Q4 INTERIM FINANCIAL STATEMENTS LL LUCKY GAMES AB (PUBL)

YEAR END REPORT | JANUARY-DECEMBER 2023

SUMMARY OF THE PERIOD

FOURTH QUARTER OF 2023 (2022)

- Revenues were MSEK 10.2 compared to 1.4 in Q4 2022, an increase by 629%.
- Operating loss was MSEK (9.3) compared to (10.8) in Q4 2022.
- EBITDA for the period was MSEK (5.6) compared to (8.9) in Q4 2022.
- Loss for the period was MSEK (12.6) compared to (12.0) in Q4 2022.
- Total assets were MSEK 73.1 compared to 20.9 in Q4 2022.
- Net assets were MSEK 36.9 compared to 0.1 in Q4 2022.
- Cash outflow from operating activities was MSEK (2.7) compared to (5.6) in Q4 2022.
- Loss per share was SEK (0.09) compared to (0.20) in Q4 2022.

FULL-YEAR 2023 (2022)

- Revenues were MSEK 28.9 compared to 5.0 in 2022, an increase by 478%.
- Operating loss was MSEK (59.0) compared to (37.6) in 2022.
- EBITDA was MSEK (41.1) compared to (31.8) in 2022.
- Operating loss and EBITDA in 2023 includes a special bonus for the previous CEO MSEK (13.0) and impairment charges of (6.0) both of which are non-cash items.
- Loss for the period was MSEK (64.9) compared to (41.6) in 2022.
- Total assets were MSEK 73.1 compared to 20.9 in 2022.
- Net assets were MSEK 36.9 compared to 0.1 in 2022.
- Cash outflow from operating activities was MSEK (26.0) compared to (33.7) in 2022.
- Loss per share was SEK (0.57) compared to (0.79) in 2022.

SIGNIFICANT EVENTS DURING THE FOURTH QUARTER OF 2023

- The Group acquired 20% in CYG Pte. Ltd for SEK 16.4 million and strengthens its presence in the Asian market.
- The Group reorganized for accelerated growth as Calvin Lim Eng Kiat became the new CEO.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- The Board of Directors of the Company resolved on a directed new issue of shares corresponding to a maximum of approximately SEK 20.5 million and a set-off issue of a maximum of approximately SEK 40.2 million, which will fully settle the principle of the outstanding NCTK Holdings International Limited ("NCTK") loan.
- The subscription price in the Directed Issue is set at SEK 0.2454 per share. The proceeds will support ongoing operations, ensure process continuity, and cover team development and operational costs. The set-off issue will settle the NCTK convertible loan.
- Carina Beck resigned from the Board.

FIRST-TIME ADOPTION OF EU-IFRS

- This report for the fourth quarter of 2023 is the Group's first financial 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 unless stated otherwise.
- Converting to EU-IFRS represents a significant milestone for the Group which should enhance investor's ability to compare our results with other companies, provides a platform for further international expansion and removes a significant barrier to international capital markets.
- Although the main impact of the conversion is considered to be presentational the full details of the impact of this change on the previously reported K3 amounts for 2022 are presented at Appendix I.
- The Group's IFRS accounting policies are presented in Appendix II which will apply to the 2023 Annual report.

A WORD FROM THE CEO

Dear shareholders, in the fourth quarter of 2023 we have continued to capitalise on the opportunities that will position us for increased innovation and profitability. We have made significant progress during this quarter, such as continued expansion in the Asian market through strategic acquisitions, as well as strengthening our financial resources through a directed share issue.

In fiscal year 2023, we have also made significant progress, including increased growth through expansion into the Asian market, successful acquisition, multiple product launches and strategic partnerships. By providing high quality games with exceptional design and functional innovations to a wider player base, we have managed to increase our brand visibility globally.

We are well prepared to meet the challenges that lie ahead and to seize the opportunities that will position us for increased innovation and profitability. Our aim is to lead the company into the next phase of our growth strategy and maximise shareholder value through expansion in both existing and new markets.

In line with our said strategy, we have during the fourth quarter achieved:

Strategic acquisition of CYG Pte. Ltd opens new doors in Asia

We have completed the acquisition of 20% of the shares in CYG Pte. Ltd, including CY Labs. CYG Pte. Ltd is a prominent software development company specialising in fintech and back-end systems for the gaming industry, with headquarters in Singapore and an office in Manila, Philippines. Through this acquisition, we strengthened our presence and expand our distribution network in Asia, offering significant opportunities for synergies and skills transfer.

