities are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

LEASES

Upon inception of agreements, contracts are assessed to determine whether a contract is or contains a lease at the inception of a contract or when the terms and conditions of a contract are significantly changed. The lease term is the non-cancellable year of a lease, together with contractual options to extend or to terminate the lease early, where it is reasonably certain that an extension option will be exercised, or a termination option will not be exercised.

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if such termination is reasonably certain to be exercised by the Group.

The lease liability is measured as an amount equal to the present value of the lease payments during the lease term that are not paid at that date. The lease liability is remeasured when the contractual cash flows of variable lease payments change due to a change in an index or rate or when the lease term changes following a reassessment. Lease payments are discounted using the interest rate implicit in the lease. If that rate is not readily available, the incremental borrowing rate is applied.

The incremental borrowing rate reflects the rate of interest that the Group would have to pay to borrow over a similar term, with similar security, the funds necessary to obtain an asset of a similar nature and value to the right-of-use asset in a similar economic environment.

In general, a corresponding right-of-use asset is recognized for an amount equal to each lease liability, adjusted by the amount of any prepaid lease payment relating to the specific lease.

OPERATING SEGMENTS

The Group is managed on the basis of a single reportable segment, being the development of online gaming technology. This is consistent with the internal reporting provided to, and regularly reviewed by the Chief Operating Decision Maker (CODM). The CODM is responsible for allocating resources and assessing the performance of the operating segment and has been identified as the Board.

IMPAIRMENT OF NON-FINANCIAL ASSETS

At each reporting date, the Group assesses whether there is an indication that an asset may be impaired. If an impairment indicator exists, the Group estimates the asset's recoverable amount. An asset or CGU's recoverable amount is the higher of its fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The Group bases its impairment calculation on the most recent budgets and forecast calculations relevant to the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the final year.

Impairment losses of continuing operations are recognized in the consolidated statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized.

TAXATION

Current income tax assets and liabilities are measured at the amounts expected to be recovered from or paid to the tax authorities and calculated on the basis of tax laws enacted or substantively enacted at the end of the reporting year in the countries where the Group operates.

Deferred tax is provided in full, using the liability method on temporary differences at the reporting date between the tax basis of assets and liabilities and their carrying amounts. Deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill or from a transaction other than a business combination that affects neither the accounting nor the taxable profit or loss.

Deferred tax assets are recognized on carry forward of unused tax credits and unused tax losses if it is probable that taxable profit will be available for use against these credits or losses. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced if it is not probable that sufficient taxable profit will be available to allow all or part of the asset to be utilized.

RELATED PARTIES

In accordance with IAS 24, related parties include:

a. Entities that are directly or indirectly controlled by the Group.
b. Associates.
c. Investors in the Group that can exert significant influence.
d. Key management personnel defined as the Board.
e. All close family members to the above.
f. Entities in which a substantial ownership interest is held by the above allowing significant influence.

Details of any transactions with these parties must be disclosed alongside their nature and financial impact and any amounts outstanding at the reporting date.

UPDATES TO IFRS ACCOUNTING GUIDANCE

The following amendments issued by the IASB have been endorsed by the EU and have not been adopted by the group:

- Amendments to IAS 1 – Classification of Liabilities and Non-current Liabilities with Covenants (effective from the year ending 30 June 2025).
- Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback (effective from the year ending 30 June 2025).
- Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements (effective from the year ending 30 June 2025).

There are a number of other amendments and clarifications to IFRS Accounting Standards effective in future years, which are not expected to significantly impact the group's consolidated results or financial position.

21. RELATED PARTIES

In accordance with the requirements of IAS 24 the following related party transactions are disclosed.

