Annual report and
Consolidated annual report

for

Cherry with Friends AB

559226–3981

Financial year
2024

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

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The Board of Directors and CEO of Cherry with Friends AB present the following annual report and consolidated financial statements for the financial year 2024-01-01 – 2024-12-31. The annual report is prepared in Swedish kronor, SEK. Unless otherwise stated, all amounts are reported in thousands of kronor (KSEK).

Director’s Report

Cherry with Friends AB, with company registration number 559226–3981, is a Swedish limited liability company based in Gothenburg.

General information

The parent company Cherry with Friends AB, owns and develops companies within the gaming and entertainment industry. The Group’s business operations include gaming operations and related activities. The parent company does not conduct any gaming operations itself. The Group operates both land-based and online gaming, with Sweden being the Group’s significantly largest and most important market. The subsidiaries also offer system solutions to other business partners.

Significant events during the Reporting period

In January 2024, the parent company acquired all shares in Gameday Group PLC. This acquisition broadened and strengthened the Group’s operations, and offers substantial growth opportunities in the online segment.

In March 2024, a new Group CEO was appointed.

In April 2024, the parent company repaid in full the loan from Nordea in order to improve the Group’s financial structure.

In May 2024, the Annual General Meeting approved a warrant program for the executive management, which was fully subscribed.

During the year, several new brands were launched by the Group’s subsidiaries.

Significant events after the Reporting period

In February 2025, the subsidiary Together Gaming Solutions PLC issued a new bond of 12,5 million EUR, which is guaranteed by Cherry with Friends AB as the parent company. The parent company undertakes the same obligations regarding future payments as the subsidiary. The new obligation carries a fixed interest rate of 6,25 percent and aims to further strengthen the Group’s long-term financial position. Refer to note 27 for further details.

Ownership structure

At the end of the year, the total number of registered shares in the parent company amounted to 26 682 801. The company had 44 shareholders as of the reporting date. The two largest shareholders by voting rights and capital were *New Berrie AB*, holding 54,5 percent of the outstanding shares and votes, and *Inter Leisure i Göteborg Invest AB*, holding 18,1 percent of the shares and votes.

Multi-year summary

	Group				
(KSEK)	**2024**	**2023**	**2022**	**2021**	**2020***
Net sales	471 791	173 692	169 095	93 145	117 707
Profit/loss after financial items	-14 995	3 104	6 252	-2 575	-4 136
Operating margin (%)	-0,10%	3,20%	4,50%	-0,20%	-2,50%
Total assets	415 560	120 651	83 276	84 666	80 798
Equity ratio incl. shareholder loans (%)	29	40	31	25	29
Number of employees	174	141	131	76	101

* refers to period from 2019-11-12 to 2020-12-31

	Parent company				
(KSEK)	**2024**	**2023**	**2022**	**2021**	**2020***
Net sales	1 818	-	-	-	-
Profit/loss after financial items	-5 262	-8 249	-4 897	-1 956	-1 138
Operating margin (%)	-	-	-	-	-
Total assets	271 838	103 333	95 008	80 265	80 213
Equity ratio incl. shareholder loans (%)	52	48	47	42	37
Number of employees	1	1	-	-	-

* refers to period from 2019-11-12 to 2020-12-31

Financial position

As of the balance sheet date, the Group's equity amounted to 87 684 (18 730) thousand SEK, corresponding to 3,29 (0,94) SEK per share. Return on equity was -17 (17) percent.
The equity ratio at year-end was 21 (16) percent.

Outstanding bond loans were reported at 169 159 (0) thousand SEK and bank loans at 0 (9 850) thousand SEK. In addition, interest-bearing shareholder loans amounted to 33 695 (29 023) thousand SEK, and interest-bearing tax liabilities to 22 046 (25 339) thousand SEK.

Cash and cash equivalents totalled 125 327 (24 837) thousand SEK, and government bond investments amounted to 57 014 (0) thousand SEK.
The player liability, including reserved jackpots, amounted to 13 621 (0) thousand SEK. In accordance with current gaming licenses, the Group's gaming companies reserve a portion of their liquidity to cover player liabilities and accumulated jackpots.

Short-term receivables from payment providers for unsettled customer deposits amounted to 31 628 (0) thousand SEK.

Outlook

The gross gaming yield of the total global gaming market (offline and online) is estimated at approximately 544 billion EUR for 2024. The online segment is expected to reach around 149 billion EUR in 2024, growing at an average annual rate of 12 percent through 2029. The online share of the total market is expected to rise from 27 percent in 2024 to 36 percent by 2029 (source: H2GC, January 2025).

Cherry with Friends AB's subsidiaries operate under gaming licenses in Malta and Sweden, with more than 90 percent of the Group's revenue in 2024 originating from the Swedish market.

In Sweden, the online gaming market grew by 5 percent during 2024 to 13 billion SEK. The growth is expected to continue in the coming years, though the growth rate is likely to slow. The land-based market has decreased due to the closure of state-owned Casino Cosmopol. However, the restaurant casino segment, in which the subsidiary Cherry Spelglädje AB operates, has benefitted from reduced competition and is expected to grow in line with the restaurant industry.

Risk and Risk management

Cherry with Friends AB is exposed to various risks categorised as Strategic Risks, Operational Risks, Compliance Risks, and Financial Risks.

Strategic Risks

Regulatory Risk - Changes in regulation may hinder the ability to operate a profitable business, due to, for example, high tax levels and/or extensive restrictions on products and marketing.

The Group actively engages with industry associations and policymakers at various levels to promote legislation that both protects consumers and supports the liberalisation of highly channelled markets.

Reputational Risk - Damage to the reputation of either the industry as a whole or the Cherry with Friends Group specifically may negatively affect the Group's financial position and investor interest. A significant risk factor includes allegations or the potential for mismanagement of ESG-related issues, whether industry-wide or specific to Cherry with Friends.
The Group considers this a critical issue and addresses the risk by striving to conduct its operations responsibly and sustainably.

Match-Fixing Risk - There is a risk that manipulated sporting events may undermine trust in the industry. Furthermore, there is a risk that Cherry with Friends' sportsbook offering could be misused for betting on manipulated events.

The Group uses both internal and external systems and processes, in close cooperation with sportsbook suppliers, to detect instances of match-fixing.

Payment-Related Risks – The Group's operations depend on multiple payment solutions, some of which involve complex transaction processes. This introduces risks, such as counterparty risk or service disruptions, which may affect the timely and efficient processing of deposits and withdrawals to and from player accounts.

Industry and Competitive Risks - The Group's strategy is heavily focused on the Swedish market. Unforeseen developments outside Cherry with Friends' control, as well as intense competition, may result in failure to meet expected outcomes.

The Group continuously works to ensure its strategy remains up to date and fit for the current business environment, and invests significantly in both personnel and technology—key pillars for the successful execution of its strategy. These investments equip employees with the necessary knowledge, experience, and tools, and provide the technical support needed to reach strategic goals.

Operational Risks

Business Continuity and IT Disaster Recovery - There is a risk that external or internal events could disrupt Cherry with Friends' operations.