The company's robust and scalable back-end system enables high data capacity, giving us access to new IP technologies and the potential for new revenue streams. We are confident that this strategic move gives us the right conditions to continue our growth and create value for our shareholders. Together with CYG Pte. Ltd, we look forward to an exciting and successful future.

Directed new share issue and set-off issue strengthens the company's financial position

Based on the authorisation from the Annual General Meeting 2023, we have carried out a directed share issue of up to approximately SEK 20.5 million to existing shareholder Yi Ning Ko and external investor Bryan Fun Kha Choong. In addition, a set-off issue of up to approximately SEK 40.2 million has been carried out to our major shareholder NCTK Holdings International Limited. These issues entail a dilution for existing shareholders of a maximum of approximately 45 per cent of both the number of shares and votes.

Bryan Fun Kha Choong is an influential investor active in our Asian market. His entry as a shareholder is fully in line with our expansion plans, and his participation brings new resources to the company.

The directed issue provides capital that will be used to cover our ongoing operations, ensure an uninterrupted flow of processes, and to develop and manage our teams. The set-off issue is part of the conditions for the repayment of a loan from NCTK Holdings International Limited, as previously communicated.

Having considered various alternative financing options, including the possibility of raising capital through a rights issue, the Board of Directors believes that the directed share issue is the most favourable option for the company and our shareholders, given the current and challenging market conditions.

I look forward to leading our passionate team in the technology and gaming sector through the next phase of our growth strategy in 2024. Supported by our flexible infrastructure and our strong foundation in innovative development, we are ready to continue this amazing journey. Let's approach this year together with energy and commitment.

Stockholm, 8 March 2024
Calvin Lim Eng Kiat
CEO

KEY FIGURES

THE GROUP'S KEY FIGURES (Million SEK)	**Q4 23**	**Q4 22**	**FY 23**	**FY 22**
Revenue	10.2	1.4	28.9	5.0
EBITDA	(5.6)	(8.9)	(41.1)	(31.8)
Operating loss	(9.3)	(10.8)	(59.0)	(37.6)
Loss for the period	(12.6)	(12.0)	(64.9)	(41.6)
Total assets	73.1	20.9	73.1	20.9
Net assets	36.9	0.1	36.9	0.1
Loss per share, SEK	(0.09)	(0.20)	(0.57)	(0.79)
Total number of shares	158,290,057	75,257,294	158,290,057	75,257,294
Average number of shares	137,389,969	60,947,673	114,040,814	52,524,093

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.
Average number of shares	The weighted average number of shares in issue during the reporting period.

FINANCIAL DEVELOPMENT

CONSOLIDATED NET SALES

Revenue for the fourth quarter of 2023 amounted to KSEK 10,245, representing a significant increase compared to the same period in 2022, when it was KSEK 1,427.

Revenue growth for the fourth quarter is 629%, marking a substantial increase compared to the same period in 2022.

CONSOLIDATED RESULT

Operating loss for the fourth quarter of 2023 amounted to KSEK (9,280), representing a decrease compared to the same period in 2022, when it was KSEK (10,799).

Total loss for the period for the fourth quarter 2023 amounted to KSEK (12,550) compared with (12,005) for the same period in 2022.

GROUP CASH FLOW

Net cash flow outflow from operations for Q4 2023 was KSEK (2,733) compared with KSEK (5,617) for Q4 2022. Net cash flow outflow from operations for FY 2023 was KSEK (26,019) compared with KSEK (33,740) for FY 2022.

The lower operating cash outflows reflecting the higher revenue performance partially offset by expansion of the business.

The closing cash balance of KSEK 8,962 compared with KSEK 341 primarily due to the new shares issued to NCTK Holdings International Limited, the receipt of the convertible loan less the repayment of all external borrowings and cash outflows from operation.

THE FINANCIAL POSITION OF THE GROUP

Shareholders equity and net assets as of the reporting date on 31 December were KSEK 36,855, compared to KSEK 104 at the end of 2022. This change was primarily due to the new shares issued, the receipt of convertible loan and offset by losses for the period.