In January 2023, the Company conducted a directed issue of approximately SEK 30.75 million to NCTK Holdings International Limited ("NCTK"). The Company then also secured an additional loan financing from NCTK of SEK 41.3 million on favourable interest terms of 1.5% per annum. The loan was considered a material related party transaction and received approval from shareholders at the 2023 AGM before being fully drawn down in May 2023. The loan expires on 30 June 2024 and can be converted to equity at the volume weighted average share price for the last 30 days with a 30% discount applied at the discretion of the Company.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. The Group defines key management as the Board and senior management team comprising 13 (2022: 10) individuals of which the latest membership is detailed on the investor section of the corporate website. Basic remuneration of key management personel totalled SEK 8,528k (2022: 4,498k), A special bonus was granted to the former CEO of SEK 12,960k, in the form of a subsequent issue of shares which vested immediately and had no performance conditions and termination payments of SEK 647k (2022: nil) were paid to the former CFO.

In November 2023 the Group acquired 20% of the shares in CYG Pte Limited ("CYG") for newly issues shares in the Group as described in note 13. The CEO of both entities sit on the reciprocal Board of the other entities. Furthermore, CYG paid the Group SEK 1,447k in December in advance of 2024 services to be provided and hence this balance remains in customer contract liabilities at the balance sheet date (and to be recognised as revenue when the services are provided next year).

22. POST BALANCE SHEET EVENTS

On 25 January 2024 the Group announced that the board, supported by authorization from the 2023 annual general meeting, has decided on: (i) A directed new share issue of up to approximately SEK 20.5 million (the "Directed Issue") to an existing shareholder and an external investor. And (ii) A set-off issue of up to approximately SEK 40.2 million to the Company's majority shareholder NCTK Holdings International Limited (the "Set-off Issue").

The subscription price in the Directed Issue is set at SEK 0.2454 per share and the proceeds will support ongoing operations, ensure process continuity, and cover team development and operational costs.

The set-off issue will formally settle the NCTK convertible loan which was issued in May 2023 following AGM approval as such shares to be issued of SEK 40,193,010 will transfer into share capital of SEK 890,211 and share premium of SEK 39,302,799.

The new shares for both the directed issue (83,847,317) and the set-off issue (44,510,532), are fully issued in May 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 40.2m.

Fully owned subsidiary in Latvia is fully dissolved in April 2024, with insignificant financial impact as impairments were already made in 2023.

In May 2024 the Group signed two separate leases of office property in Taiwan and Malaysia respectively. As a result of these agreements, lease assets and lease liabilities in the region of SEK 9.1m were recognised in May 2024.

23. PROPOSAL FOR THE ALLOCATION OF PROFITS

The following profits are at the disposal of the Annual General Meeting (Thousands SEK)	
Share premium account	125,346
Retained earnings	(59,007)
Loss for the year	(62,017)
	4,322

The Board of Directors proposes that the profits be appropriated as follows:	
To be carried forward	4,322
	4,322

LL LUCKY GAMES AB (PUBL)
ANNUAL REPORT & ACCOUNTS | 2023

PARENT COMPANY FINANCIAL STATEMENTS

PARENT COMPANY PROFIT AND LOSS

(Thousands SEK)	Note	2023	2022
Revenues	24	17,609	4,930
Personnel costs		(19,920)	(4,930)
Amortisation, depreciation and impairment		(14,004)	(5,670)
Other operating expenses	25	(43,459)	(25,783)
Operating loss		**(59,774)**	**(31,453)**
Net finance expenses	27	(2,243)	(3,415)
Loss before and after taxation		**(62,017)**	**(34,868)**

The parent company does not have any other items of comprensive income or expense other than the loss before and after taxation presented above and therefore a separate statement of other comprensive income is not presented.