The Group has implemented systems, processes, and routines aimed at strengthening resilience to such risks. In addition, cloud services and scalable software solutions are used to support growth while maintaining IT security.

High Employee Turnover and Loss of Key Talent - The lack of skilled professionals in key areas of the gaming industry is exacerbated by rising employee expectations and external changes. This may lead to high turnover and challenges in retaining specialized expertise.

The Group mitigates this risk through a comprehensive HR program and continuous efforts to ensure employee engagement, safety, and well-being.

Data Privacy and Information Risk - There is a risk of unauthorized use, disruption, alteration, or destruction of data, compromising core aspects of information security: confidentiality, integrity, and availability.

The Group works continuously to maintain high standards in this area.

Technological Innovation and Organizational Maturity - The acquisitions of Cherry Spelglädje AB and Gameday Group PLC have led to a more complex organization. Processes and practices must evolve in line with the Group's growth.

The Group continuously develops and improves internal procedures and ways of working.

Third-Party Risk - In today's interconnected business landscape, it is essential to rely on third-party suppliers and partners to deliver critical services and products. While these relationships are beneficial and often necessary, they also entail potential operational and sustainability-related risks.

Cherry with Friends has taken measures to ensure that third-party providers comply with the Group's standards and regulatory requirements.

Compliance Risks

Compliance with Existing and Emerging Laws and Regulations, including Licensing Requirements - Cherry with Friends operates in a complex and evolving regulatory landscape. Regulatory requirements are increasing in areas such as consumer protection (e.g., responsible gaming, marketing, bonuses), data protection (GDPR), anti-money laundering, counter-terrorism financing, and anti-corruption.

Significant resources and time are continuously invested to ensure compliance with applicable regulations across all markets where the Group holds licenses or otherwise operates.

Legal Risk - Risk of loss, reputational harm, or other adverse consequences due to:
a) Incorrect transactions,
b) Claims from players, suppliers or other parties, or other events leading to liability or loss (e.g., contract termination),
c) Failure to take appropriate measures to safeguard assets, or
d) Changes in laws.

The Group devotes considerable time and resources to ensure legal compliance and to actively manage and mitigate legal risks.

Financial Risks

Financial Risk - Risks arising from ineffective financial management or external financial factors.

The Group works continuously to minimize financial risks. For further details, refer to Note 24 of this report.

Tax Risk - Many entities within the Group operate in a complex and dynamic environment, subject to both general and industry-specific tax rules. Changes in tax laws or their interpretation may impact Cherry with Friends' tax handling and thereby adversely affect the Group's results and financial position.

The Group actively monitors developments and maintains a dialogue with tax authorities and policymakers.

Proposed appropriation of earnings

The Board of Directors propose for the annual meeting 2024 that the following earnings available for appropriation

Retained earnings	16 057 286
Shared premium reserve	85 902 461
Net profit for the year	6 328 158
	108 287 905

be allocated so that the full amount is carried forward:	108 287 905
	108 287 905

Consolidated Income statement

KSEK	Note	2024	2023	2021
Net sales	4	471 791	173 692	93 145
Other operating income	5	3 819	2 073	11 903
Total operating income		**475 610**	**175 765**	**105 048**
Operating expenses				
Cost of services rendered		-205 971	-74 793	-47 804
Other external expenses	6	-146 484	-13 052	-4 830
Personnel costs	7	-99 357	-76 452	-41 672
Depreciation/amortisation and write-offs of fixed assets	12,13,14	-20 462	-5 964	-4 347
Other operating expenses	5	-3 878	-	-
Total operating expenses		**-476 151**	**-170 261**	**-98 653**
Operating profit		**-541**	**5 504**	**6 395**
Interest income and similar P/L items	8	2 423	271	-
Interest expenses and similar P/L items	8	-16 877	-2 671	-2 529
Profit/loss from financial items		**-14 454**	**-2 400**	**-2 529**
Profit before tax		**-14 995**	**3 104**	**3 866**
Tax on profit for the year	9	-2 628	-762	-803
Profit for the year		**-17 624**	**2 342**	**3 063**
Attributable to:				
Parent company shareholders		-10 692	2 803	3 063
Non-controlling interest		-6 932	-461	-
		-17 624	**2 342**	**3 063**

Consolidated Statement of other Comprehensive Income

KSEK	2024	2023	2021
Profit/loss for the year	**-17 624**	**2 342**	**3 063**
Other comprehensive income:			
Exchange rate difference when translating foreign operations	608	-	-
Comprehensive income for the year	**-17 016**	**2 342**	**3 063**
Attributable to			
Parent company shareholders	-10 084	2 803	3 063
Non-controlling interest	-6 932	-461	-

Consolidated Balance sheet

(KSEK)	Note	2024-12-31	2023-12-31	2021-12-31
ASSETS				
Fixed assets				
Intangible fixed assets	11,12	199 037	81 253	64 796
Right-of-use assets	13	6 457	3 646	5 620
Tangible fixed assets	14	3 080	2 345	2 320
Deferred tax assets	9	122	549	-
Other non-current assets	15	3 793	-	-
Total fixed assets		**212 489**	**87 793**	**72 736**
Current assets				
Trade receivables	16	3 502	1 375	2 500
Current tax receivables	17	4 257	-	-
Other current receivables	17	6 016	-	-
Prepaid expenses and accrued income	18	6 954	1 188	2 656
Other short-term investments	17	57 014	5 458	-
Cash and cash equivalents	19	125 327	24 837	25 027
Total current assets		**203 070**	**32 858**	**30 183**
TOTAL ASSETS		**415 560**	**120 651**	**102 919**
EQUITY				
Equity				
Share capital		267	200	200
Capital contribution		85 902	4 000	4 000
Reserves		608	-	
Retained earnings incl. profit for the year		8 280	14 972	1 901
Non-controlling interest		-7 374	-442	-
Total equity		**87 684**	**18 730**	**6 101**
LIABILITIES				
Long-term liabilities				
Liabilities to credit institutions	21,24	-	1 970	17 730
Lease liabilities	24	4 866	1 515	3 775
Other long-term liabilities	21,24	216 868	29 023	27 723
Deferred tax liabilities		-	-	23
Total long-term liabilities		**221 734**	**32 508**	**49 251**
Current liabilities				
Liabilities to credit institutions	21	-	7 880	7 880
Lease liabilities	24	1 705	1 725	1 735
Trade payables	24	32 366	1 123	908
Current tax liabilities	9	7 485	2 689	22
Other current liabilities	22	30 089	33 954	11 272
Accrued expenses and deferred income	23	34 497	22 042	25 750
Total current liabilities		**106 142**	**69 413**	**47 567**
TOTAL EQUITY AND LIABILITIES		**415 560**	**120 651**	**102 919**