RELATED PARTY TRANSACTIONS

Please refer to note 10 of these interim financial statements for the disclosures made in accordance with IAS 24 related party transactions.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(Thousands SEK)	Note	Q4 23	Q4 22	FY 23	FY 22
Revenue	3	10,245	1,427	28,864	5,023
Personnel costs	4	(5,389)	(5,253)	(33,613)	(17,545)
Amortisation, depreciation and impairment	4	(3,718)	(1,919)	(17,833)	(5,782)
Other operating expenses		(10,418)	(5,054)	(36,388)	(19,296)
Operating loss		**(9,280)**	**(10,799)**	**(58,970)**	**(37,600)**
Net Financing items		(3,149)	(1,206)	(5,809)	(3,972)
Taxation		(121)	-	(121)	-
Loss for the period		**(12,550)**	**(12,005)**	**(64,900)**	**(41,572)**
Other comprehensive income/ (expense)					
Foreign exchange upon consolidation		200	(25)	(750)	(39)
Total comprehensive loss for the period		**(12,350)**	**(12,030)**	**(65,650)**	**(41,611)**
Loss per share (basic and diluted)	5	**(0.09)**	**(0.20)**	**(0.57)**	**(0.79)**

All results are attributable to the parent company shareholders and are derived from continuing operations. This year-end financial report for the fourth quarter of 2023 is the Group's first financial 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 Appendix I. The Group's IFRS accounting policies are presented in Appendix II which will apply to the 2023 Annual report. 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		7,501	17,537	16,183
Tangible assets	6	15,798	-	-
Right of use lease assets	6	17,846	-	-
Investment in associates	7	16,256	-	-
Other non-current assets		4,670	387	3
		62,071	**17,924**	**16,186**
CURRENT ASSETS				
Trade and other receivables		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**
CURRENT LIABILITIES				
Trade payables		(3,075)	(2,271)	(1,114)
Accruals and other payables		(9,555)	(4,502)	(3,011)
Borrowings		(499)	(14,000)	(16,125)
Leases	6	(7,773)	-	-
		(20,902)	**(20,773)**	**(20,250)**
NON-CURRENT LIABILITIES				
Leases	6	(15,305)	-	-
TOTAL LIABILITIES		**(36,207)**	**(20,773)**	**(20,250)**
NET ASSETS		**36,855**	**104**	**1,084**
Share capital		3,166	1,505	898
Share premium		125,346	67,352	27,328
Shares to be issued	8	40,193	-	-
Translation reserve		(789)	(39)	-
Retained losses		(131,061)	(68,714)	(27,142)
SHAREHOLDERS EQUITY		**36,855**	**104**	**1,084**

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	Currency Translation	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	8	-	-	40,193	-	-	**40,193**
Shareholder contributions	8	-	-	-	-	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)	Q4 2023	Q4 2022	FY 2023	FY 2022
Loss for the period	(12,550)	(12,005)	(64,900)	(41,572)
Adjustments for non-cash items				
Amortisation, depreciation, and impairment	3,718	1,919	17,833	5,782
Share awards	-	-	12,960	-
Fair value charge on convertible bonds	1,094	-	2,553	-
Lease interest	450	-	751	-
Movements in working capital				
Decrease in trade and other receivables	584	2,767	702	212
Increase in trade and other payables	3,971	1,702	4,082	1,838
Net cash outflow from operating activities	**(2,733)**	**(5,617)**	**(26,019)**	**(33,740)**
Investing activities				
Sale of intangible assets	-	10,781	-	10,781
Deposits paid	-	-	(3,012)	-
Internal development costs capitalised	(2,030)	(809)	(2,030)	(6,892)
Capital expenditures	(659)	-	(12,986)	-
Acquisition of subsidiaries	-	-	-	(2,935)
Net cash (used)/ earned from investing activities	**(2,689)**	**9,972**	**(18,028)**	**954**
Financing activities		-		-
Proceeds from share issues	-	-	30,750	46,323
Share issue costs	-	-	(430)	(11,684)
Net movement in borrowings	-	(5,593)	(13,501)	(2,125)
Issue of convertible bonds	-	-	40,193	-
Lease rental payments	(1,999)	-	(3,795)	-
Net cash (outflow)/ inflow from financing activities	**(1,999)**	**(5,593)**	**53,217**	**32,514**
Foreign exchange on cash balances	(793)	(445)	(549)	(116)
Net increase / (decrease) in cash	**(8,214)**	**(1,683)**	**8,621**	**(388)**
Cash at beginning of period	17,176	2,024	341	729
Cash at end of period	**8,962**	**341**	**8,962**	**341**

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

NOTES TO THE YEAR END REPORT

1. PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. In addition, the Group applies the Swedish Annual Accounts Act and the Swedish Corporate Reporting Board's recommendation RFR 1, Supplementary Accounting Rules for Groups.