PARENT COMPANY BALANCE SHEET

(Thousands SEK)	Note	31 Dec 2023	31 Dec 2022	1 Jan 2022
NON-CURRENT ASSETS				
Intangible assets	28	7,501	16,944	15,590
Tangible assets	29	15,180	-	-
Investments in Group undertakings and associates	30	18,104	596	596
Other non-current assets	31	2,449	3	3
		43,234	**17,543**	**16,189**
CURRENT ASSETS				
Trade and other receivables	32	885	2,261	4,271
Amounts owed from Group undertakings		10,526	5,216	2,210
Cash and cash equivalents		1,431	151	506
		12,842	**7,628**	**6,987**
TOTAL ASSETS		**56,076**	**25,171**	**23,176**
Share capital		3,166	1,505	898
Share premium		125,346	67,352	27,328
Shares to be issued		40,193	-	-
Retained losses		(121,024)	(59,007)	(24,139)
SHAREHOLDERS EQUITY		**47,681**	**9,850**	**4,087**
CURRENT LIABILITIES				
Trade and other payables	33	7,937	5,821	3,489
Borrowings		458	9,500	15,600
TOTAL LIABILITIES		**8,395**	**15,321**	**19,089**
TOTAL EQUITY AND LIABILITIES		**56,076**	**25,171**	**23,176**

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

(Thousands SEK)	Share Capital	Share premium	Shares to be issued	Retained losses	Total Equity
01 January 2022 - K3 reported	898	27,328	-	(23,882)	**4,344**
EU-IFRS impact on transition date	-	-	-	(257)	**(257)**
As at 1 January 2022	**898**	**27,328**	**-**	**(24,139)**	**4,087**
New shares issued	607	51,708	-	-	**52,315**
Share issue costs	-	(11,684)	-	-	**(11,684)**
Loss for the year	-	-	-	(34,868)	**(34,868)**
As at 31 December 2022	**1,505**	**67,352**	**-**	**(59,007)**	**9,850**
New shares issued	1,661	58,423	-	-	**60,084**
Share issue costs	-	(429)	-	-	**(429)**
Convertible loans	-	-	40,193	-	**40,193**
Loss for the year	-	-	-	(62,017)	**(62,017)**
As at 31 December 2023	**3,166**	**125,346**	**40,193**	**(121,024)**	**47,681**

PARENT COMPANY CASH FLOW STATEMENT

(Thousands SEK)	2023	2022
Loss for the year	(62,017)	(34,868)
Adjustments for non-cash items		
Amortisation, depreciation, and impairment	14,004	5,670
Share awards	12,960	-
Movements in working capital		
Decrease in trade and other receivables	(3,935)	(965)
(Decrease)/Increase in trade and other payables	(2,821)	2,332
Net cash outflow from operating activities	**(41,809)**	**(27,831)**
Investing activities		
Investments in Group companies	(1,133)	-
Sale of intangible assets	-	10,781
Deposits paid	(2,446)	-
Internal development costs capitalised	(2,030)	(6,892)
Capital expenditures	(12,252)	(5,910)
Net cash used from investing activities	**(17,861)**	**(2,021)**
Financing activities		
Proceeds from share issues	30,750	46,323
Share issue costs	(430)	(11,684)
Net movement in borrowings	(9,042)	(6,100)
Issue of convertible bonds	40,193	**-**
Net cash inflow from financing activities	**61,471**	**28,539**
Foreign exchange on cash balances	(521)	958
Net increase / (decrease) in cash	**1,280**	**(355)**
Cash at beginning of year	151	506
Cash at end of year	**1,431**	**151**

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

23. BASIS OF PREPARATION

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 changes in RFR 2 applicable to the fiscal year beginning January 1, 2022, has not had any significant impact on the parent company. There are no announced changes in RFR 2 applicable to the fiscal year beginning January 1, 2023 or later.

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.
- Financial instruments due to the relationship between reporting and taxation, the rules for financial instruments and hedge accounting in IFRS 9 are not applied to the Parent Company as a legal entity. Financial instruments are valued at cost. Financial assets acquired with the purpose to be retained on a short-term basis are reported according to the lowest value principle at the lowest of cost and market value.

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.