Consolidated Statement of Changes in Equity

	Attributable to parent company shareholders					
	Share capital	Capital contrib.	Translation reserves	Retained earnings and P/L for the year	Non-controlling interest	Total equity
Equity 2021-01-01	**200**	**4 000**		**-1 162**	**-**	**3 038**
Profit or loss for the year				3 063	-	3 063
Total comprehensive income	**-**	**-**		**3 063**	**-**	**3 063**
Equity 2021-12-31	**200**	**4 000**	**-**	**1 901**	**-**	**6 101**
Equity 2023-01-01	**200**	**4 000**		**12 169**	**-**	**16 369**
Profit or loss for the year				2 803	-461	2 342
Change through acquisitions					19	
Total comprehensive income	**-**	**-**		**2 803**	**-442**	**2 361**
Equity 2023-12-31	**200**	**4 000**	**-**	**14 972**	**-442**	**18 730**
Equity 2024-01-01	**200**	**4 000**		**14 972**	**-442**	**18 730**
Profit or loss for the year			-	-10 692	-6 932	-17 624
Exchange rate difference when translating foreign operations			608			608
Total comprehensive income	**-**	**-**	**608**	**-10 692**	**-6 932**	**-17 016**
Transactions with shareholders						
Premiums paid for warrants		1 766				1 766
Reclass. of shareholder contribution to liabilities		-4 000		4 000		-
New share issue	67	84 136		-		84 203
Total Transactions with shareholders	**67**	**81 902**	**-**	**4 000**	**-**	**85 969**
Equity 2024-12-31	**267**	**85 902**	**608**	**8 280**	**-7 374**	**87 684**

Consolidated Statement of Cash flows

KSEK	Note	2024-01-01 2024-12-31	2023-01-01 2023-12-31	2021-01-01 2021-12-31
Cash flow from operating activities				
Operating profit		-541	5 504	6 395
Adjustments for non-cash items				
- Reversal of depreciation/amortisation		20 462	5 964	4 347
- Other non-cash items		-	-2 400	-
Interest received		2 423	-271	-
Interest paid		-6 458	2 671	-1 150
Income tax paid		-4 967	-738	-3 419
Cash flow from operating activities before change in working capital		**10 918**	**10 730**	**6 173**
Cash flow from change in working capital				
Change in current operating receivables		-13 196	-3 103	1 681
Change in current operating liabilities		6 442	19 339	16 297
Total cash flow from change in working capital		**-4 988**	**16 236**	**17 978**
Cash flow from operating activities		**5 930**	**26 966**	**24 151**
Cash flow from investing activities				
Investments in intangible fixed assets		-1 721	-1 972	-535
Investments in tangible fixed assets		-2 735	-1 337	-1 075
Investments in shares in subsidiaries		167 664	19	-
Investments in financial fixed assets		-57 014	-	-
Interest received		-	-	-
Cash flow from investing activities		**106 194**	**-3 019**	**-1 610**
Cash flow from financing activities				
Repayment of bank loans		-9 850	-7 880	-7 880
Amortisation of lease liabilities		-1 953	-2 171	-1 809
Warrants		1 766	-	-
New share issue		67	-	-
Interest paid on loans		-	-1 792	-
Cash flow from financing activities		**-11 737**	**-11 842**	**-9 689**
Cash flow for the year		**100 387**	**12 105**	**12 852**
Cash and cash equivalents at beginning of year		24 837	12 732	12 175
Exchange rate differences		103	-	-
Cash and cash equivalents at end of year		**125 327**	**24 837**	**25 027**

Parent company Income statement

KSEK	Note	2024	2023
Net sales	29	1 818	656
Other operating income		-	37
Total operating income		**1 818**	**693**
Operating expenses			
Cost of goods sold		-8	-1
Other external expenses	30	-3 739	-5 858
Personnel costs	31	-1 989	-1 656
Depreciation/amortisation and write-offs of tangible fixed assets		-24	-18
Depreciation/amortisation and impairment of financial fixed assets		200	-200
Other operating expenses		-3	-
Total operating expenses		**-5 562**	**-7 733**
Operating profit		**-3 745**	**-7 041**
Interest income and similar P/L items	32	2 805	113
Interest expenses and similar P/L items	33	-4 322	-1 521
Profit/loss from financial income and expenses		**-1 517**	**-1 408**
Appropriations	34	13 218	13 261
Profit before tax		**7 957**	**4 812**
Tax on profit for the year	35	-1 628	-1 077
Profit for the year		**6 328**	**3 735**

Parent company Balance sheet

KSEK	Note	2024-12-31	2023-12-31
ASSETS			
Fixed assets			
Tangible fixed assets	**36**		
Fixtures and fittings, leased property		10	21
Machinery and equipment		19	32
Total tangible fixed assets		**29**	**53**
Financial fixed assets			
Participation in group companies	37	184 811	88 006
Long-term receivables from group companies	39,49	44 728	13 821
Total financial fixed assets		**229 538**	**101 827**
Total fixed assets		**229 568**	**101 880**
Current assets			
Current receivables			
Short-term receivables from group companies	49	36 306	-
Other current receivables	40	1 926	-
Prepaid expenses and accrued income	41	689	882
Total current receivables		**38 921**	**882**
Cash and cash equivalents	42	3 350	371
Total current assets		**42 271**	**1 253**
TOTAL ASSETS		**271 838**	**103 133**

Parent company Balance sheet, cont.

KSEK	Note	2024-12-31	2023-12-31
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	43	267	200
Total restricted equity		**267**	**200**
Non-restricted equity			
Share premium reserve		85 902	-
Shareholder contributions received	20	-	4 000
Retained earnings		16 057	12 322
Profit for the year		6 328	3 735
Total non-restricted equity		**108 288**	**20 057**
Total equity		**108 555**	**20 257**
Liabilities			
Long-term liabilities	**44**		
Liabilities to credit institutions		-	1 970
Liabilities to group companies	49	119 498	35 828
Other long-term liabilities		33 695	29 023
Total long-term liabilities		**153 193**	**66 821**
Current liabilities			
Accounts payable	48	490	14
Liabilities to credit institutions	44	-	7 880
Liabilities to group companies	48,49	4 698	2 878
Current tax liabilities		1 287	3 393
Other current liabilities	48	22	44
Accrued expenses and deferred income	48	3 593	1 845
Total current liabilities		**10 090**	**16 055**
TOTAL EQUITY AND LIABILITIES		**271 838**	**103 133**

Parent company Statement of changes in equity

	Share capital	Share premium reserve	Retained earnings and P/L for the year	Shareholder contributions	Total equity
Equity 2023-01-01	**200**	**-**	**12 322**	**4 000**	**16 522**
Profit or loss for the year			3 735		3 735
Equity 2023-12-31	**200**	**-**	**16 057**	**4 000**	**20 257**

	Share capital	Share premium reserve	Retained earnings and P/L for the year	Shareholder contributions	Total equity
Equity 2024-01-01	**200**	**-**	**16 057**	**4 000**	**20 257**
Reclass. to liabilities				-4 000	-4 000
New share issue	67	84 136			84 203
Premiums paid for warrants		1 766			1 766
Profit or loss for the year			6 328		6 328
Equity 2024-12-31	**267**	**85 902**	**22 386**	**-**	**108 555**