This year-end financial report for the fourth quarter of 2023 is the Group's first financial 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 appendix I to this report.

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards adopted for use in the European Union ("EU-IFRS" or "IFRS") and the interpretations of the International Financial Reporting Standards Interpretations Committee ("IFRIC"), as approved by the European Commission and in force as of 31 December 2023.

The consolidated financial statements have been prepared under the historical cost convention and the IFRS accounting policies have been applied consistently across all periods presented (refer to appendix II). The consolidated financial statements 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 in appendix 2, 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 event note.

Revenues:

During the year, the Group received upfront payments from contracts with new customers based in Asia 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 one year 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 one-year 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 (SEK 7.6m in 2022 and SEK 9.1m in 2021) 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, as detailed in note 4 to these interim financial statements.

3. REVENUE

(Thousands SEK)	Technology access fees		Royalties		Service fees		Total	
Recognition	Point in time		Point in time		Over service period			
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**
Asia	2,422	-	6,247	-	1,341	-	10,010	-
Europe	-	-	235	1,165	-	262	235	1,427
Oct - Dec	**2,422**	**-**	**6,482**	**1,165**	**1,341**	**262**	**10,245**	**1,427**

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. 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 3.10m (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.

4. MATERIAL NON-CASH ITEMS

For the full year 2023 Personnel costs included a special bonus of SEK 13.0m 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 payment via newly issued shares, aligning interests with other shareholders and resulting in a non-cash payment. Also 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 0.59m, was recognized this year.

5. LOSS PER SHARE

(Thousands SEK)	Q4 23	Q4 22	FY 23	FY 22
Loss for the period	(12,550)	(12,005)	(64,900)	(41,572)
Weighted average number of shares	137,389,969	60,947,673	114,040,814	52,524,093
Loss per share (basic and diluted)	**(0.09)**	**(0.20)**	**(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 8 Convertible Loans, note 10 Related Parties and note 11 Post Balance Sheet Events.

6. PROPERTY LEASE

On 1 August 2023 the Group entered into a finance lease for the studio in Taiwan and accordingly reflected a right of use 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
Tangible assets - Leasehold improvements	-	9,846	(1,368)	8,478
Tangible assets - Lease retirement obligations	-	4,937	(685)	4,252
	-	**35,510**	**(4,934)**	**30,576**

Corresponding to these assets 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.

Tangible assets on the consolidated balance sheet of SEK 15,798k agrees to tangible assets above after including computer equipment of SEK 3,068k not related to the property lease.

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**

7. 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. The company 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.

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
LL Games AB 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, accounts 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 10.

8. CONVERTIBLE LOANS

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 material 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 the 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 was fixed then 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 refer to note 11 post balance sheet events.

Furthermore, as the 1.5% interest terms are considered to represent beneficial related party terms, IFRS requires a fair value uplift of the interest charged on the convertible loan outstanding to be uplifted to a fair value which has been calculated as SEK 2,553,000 with reference to the interest rate on external loans that were settled in February 2023.

As the Group does not have to pay this value a capital contribution from the shareholder NCTK has also been reflected in reserves representing the value being received from NCTK of the preferential interest rate. The fair value charge of SEK 2,553,000 simultaneously increases the interest in the profit and loss.

9. CONDENSED PARENT COMPANY STATEMENTS

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

The 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.
- The parent company applies the exception in the application of IFRS 9 which concerns accounting and measurement of financial contracts of guarantee in favour of subsidiaries and associated companies. The parent company recognizes the financial contracts of guarantee as contingent liabilities.

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

Parent Company condensed profit and loss (Thousands SEK)	**Q4 23**	**Q4 22**	**FY 23**	**FY 22**
Revenues	13,799	614	17,609	4,930
Other operating expenses	(14,185)	(2,386)	(77,382)	(36,383)
Operating loss	**(386)**	**(1,772)**	**(59,773)**	**(31,453)**
Financial expenses	(853)	(1,772)	(2,243)	(3,415)
Loss before and after taxation	**(1,239)**	**(3,544)**	**(62,016)**	**(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.