24. REVENUES

(Thousands SEK)	2023	2022
Intra-Group service fees	15,576	-
Royalties	2,033	4,930
	17,609	**4,930**

25. OTHER OPERATING EXPENSES

(Thousands SEK)	2023	2022
Intra Group purchases	30,018	12,670
Consultancy	5,065	6,021
License fees, software and IT services	2,616	2,945
Property costs	1,221	365
Marketing	1,556	1,768
Recruitment	1,218	294
Travel expenses	810	1,038
Audit fees	955	682
	43,459	**25,783**

26. PERSONNEL COSTS

(Number)	2023	2022
Male employees	4	4
Female employees	2	1
	6	**5**

(Thousands SEK)	2023	2022
Salary and other remunerations	6,426	4,050
Social security expenses	534	789
Other personnel expenses	12,960	91
	19,920	**4,930**

Included within other personnel expenses was a special bonus of SEK 12,960k approved at the 2023 AGM for the former CEO's role in driving business growth, including the listing of shares on the Nasdaq First North Growth Market, alongside notable progress in business, product launches, and partnerships. Shareholders approved for the settlement of the special bonus via newly issued shares such that there was no cash outflow associated.

27. NET FINANCE EXPENSES

(Thousands SEK)	2023	2022
Interest income	190	33
Interest payable	(1,633)	(4,379)
Currency exchange	(800)	931
	(2,243)	**(3,415)**

28. INTANGIBLES ASSETS

(Thousands SEK)	Capitalised Development Expenses	Other Intangible Assets	Total
Cost			
01 January 2022	**3,438**	**13,242**	**16,680**
Additions	6,892	11,585	18,477
Disposals	-	(13,242)	(13,242)
31 December 2022	**10,330**	**11,585**	**21,915**
Additions	2,098	-	2,098
Impairment	(10,330)	-	(10,330)
31 December 2023	**2,098**	**11,585**	**13,683**
Amortisation			
01 January 2022	**(428)**	**(662)**	**(1,090)**
Amortisation	(2,253)	(3,393)	(5,646)
Disposal	-	1,765	1,765
31 December 2022	**(2,681)**	**(2,290)**	**(4,971)**
Amortisation	(2,215)	(3,892)	(6,107)
Impairment	4,896	-	4,896
31 December 2023	**-**	**(6,182)**	**(6,182)**
Carrying Amount			
31 December 2023	**2,098**	**5,403**	**7,501**
31 December 2022	**7,649**	**9,295**	**16,944**
01 January 2022	**3,010**	**12,580**	**15,590**

In 2023 there was impairment charges of SEK 5.4m (2022: nil) included within the amortisation, depreciation and impairments line. The Latvian technology platform's development was terminated as the Company shifts focus to a new project in Taiwan.

29. TANGIBLE ASSETS

(Thousands SEK)	Leasehold Improvements	Computers	External
01 January 2023	-	-	-
Additions	14,783	2,860	17,643
Depreciation	(2,052)	(411)	(2,463)
Net book value at 31 December 2023	**12,731**	**2,449**	**15,180**

30. INVESTMENT IN ASSOCIATES

On 22 November 2023 LL Lucky Games AB acquired 20% of CYG Pte Ltd ("CYG"), a software development company specializing in fintech and gaming back-end systems for 23,194,000 newly issued shares. CYG is headquartered in Singapore and has an office in Manila, Philippines. The organization develops a robust and scalable back-end system that enables high data throughput and is a platform provider for InPlay, a leading online casino sites in the Philippines.

Investment carrying value (Thousands SEK)	
Initial recognition on 22 November 2023	16,374
Carrying value on 31 December 2023	**16,374**

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.

31. OTHER NON CURRENT ASSETS

Other non-current assets in all years presented relate to financial deposits.