Parent company Statement of cash flows

KSEK	Note	2024-01-01 2024-12-31	2023-01-01 2023-12-31
Cash flow from operating activities			
Profit before tax		7 957	4 812
Adjustments for non-cash items		24	1 625
Income tax paid		-3 694	-377
Group contributions received not paid		-13 218	-13 261
Cash flow from operating activities before change in working capital		**-8 932**	**-7 200**
Cash flow from change in working capital			
Change in current operating receivables		-14 927	-607
Change in current operating liabilities		12 946	3 859
Cash flow from operating activities		**-10 913**	**-3 948**
Cash flow from investing activities			
Investments in shares in subsidiaries		-7 918	-5 581
Investments in property, plant and equipment		-	-40
Issuance and repayment of loans to group companies		-	-2 221
Interest received		-	113
Cash flow from investing activities		**-7 918**	**-7 729**
Cash flow from financing activities			
Warrants		1 766	-
Change in liabilities		29 892	-1 521
Repayment of loans		-9 850	-169
Group contributions received (given)		-	13 261
Cash flow from financing activities		**21 808**	**11 571**
Cash flow for the year		**2 978**	**-106**
Cash and cash equivalents at beginning of year		371	477
Cash and cash equivalents at end of year		**3 350**	**371**

Notes for the Group

Note 1 General information

The parent company, Cherry with Friends AB, with company registration number 559226–3981, is a Swedish limited liability company based in Gothenburg. The head office is located at Fürstenbergsgatan 4, SE-416 64 Gothenburg. The consolidated financial statements for the year 2024 comprise the parent company and its subsidiaries, collectively referred to as the Group.

Cherry with Friends AB owns and develops companies in the gaming and entertainment industry. The Group's business operations consist of gaming operations, both land-based and online, and related services. The parent company itself does not conduct any gaming operations. The Swedish market is the Group's largest and most important market. Through its subsidiaries, the Group also provide system solutions to various business partners.

The annual and consolidated financial statements were approved for issue by the Board of Directors and the CEO on June 11th, 2025. The Group's income statement, statement of comprehensive income, and statement of financial position, as well as the parent company's income statement and balance sheet, will be subject to adoption at the Annual General Meeting on June 27th, 2025.

Note 2 Accounting principles

2.1 Basis of Preparation

Statement of Compliance
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the interpretations issued by the IFRS Interpretations Committee (IFRS IC) as adopted by the European Union (EU). Additionally, the Swedish Financial Reporting Board's recommendation RFR 1 "Supplementary Accounting Rules for Groups" has been applied.

Reporting currency
The parent company's functional and reporting currency is Swedish kronor (SEK), which is also the reporting currency for the Group. Unless otherwise stated, all amounts in the financial statements are presented in thousands of Swedish kronor (KSEK).

Foreign currency transactions are translated into the functional currency at the exchange rate prevailing on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate prevailing on the balance sheet date. Exchange differences arising from the settlement or translation of such items are recognised in profit or loss.

Principles for preparation of the Consolidated Annual Accounts
The consolidated financial statements are prepared on the basis that the Group will continue to operate as a going concern. Assets and liabilities are measured at historical cost, except for financial assets and liabilities that are measured at fair value through profit or loss.

The preparation of annual accounts in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Group's accounting policies and in determining the reported amounts of assets, liabilities, income, and expenses. For areas involving a high degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, estimates are made based on historical experience and other factors considered reasonable under the circumstances.

The financial statements have been prepared in accordance with IAS 1 Presentation of Financial Statements, which includes the preparation of separate statements of profit or loss, other comprehensive income, financial position, changes in equity and cash flows, as well as disclosure of applied accounting policies and notes.

The Group applies the gross accounting method for recognising assets and liabilities, as well as income and expenses, unless otherwise specified. Net accounting is applied only when required or explicitly permitted by IFRS.

Basis for Consolidation
The consolidated annual report includes the parent company and all subsidiaries in which the Group holds more than 50 percent of the shares or otherwise exercises control. Control means that Cherry with Friends AB is exposed to returns from the subsidiary and can influence those returns through its power over the company. Subsidiaries are included in the consolidated financial statements from the date control is obtained and excluded from the date control ceases.

All intra-group transactions and balances are eliminated in the consolidation.

Classification of Assets and Liabilities
An asset is classified as current if it is held primarily for trading purposes, if it is expected to be realised within twelve months after the reporting period, or if it consists of cash or cash equivalents with no restrictions regarding conversion or use for settling a liability beyond twelve months after the balance sheet date. All other assets are classified as fixed.

A liability is classified as current if it is held primarily for trading purposes, if it is due within twelve months of the balance sheet date, or if the company does not have an unconditional right to defer settlement for at least twelve months after the balance sheet date. All other liabilities are classified as fixed.

Rounding
Due to rounding, the totals in the financial statements may in some cases differ slightly from the sum presented, and percentage figures may deviate from the exact calculated percentages.

2.2 Changes in Accounting Policies

New standards and interpretations applied from 1 January 2024
A limited number of amendments to existing IFRS standards and IFRIC interpretations became effective for the financial year 2024. None of these amended standards or interpretations have had a material impact on the Group's financial position, performance, or disclosures.

New standards and interpretations effective from the financial year beginning 1 January 2025
No newly issued IFRS standards or IFRIC interpretations are expected to have a material impact on the Group's financial position or performance in the financial year 2025. No newly issued IFRS standards or IFRIC interpretations have been early adopted.

2.3 Summary of Significant Accounting Policies

Revenue from contracts with customers
The Group recognises revenue in accordance with IFRS 15 *Revenue from Contracts with Customers*. Revenue represents the fair value of the consideration received or receivable for services rendered in the ordinary course of business of the Group and the parent company. The Group's revenues primarily arise from gaming operations, which are reported net of customer stakes less winnings paid out.
The parent company's revenue consists of management fees charged to subsidiaries for administrative and strategic services provided.

Revenue is recognized when the Group has fulfilled its performance obligations agreed upon with the customer and control has been transferred to the customer. Revenue from gaming operations is recognised at the point the stake is placed, which is deemed to be the point at which control has transferred, and the service has been delivered.

Payment terms
The Group's revenues mainly comprise income from the sale of services to businesses and directly to end consumers. Corporate clients are generally invoiced on fifteen (15) day payment terms, while end consumers are subject to immediate payment.

Other revenues include income from cooperation agreements with external partners.

Dividend income
Dividend income is recognised when the right to receive the dividend has been established. Any such income is presented separately in the income statement.

Government grants
Government grants are recognised when there is reasonable assurance that the company will comply with the conditions attached to the grant and that the grant will be received. Government grants that are not subject to any future performance obligations are recognised as other income when the conditions for receipt are met.

Financial income
Financial income consists of interest income and is recognised in accordance with IFRS 9. Interest income is recognised when it is probable that the economic benefits associated with the transaction will flow to the company and the amount can be measured reliably. Interest income is accrued over the term of the related receivable using the effective interest method.

Financial expenses
Financial expenses comprise interest expenses related to borrowings and lease liabilities, in accordance with IFRS 9 and IFRS 16 respectively. Interest expenses are recognised in the income statement using the effective interest method.