9. CONDENSED PARENT COMPANY STATEMENTS (CONTINUED)

Parent Company condensed balance sheet (Thousands SEK)	**31 Dec 2023**	**31 Dec 2022**	**1 Jan 2022**
NON-CURRENT ASSETS			
Intangible assets	7,501	16,945	15,590
Tangible assets	15,180	-	-
Investments in Group undertakings and associates	18,104	596	596
Other non-current assets	2,449	33	3
	43,234	**17,574**	**16,189**
CURRENT ASSETS			
Trade and other receivables	885	2,231	4,271
Amounts owed from Group undertakings	10,526	5,215	2,210
Cash and cash equivalents	1,431	151	506
	12,842	**7,597**	**6,987**
TOTAL ASSETS	**56,076**	**25,171**	**23,176**
CURRENT LIABILITIES			
Trade and other payables	(7,937)	(5,821)	(3,489)
Borrowings	(458)	(9,500)	(15,600)
TOTAL LIABILITIES	**(8,395)**	**(15,321)**	**(19,089)**
NET ASSETS	**47,681**	**9,850**	**4,087**
Share capital	3,165	1,505	898
Share premium	125,346	67,352	27,328
Shares to be issued	40,193	-	-
Retained losses	(121,023)	(59,007)	(24,139)
TOTAL SHAREHOLDERS EQUITY	**47,681**	**9,850**	**4,087**

10. 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. 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 of 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.

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 7. The CEO of both entities sit on the reciprocal Board of the other entities. Furthermore, CYG paid the Group SEK 1,456m 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).

A special bonus to the previous CEO of SEK 12,959,689.80 in the form of a subsequent issue of shares which vested immediately and had no performance conditions.

11. 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 Issuance") to an existing shareholder and an external investor.

(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.

There is no other impact on amounts recognised in these financial statements as a result of the directed issue other than to increase share capital and premium and the corresponding cash balances when the transaction is executed.

EVOLUTION OF THE SHARE CAPITAL

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

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

APPENDIX I - TRANSISTION TO 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 periods 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 was 1 January 2022 at which point an opening IFRS balance sheet was prepared. The principal adjustments made by the Group in restating the comparative 2022 Swedish GAAP results were as follows.

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 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). First-time adopters can choose not to restate a past business combination that occurred prior to the date of transition, which was applied to the acquisitions of Latvia (2019), Denmark (2020), and Malta (2021) 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 in the Group until May and August 2023 respectively, then these were not converted to IFRS but rather initially accounted for in accordance with IFRS accounting policies (Appendix II) relevant to all transactions in the first full year that the Group is reporting under IFRS being the year-ending 31 December 2023.

APPENDIX II - SIGNIFICANT ACCOUNTING POLICIES

BASIS OF CONSOLIDATION OF SUBSIDARIES

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.

CONSOLIDATED SUBSIDIARIES	Hold	Country	Currency
LLG Tech SIA	100%	Latvia	EUR
LLG Consultancy Aps	100%	Denmark	DKK
Lady Luck Games Malta Holding Plc	100%	Malta	EUR
Lady Luck Games IP Ltd	100%	Malta	EUR
Lady Luck Games Ltd	100%	Malta	EUR
ReelNRG Limited	100%	UK	GBP
Patuz investments Limited	100%	Cyprus	USD
LL LUCKY GAMES AB (PUBL) Taiwan Branch	100%	Taiwan	TWD
LLG R&D PTE. Ltd	100%	Singapore	SGD
EQUITY ACCOUNTED ASSOCIATES			
CYG Pte Limited	20%	Singapore	USD

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.

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.

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.

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.

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 period 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.

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.

CAPITALIZED DEVELOPMENT COSTS

Capitalized development costs pertain to internally developed assets for the gaming portal and the technical platform. They are recognized at cost, including salaries and other personnel-related costs. 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.

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 period 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 This category 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.

Financial assets and liabilities measured at fair value through profit or loss Financial instruments in this category 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.

Financial instruments in this category 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.

Amortised cost is the initial value after adjustments for differences between the amount reported initially and the amount due when using the effective interest method. Financial assets are derecognised from the balance sheet when the right to receive cash flows from them has expired or been transferred and the Group has transferred nearly all risk and benefits associated with the ownership or is no longer in control of the assets.

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%).

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.