32. TRADE AND OTHER RECEIVABLES

(Thousands SEK)	2023	2022	2021
Trade receivables	241	1,298	996
Other receivables and prepayments	644	963	3,275
	885	**2,261**	**4,271**

33. TRADE AND OTHER PAYABLES

(Thousands SEK)	2023	2022	2021
Trade payables	1,176	1,239	1,033
Employee-related liabilities	359	543	75
Tax liabilities	-	51	44
Other accrued expenses	1,466	329	526
Other provisions	4,936	3,659	1,811
	7,937	**5,821**	**3,489**

34. INVESTMENTS IN GROUP UNDERTAKINGS AND ASSOCIATATES

(Thousands SEK)	2022	Addition	Transfer	Impairment	2023
Shares in Blue Horizon Holding Ltd	512	-	-	(512)	-
Shares in LLG Consultancy Aps	54	-	(54)	-	-
Shares in LLG Tech SIA	30	-	-	(30)	-
Shares in Lady Luck Taiwan	-	1,729	-	-	1,729
Investments in associated company (CYG)	-	16,375	-	-	16,375
	596	**18,104**	**(54)**	**(542)**	**18,104**

Group undertakings	Holding	Country	Currency	Address
Consolidated subsidiaries				
LLG Tech SIA	100%*	Latvia	EUR	1
LLG Consultancy Aps	100%	Denmark	DKK	2
Lady Luck Games Malta Holding Plc	100%*	Malta	EUR	3
Lady Luck Games IP Ltd	100%	Malta	EUR	3
Lady Luck Games Ltd	100%	Malta	EUR	3
ReelNRG Limited	100%*	UK	GBP	4
Patuz investments Limited	100%	Cyprus	USD	5
LL LUCKY GAMES AB (PUBL) Taiwan Branch	100%*	Taiwan	TWD	6
LLG R&D PTE. Ltd	100%*	Singapore	SGD	7
Equity accounted associates				
CYG Pte Limited	20%*	Singapore	USD	8

* Shareholding held directly by the parent company

The registered office of the entities listed above is as follows:
1. Rīga, Valmieras Iela 22 – 9. Latvia
2. Jægersborg Alle 1 A, 2920 Charlottenlund. Denmark
3. Soho St. Julians - Punchbowl Centre, Elia Zammit Street, St. Julians. Malta
4. 32 De Montfort Street, Leicester, Leicestershire, United Kingdom, Le1 7gd
5. Office 301, Chytron 1, 1075 Nicosia, Cyprus.
6. Floor 42, No. 7, Section 5, Xinyi Road, Xinyi District, Taipei City. Taiwan
7. 73 Upper Paya Lebar Road, Centro Bianco Building, #02-04, 534818 Singapore
8. Hong Lim Complex, 531a Upper Cross Street, #04-95, Postal 051531. Singapore

DECLARATION OF THE BOARD OF DIRECTORS

The annual report has been approved for issuance by the Board of Directors and the CEO on 7 June 2024. The parent company's primary statements are subject to approval at the Annual General Meeting on 28 June 2024.

STOCKHOLM, 7 JUNE 2024
LL Lucky Games AB (publ)

Per Eriksson
Chairman of the Board

Claes Kalborg
Board member

Carl Falkenberg
Board member

Michael Chi-Ho Li
Board member

Calvin Lim Eng Kiat
Board member and Chief Executive Officer

Our audit report was submitted on 7 June 2024.

Deloitte AB
Zlatko Mehinagic
Authorised Public Accountant

CONTACT DETAILS

LL Lucky Games AB (publ)
Östermalmstorg 1
114 42 Stockholm
info@ladyluckgames.io - www.ladyluckgames.io

Deloitte.

AUDITOR'S REPORT

To the general meeting of the shareholders of LL Lucky Games AB (publ) corporate identity number 559214-3316

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of LL Lucky Games AB (publ) for the financial year 2023-01-01 - 2023-12-31. The annual accounts and consolidated accounts of the company are included on pages 8-44 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2023 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilitie*s section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

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

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

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group´s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit

evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of LL Lucky Games AB (publ) for the financial year 2023-01-01 - 2023-12-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit to be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group´s financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

Observations

On several occasions payments of taxes and social security contributions have been made late, due to lacking routines. This negligence has caused no material harm for the company, except for penalty interests.

Stockholm June 7th, 2024

Deloitte AB

Signature on Swedish original

Zlatko Mehinagic
Authorized Public Accountant