Segment Reporting
Operating segments are reported in a manner consistent with the internal reporting and monitoring of the Group. An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, and for which discrete financial information is available. See Note 4 for further details regarding the Group's segment structure.

Employee Benefits
Employee benefits are recognised in accordance with IAS 19 and refer to all forms of compensation provided by the company to its employees. These benefits include salaries and other compensation, paid vacation, paid leave, bonuses, and post-employment benefits such as pension contributions. Employee benefits are recognised as an expense in the income statement and as a liability in the balance sheet when there is a legal or constructive obligation to provide such benefits because of a past event, and when the amount can be reliably estimated.

Warrants
The company has issued warrants to senior executives during the year.

Cherry with Friends AB's 2024/2027 warrant program includes 1 919 561 warrants distributed among fifteen (15) senior executives, entitling the holder to subscribe for one (1) share per warrant. If fully allocated and exercised, the number of shares will increase by 1 919 561, corresponding to a 7,194 percent increase based on the current number of shares (26 682 801).

The price per warrant is 0,92 SEK, and at full subscription, Cherry with Friends AB will receive 1 765 996 SEK. Each warrant entitles the holder to subscribe for one share in Cherry with Friends AB during the period from May 3, 2027, to June 1, 2027, at a subscription price of 8,45 SEK. Full allocation and subscription will generate 16 220 288 SEK for Cherry with Friends AB.

Income Taxes
Total tax comprises current tax and deferred tax. Taxes are recognised in the income statement except where the underlying transaction is recognised directly in equity, in which case the associated tax effect is also recognised in equity.

Current tax refers to income tax for the current financial year as well as adjustments to income tax for previous years not yet recognised. Current tax is calculated based on the tax rate applicable on the balance sheet date.

Deferred tax refers to income tax attributable to future financial years resulting from past events. It is recognised using the balance sheet method, whereby deferred tax liabilities and deferred tax assets are recognised for temporary differences arising between the carrying amounts and tax bases of assets and liabilities, as well as for other tax deductions or losses carried forward.

Deferred tax assets are offset against deferred tax liabilities only when they relate to income taxes levied by the same taxation authority and the Group has a legal right of offset.
Deferred tax is calculated using the tax rates that are enacted or substantively enacted at the balance sheet date. The impact of changes in applicable tax rates is recognised in profit or loss in the period in which the change is enacted. Deferred tax assets are classified as non-current financial assets and deferred tax liabilities as provisions.

Deferred tax assets relating to tax loss carry-forwards or other future tax deductions are recognised to the extent that it is probable they can be utilised against future taxable profits.

Untaxed Reserves and Appropriations
Due to the relationship between accounting and taxation, deferred tax liability related to untaxed reserves is not reported separately.

Foreign Currency Translation
The financial statements of foreign subsidiaries are translated into Swedish kronor, as this is the functional currency of the parent company. Both the parent company's and the Group's reporting currency is Swedish kronor. Income statements are translated at the average exchange rate for the period, while balance sheets are translated at the closing exchange rate on the balance sheet date. Exchange differences are recognised in the income statement when they arise.

Exceptions are as follows:
- All fair value adjustments arising from the acquisition of a foreign subsidiary—such as goodwill and other intangible assets—are considered to belong to the respective subsidiary and are therefore recognised in the subsidiary's local currency. These items are translated at the closing exchange rate on the balance sheet date. Translation differences are recognised in other comprehensive income and accumulated in the translation reserve within equity. Upon disposal of a subsidiary, the accumulated translation differences are reclassified to the income statement.

Business Combinations and Goodwill
Business combinations are accounted for using the acquisition method. In a business combination, consolidated goodwill is recognised as the amount by which the cost of acquisition exceeds the fair value of the Group's share of the acquired subsidiary's identifiable net assets (including previously unrecognised intangible assets) and liabilities (including contingent liabilities), all measured at fair value. Goodwill arising on acquisitions of subsidiaries is recognised as an intangible asset. Goodwill is determined in the local currency of the acquired entity and is recognised at cost less any accumulated impairment losses. Acquisition-related costs are expensed as incurred in the period's profit or loss.

Intangible assets
An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets consist of both acquired and internally developed intangible assets.
Intangible assets are recognised in accordance with IAS 38 Intangible Assets when it is probable that the expected future economic benefits attributable to the asset will flow to the Group, and the cost of the asset can be measured reliably.

Goodwill
Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the acquisition date. Goodwill arising from the acquisition of subsidiaries is recognised as an intangible asset.

Separately recognised goodwill is tested annually for impairment and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains or losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Other intangible assets
In addition to goodwill, the Group's intangible assets mainly consist of acquired gaming agreements and domain names.

Intangible assets are initially recognised at cost. Cost includes the purchase price and any directly attributable costs necessary to prepare the asset for its intended use. After initial recognition, all the Group's intangible assets are measured at cost less accumulated amortisation and/or impairment losses. Amortisation is recognised on a straight-line basis over the asset's estimated useful life, starting from the date the asset is available for use. The amortisation rates for intangible assets with finite useful lives are as follows:

Gaming agreements and concessions	3–5 years
Domain names	5–10 years

Intangible assets are derecognised from the balance sheet upon disposal or when no future economic benefits are expected from their use or disposal. Any gain or loss arising from the derecognition of an intangible asset is calculated as the difference between the net disposal proceeds and the carrying amount of the asset, and is recognised in profit or loss in the period in which the asset is derecognised.

Leases
The Group acts solely as a lessee and accounts for lease agreements in accordance with IFRS 16.
A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. For lease contracts with a lease term of 12 months or less, or where the underlying asset is of low value, IFRS 16 is not applied. Lease payments for such leases are recognised as an expense on a straight-line basis over the lease term.

Right-of-use assets and liabilities arising from lease contracts are initially recognised at the present value of future lease payments. Lease liabilities include the present value of fixed lease payments and variable lease payments that depend on an index or rate, payable during the lease term. The lease term is determined as the non-cancellable period of the lease, together with periods covered by an extension or termination option if the Group is reasonably certain to exercise such options. Lease payments are discounted using the interest rate implicit in the lease if readily determinable; otherwise, the Group's incremental borrowing rate at the lease commencement date is used.

Leases are recognised as right-of-use assets and a corresponding financial liability. Depreciation of right-of-use assets is recognised in operating profit, while interest on the lease liability is recognised as a financial expense over the lease term. The Group is also exposed to future increases in variable lease payments based on an index, which are not included in the lease liability until they become effective.

When a variable payment becomes effective, the lease liability is remeasured and the right-of-use asset is adjusted by the same amount. Lease liabilities are also remeasured due to modifications or changes in the lease term.

Tangible fixed assets

Property, plant and equipment are tangible assets used in the Group's operations, with a useful life exceeding one year. They are recognised at acquisition cost less accumulated depreciation. Acquisition cost includes all expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating as intended.