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 noncurrent 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 period 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 period 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 directly or indirectly are 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 any person above allowing them to exercise 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

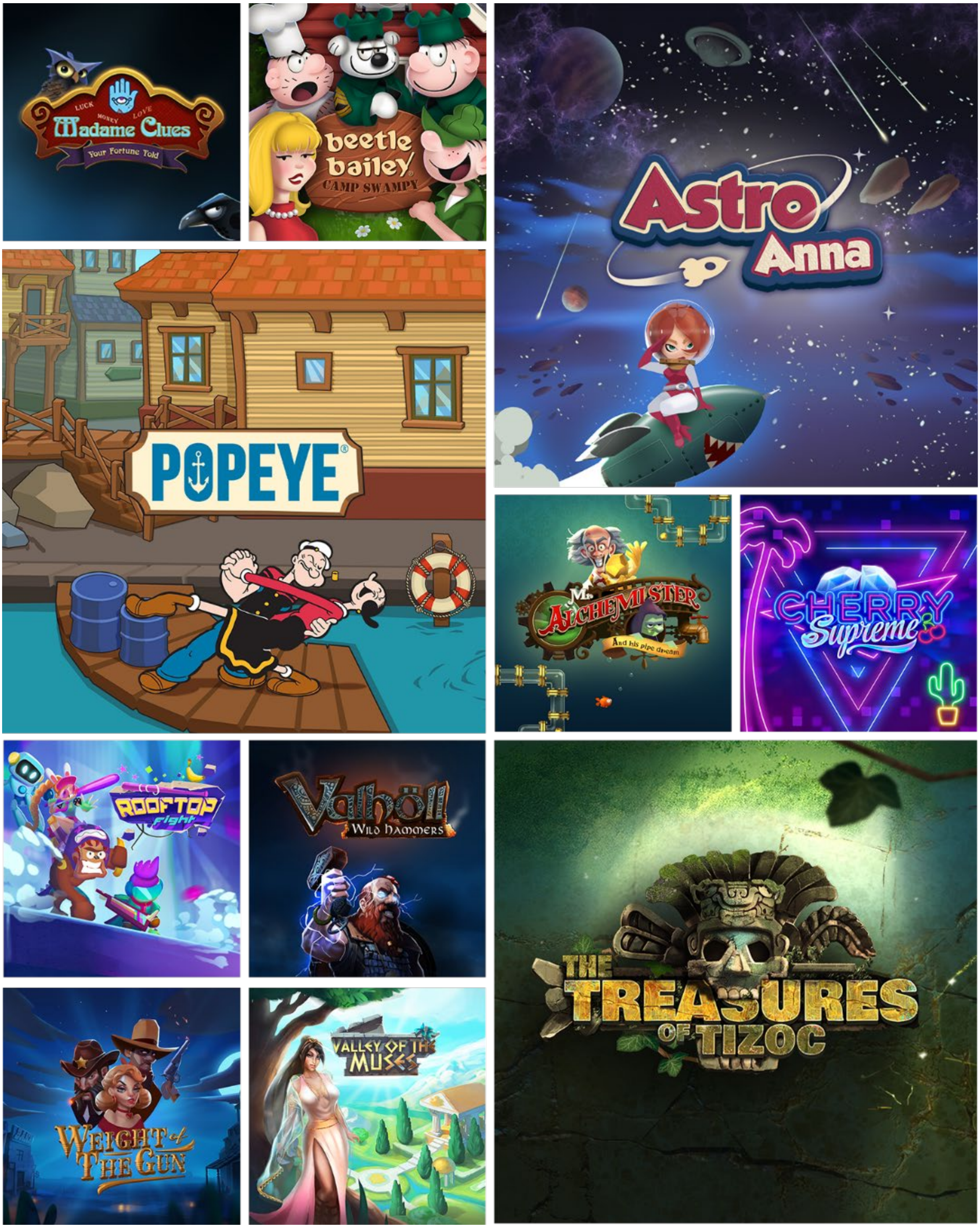
The following amendments issued by the IASB have been endorsed by the EU and have not been adopted by the group:

- 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.

GAME PORTFOLIO - PREMIUM SLOT GAMES

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



GAME PORTFOLIO – REEL NRG SLOT GAMES

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

STORM RGS

OTHER INFORMATION

ACCOUNTING PRINCIPLES

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

FUTURE REPORTING DATES

Annual Report 2023	May 24, 2024
Q1 2024	May 24, 2024
Annual General Meeting	June 17, 2024 - Financial reports for the general meeting will be available three weeks before the meeting takes place.
Q2 2024	August 23, 2024
Q3 2024	November 22, 2024
Q4 2024	March 7, 2025

Financial reports will be published on the company's website, ladyluckgames.io.

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STOCKHOLM, MARCH 8, 2024

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Board of Directors

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