Depreciation and write-offs

Tangible fixed assets are depreciated on a straight-line basis over their estimated useful lives. Depreciation begins when the asset is put into use. Assets are derecognised from the balance sheet upon disposal or when no future economic benefits are expected from their use or disposal. Residual values and useful lives are reviewed annually and adjusted if necessary. An asset's carrying amount is immediately written down to its recoverable amount if it exceeds the estimated recoverable amount. The recoverable amount is the higher out of the asset's fair value less costs of disposal and its value in use. Write-offs are recognised in the income statement.

Gains or losses on disposal are calculated as the difference between the sales proceeds and the asset's carrying amount. These are recognised in the income statement in the period in which the asset is disposed of, as other income or other expense. Tangible assets in the Group consist of leasehold improvements and equipment as specified below. Low-value and short-term equipment is expensed as incurred. See Note 14 for further information.

Depreciation periods for property, plant and equipment:

Leasehold improvements	3 years
Fixtures and gaming equipment	3–10 years
Other technical installations	3 years

Impairment of Tangible and Intangible fixed assets

If there are internal or external indicators of a decline in an asset's value, an impairment test is performed. For intangible assets with indefinite useful lives, including goodwill, and for intangible assets not yet available for use, an impairment test is performed annually regardless of indicators. An asset or cash-generating unit is impaired if its recoverable amount is lower than its carrying amount. The recoverable amount is the higher of fair value less costs of disposal and value in use. Impairment losses are recognised in the income statement.

Financial instruments

Financial instruments are any form of agreement that gives rise to a financial asset in one entity and a financial liability or equity instrument in another entity. Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Transactions involving financial assets are recognised on the trade date, which is the date the Group commits to acquiring or disposing of the assets.

Recognition and Derecognition from the Balance Sheet

A financial asset is derecognised in full or in part when the contractual rights to the cash flows have been realised, expired, or when control over the asset has been lost. A financial liability is derecognised in full or in part when the obligation specified in the contract is discharged or otherwise extinguished. Gains and losses from derecognition and modifications are recognised in profit or loss. At each reporting date, the Group assesses the need for impairment of financial assets or groups of financial assets in respect of expected credit losses and other potential credit exposures. Financial instruments recognised on the balance sheet include cash and cash equivalents, trade receivables and other financial receivables, trade payables, borrowings, and other financial liabilities.

The fair value of financial assets and liabilities with a maturity exceeding one year is determined based on discounted cash flows. The discount rate applied corresponds to the interest rate available to the Group for similar financial instruments.

Classification and measurement of financial assets
In accordance with IFRS 9, financial assets are measured based on the following three categories:

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

The Group initially classifies financial instruments into one of the above categories, and such classifications are regularly reviewed. Currently, Cherry with Friends holds financial assets in two of the aforementioned categories: financial assets measured at fair value through profit or loss, and financial assets measured at amortised cost. The Group does not hold any financial assets measured at fair value through other comprehensive income. The classification depends on the purpose for which the financial asset was acquired.

Financial assets measured at amortised cost
Financial assets measured at amortised cost are held within a business model with the objective of collecting contractual cash flows that are solely payments of principal and interest on the outstanding principal amount.

The assets are initially recognised at fair value plus transaction costs. Subsequent to initial recognition, they are measured using the effective interest method. The amortised cost is reduced by a loss allowance for expected credit losses. Interest income, foreign exchange gains, and the loss allowance for expected credit losses are recognised in profit or loss.

Receivables
Receivables mainly comprise loan and trade receivables that are financial assets not classified as derivatives, have fixed or determinable payments, and are not quoted in an active market. They are included in current assets, except for items with maturities greater than 12 months after the reporting date, which are classified as non-current assets. Loan and trade receivables are reported as trade receivables, other receivables, accrued income, and non-current financial assets in the balance sheet. Cash and cash equivalents are also included in this category. See Note 24 for further information.

Cash and Cash equivalents
Cash and cash equivalents include cash on hand, bank balances, and other short-term investments with a maturity of three months or less from the date of acquisition. Any utilised bank overdrafts are recognised as borrowings under current liabilities.

Impairment of Expected credit losses

The Group has the following financial assets subject to the expected credit loss model in IFRS 9:
- Trade receivables
- Contract assets

Impairment for expected credit losses under IFRS 9 is recognised when there is exposure to credit risk. The Group applies the simplified approach for recognising expected credit losses, and recognises a loss allowance based on all reasonable and supportable information, including historical loss experiences and forward-looking information. The Group assesses customer receivables individually. A receivable is written off when there is no reasonable expectation of recovery and all active collection efforts have been concluded. Losses related to expected credit losses on trade receivables are recognised in the income statement under other operating expenses and disclosed separately in Note 24. Interest income on loan receivables is included in financial income.

Financial assets measured at fair value through profit or loss
Financial assets that are not measured at amortised cost are measured at fair value through profit or loss. Subsequent measurement is carried out at fair value. Net gains and losses, including all interest or dividend income, are recognised in profit or loss.

Classification and measurement of financial liabilities
According to IFRS 9, financial liabilities are classified into two categories:

- Financial liabilities measured at amortised cost
- Financial liabilities measured at fair value through profit or loss

Financial liabilities measured at amortised cost
Financial liabilities are measured at amortised cost, except for contingent consideration which is measured at fair value through profit or loss. The Group holds long-term interest-bearing liabilities, other long-term liabilities, short-term interest-bearing liabilities, trade payables, and other current liabilities which are recognised at amortised cost. Financial liabilities measured at amortised cost are initially recognised at fair value including transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

Short-term interest-bearing liabilities and other current liabilities are classified as current if they are expected to be settled within 12 months after the reporting date. Any changes are recognised in the income statement under other operating income or other operating expenses.

Borrowings
Borrowings are initially recognised at fair value, net of transaction costs. In subsequent periods, borrowings are carried at amortised cost using the effective interest method. Interest expenses are accrued and recognised in the income statement for each period.

Trade payables
A trade payable is an obligation to pay for goods or services acquired in the ordinary course of business. It is initially recognised at fair value and subsequently measured at amortised cost using the effective interest method. Trade payables are classified as current liabilities if they are due within one year of the reporting date, otherwise they are classified as non-current liabilities.

Financial liabilities measured at fair value through profit or loss
Contingent consideration is recognised as a liability under other long-term liabilities unless due within 12 months. The Group uses discounted cash flows to determine fair value. Changes in fair value are recognised as financial income or expense in the consolidated income statement. Contingent considerations that are to be settled in cash meet the definition of a financial liability and are remeasured to fair value at each reporting date, with any changes recognised in the profit or loss.

Receivables and liabilities in foreign currency
Transactions in foreign currencies are translated into the functional currency at the exchange rate on the transaction date. Assets and liabilities denominated in foreign currencies are translated at the exchange rate on the balance sheet date. Exchange gains and losses on operating receivables and payables are recognised in operating profit, while exchange differences on financial assets and liabilities are recognised in the financial result.

Share capital
Ordinary shares issued by the parent company are classified as equity. Costs directly attributable to new share issues are recognised in equity, net of tax, as a deduction from the proceeds. Dividends to shareholders are recognised directly in equity and recorded as a liability in the period in which they are declared.

First adoption of IFRS
This annual report is the first presented by the Group and the parent company in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The following section outlines the principal adjustments made by the Group and the parent company in transitioning from the previous K3 accounting framework, including a statement of the financial position as of January 1st, 2021, and the financial statements as of, and for, the year ended December 31st, 2021.

In restating to IFRS standards, the Group have applied the following exemption:

Leases
The Group opted not to restate balances prior to the transition date of January 1st, 2021, related to lease agreements, and instead recognises a right-of-use asset and a lease liability as of the transition date.

The Group assessed all contracts in effect as of January 1st, 2021, to determine whether they contained a lease component, based on the conditions in place at that date.
Lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the transition date, or the interest rate implicit in the lease, if readily determinable. Right-of-use assets were measured at an amount equal to the lease liabilities, adjusted for any prepaid or accrued lease payments related to that lease recognised in the balance sheet immediately before the transition date.

Reconciliation of the Group's equity as of January 1st, 2021 (date of transition to IFRS):

		As per K3	**Reclassification and remeasurement**	**IFRS as at Jan 1st 2021**
	Note	KSEK	KSEK	KSEK
Assets				
Fixed assets				
Goodwill	A	56 704	6 300	63 004
Intangible assets		2 452	0	2 452
Property, plant and equipment		2 630	0	2 630
Right-of-use assets	B	0	6 221	6 221
Deferred tax assets		244	0	244
Total fixed assets		**62 030**	**12 521**	**74 551**
Current assets				
Other receivables		6 593	0	6 593
Cash and bank balances		12 175	0	12 175
Total current assets		**18 768**	**0**	**18 768**
Total assets		**80 798**	**12 521**	**93 319**

	Note	As per K3 KSEK	Reclassification and remeasurement KSEK	IFRS as at Jan 1st 2021 KSEK
Equity and liabilities				
Capital and reserves				
Share capital		200	0	200
Capital contribution	C	0	4 000	4 000
Retained earnings	A,C	-3 462	2 300	-1 162
Total equity		**-3 262**	**6 300**	**3 038**
Non-current liabilities				
Borrowings		51 788	0	51 788
Lease liabilities	B	0	4 841	4 841
Deferred tax liabilities		0	0	0
Total non-current liabilities		**51 788**	**4 841**	**56 629**
Current liabilities				
Borrowings		7 880	0	7 880
Trade and other payables		21 669	0	21 669
Lease liabilities	B	0	1 380	1 380
Current tax liabilities		2 733	0	2 733
Total current liabilities		**32 282**	**1 380**	**33 662**
Total liabilities		**84 070**	**6 221**	**90 291**
Total equity and liabilities		**80 808**	**12 521**	**93 329**

Note A Amortisation of goodwill
Under K3, goodwill is amortised linearly over 10 years while according to IFRS, amortisation of goodwill is not permitted. Consequently, the Group has reversed all goodwill adjustments from recognition date onwards. Goodwill at the time of transition to IFRS mainly relates to the acquisition of Cherry Spelglädje AB.

Note B Leases
Under K3, the Group distinguish between operating and finance leases. Regardless of the classification, lease expenses are recognised as operating expenses on a straight-line basis over the lease term. According to IFRS, lessees apply a single recognition and measurement approach for all leases - except for short-term leases and low-value assets - and recognise a lease liability and a corresponding right-of-use asset.

At the transition to IFRS, the Group applied the transition provisions and measured lease liabilities at the present value of remaining lease payments, discounted using the lessee's incremental borrowing rate at the transition date or the rate implicit on the lease. Right-of-use assets were recognised at an amount equal to the lease liabilities.

As a result, the Group recognised an increase in right-of-use assets and lease liabilities of 6 221 thousand SEK as of January 1st, 2021, and 921 thousand SEK as of December 31st, 2021.
After the transition date and up to December 31st, 2021, the right-of-use assets decreased by depreciation of 1 526 thousand SEK. Lease liabilities increased by interest expenses of 173 thousand SEK and decreased by lease payments of 1 809 thousand SEK through the profit or loss.

Note C Shareholder contributions
Under K3, the Group reports shareholder contributions as part of retained earnings or accumulated losses. According to IFRS, shareholder contributions are recognised under other reserves in equity.

Accounting policies for the Parent company
The Parent Company has prepared its annual accounts in accordance with the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities. RFR 2 stipulates that the parent company shall apply all European Union approved IFRS standards and interpretations as far as possible within the framework of the Swedish Annual Accounts Act and considering the relationship between accounting and taxation.

Leasing
The parent company applies the exemption under RFR 2 and recognizes all lease payments as expenses over the lease term. Therefore, no right-of-use assets or lease liabilities are reported in the balance sheet.

Group contributions and Shareholder contributions
Shareholder contributions are recognised in equity in the receiving company and capitalised as shares in group companies in the contributing company, unless impairment is required.
The parent company recognises group contributions as appropriations in the income statement. Group contributions made are recognised as an increase in shares in group companies.

Group companies
Shares and participations in group companies are recognised in the parent company at cost, with an annual assessment for impairment. Dividends received from subsidiaries are recognised as financial income. Transaction costs related to the acquisition of companies are included in the acquisition cost in the parent company, but expensed in the Group in accordance with IFRS. Contingent considerations are included in the acquisition cost if it is considered probable that they will be paid. This assessment is continuously evaluated.

Classification into Restricted and Unrestricted equity
The parent company's equity is presented as restricted and unrestricted equity in accordance with the Swedish Annual Accounts Act.

2.4 Estimates and Judgements
The preparation of financial statements and application of accounting policies often requires management to make judgements, estimates, and assumptions that are considered reasonable at the time. Estimates and judgements are based on historical experience and other factors deemed reasonable under current circumstances. The outcome of these estimates and judgements is used to assess the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual outcomes may differ from these estimates and judgements. Estimates and assumptions are reviewed regularly.

Group management does not consider that the judgments underlying the attached reports on the Group's or the parent company's financial position involve a significant risk of misstatements in the carrying amounts of assets or liabilities.

Note 3 Business Combinations and Divestments

Business Combinations in 2024

In January 2024, Cherry with Friends AB acquired 100 percent of the shares in the Maltese company Gameday Group PLC, registration number C77333. Gameday Group PLC, through its subsidiaries, operates several online-based brands, primarily in the Swedish market under a Swedish gaming license. The company also owns and operates its proprietary technology platform, through which it conducts both B2C and B2B operations. The purchase consideration consisted of a cash payment of 7,9 million SEK (714,8 thousand EUR) and the issuance of 6 682 801 new shares in Cherry with Friends AB, corresponding to a value of 86,6 million SEK (7 802 thousand EUR). The total purchase consideration amounted to 94,5 million SEK (8 517 thousand EUR), which exceeded the net fair value of the identifiable assets and liabilities acquired by 198,1 thousand EUR. Acquisition-related costs of 2 370 KSEK have been expensed as other external expenses in the Group's consolidated income statement. The acquisition broadens and strengthens the Group’s operations and provides significant growth opportunities within the online segment.

No divestments were made during the year.

Acquisition analysis Gameday Group (KSEK)

Components of acquisition price, KSEK	
Cash consideration	7 931
Issue of shares in Cherry with Friends AB	86 573
Total purchase consideration	**94 505**

Acquired assets and assumed liabilities as a result of the acquisition are reported as follows (KEUR):

Assets	**KEUR**
Intangible assets	10 727
Other fixed assets	370
Current receivables	856
Cash and cash equivalents	15 595
Total assets	**27 547**

Liabilities	**KEUR**
Borrowings	14 475
Trade liabilities and other short-term liabilities	4 780
Total liabilities	**19 255**

Identifiable net assets	8 292
Goodwill	198
Total identifiable net assets	**8 490**

The cash flow related to the purchase price paid is specified as follows (KEUR):

Cash flow from acquisition	**KEUR**
Cash consideration	-715
Issue of shares in Cherry with Friends AB	-7 802
Acquired cash balances	15 595
Net inflow of cash and cash equivalents from acquisition	**7 078**

Business Combinations in 2023
No business acquisitions or divestments have taken place during the year.

Note 4 Segment reporting and Revenue disaggregation

The segment reporting reflects the internal organisation and reporting structure of Cherry with Friends. The organisation is divided into two operating segments: “Land-based” and “Online”. These segments correspond to the Group’s business areas, and segment reporting is based on groupings of companies within the Group. Cherry Event AB and Cherry Spelglädje AB comprise the Land-based segment, while the remaining companies form the Online segment.

The Group’s management evaluates the performance of the business based on revenue and earnings (EBITDA). Revenue from the Group’s operating units consists of invoiced licences for the provision of a technical platform, as well as the net of received gaming stakes and paid-out winnings.

Cherry with Friends does not monitor or measure assets and liabilities on a segment level; therefore, such information is not disclosed.

Net sales by segment	**2024**	**2023**	**2021**
Land-based	191 642	173 692	93 145
Online	280 149	-	-
Net sales	**471 791**	**173 692**	**93 145**

Profit/loss by segment (EBITDA)	**2024**	**2023**	**2021**
Land-based	19 747	11 468	10 742
Online	174	-2 835	-
Profit/loss by segment (EBITDA)	**19 921**	**11 468**	**10 742**
Depreciation/amortisation and impairment of tangible and intangible fixed assets	-20 462	-5 964	-4 347
Operating profit	**-541**	**5 504**	**6 395**
Financial income	2 423	271	-
Financial expenses	-16 877	-2 671	-2 529
Profit before tax	**-14 995**	**3 104**	**3 866**
Tax on profit for the year	-2 628	-762	-803
Profit/loss for the year	**-17 624**	**2 342**	**3 063**
EBITDA margin, %	4%	7%	12%
Operating margin, %	-0,1%	3,2%	6,9%

Note 5 Other operating income and expenses

Other operating income	2024	2023	2021
Capital gain on sale of assets	-	122	-
Recovered customer losses	-	242	176
Collaboration agreements	2 670	-	-
Other	1 149	1 709	11 727
Total other operating income	**3 819**	**2 073**	**11 903**

Other operating expenses	2024	2023	2021
Credit losses on trade receivables	-2 601	-	-
Other	-136	-	-
Non-deductible input VAT expenses	-1 141	-	-
Total other operating expenses	**-3 878**	-	-

Note 6 Other external expenses

	2024	2023	2021
Marketing expenses	-107 313	-53	-
Consulting fees	-24 995	-6 499	-
Other administrative expenses	-9 510	-5 658	-
Other expenses	-4 666	-842	-4 830
Total	**-146 484**	**-13 052**	**-4 830**

Remuneration to auditors	2024	2023	2021
PWC			
Statutory audit services	1 356	378	303
Tax advisory services	5	-	-
Other consulting services	137	58	212
Total remuneration to auditors	**1 498**	**436**	**515**

Other auditor remunerations			
Statutory audit services	1 044	-	-
Total other auditor remunerations	**1 044**	-	-
Total remuneration to auditors	**2 542**	**436**	**515**

Statutory audit services refer to the audit of the annual accounts and accounting records, as well as the administration by the Board of Directors and the CEO, other tasks incumbent upon the Group's auditor, and advisory services or assistance arising from observations made during such audit or the performance of such other tasks.

All other services are classified as tax advisory or other consulting services.

Note 7 Personnel costs

Average number of employees by country

	2024		2023		2021	
	Men	Women	Men	Women	Men	Women
Sweden	50	100	47	94	16	60
Malta	17	6	-	-	-	-
Total	**67**	**106**	**47**	**94**	**16**	**60**

Salaries and remuneration	**2024**	**2023**	**2021**
Board of Directors and CEO	1 855	1 305	954
Other employees	68 643	55 489	29 308
	70 498	**56 794**	**30 262**
Pension costs			
Board of Directors and CEO	319	174	363
Other employees	5 067	1 729	647
	5 386	**1 903**	**1 012**
Social charges			
Board of Directors and CEO	433	410	
Other employees	20 800	17 345	10 398
	21 233	**17 755**	**10 398**
Other personnel-related expenses			
Board of Directors and CEO	-	-	-
Other employees	2 240	-	-
	2 240	-	-

Gender distribution among senior executives	**2024**	**2023**	**2021**
Percentage of women on the board	20%	20%	0%
Percentage of men on the board	80%	80%	100%

Employee benefits are recognised in accordance with IAS 19 and include all forms of compensation provided by the company to its employees. This comprises salaries and other remuneration, paid vacation, paid absences, bonuses, and post-employment benefits such as pensions.

Employee benefits are recognised as an expense in the income statement and as a liability in the balance sheet when there is a legal or constructive obligation to make such payments because of a past event, and when a reliable estimate of the amount can be made.

Warrants
The company has issued warrants to senior executives during the year.

Cherry with Friends AB's warrant program 2024/2027 comprises 1 919 561 warrants allocated to fifteen (15) members of executive management, entitling the holder to subscribe for one (1) share per warrant. Upon full allocation and exercise, the number of shares will increase by 1 919 561, corresponding to a dilution of 7,194 percent based on the current number of shares (26 682 801).

The price per warrant is 0,92 SEK, and in the event of full allocation and exercise, Cherry with Friends AB will receive proceeds of 1 765 996 SEK. Each warrant entitles the holder to subscribe for one (1) share in Cherry with Friends AB during the period from 3 May 2027 to 1 June 2027 at a subscription price of 8,45 SEK. Full subscription would generate total proceeds of 16 220 288 SEK for Cherry with Friends AB.

Note 8 Financial items

Interest income and similar profit/loss items	2024	2023	2021
Interest income on receivables[1]	2 423	111	-
Other financial income[1]	-	160	-
Total interest income and similar items	**2 423**	**271**	**-**

Interest expenses and similar profit/loss items	2024	2023	2021
Interest expenses on borrowings[2]	-12 036	-1 411	-1 934
Interest expenses on lease liabilities[2]	-738	-384	-173
Foreign exchange losses[2]	-2 894	-78	-
Other financial expenses[2]	-1 209	-798	-422
Total interest expenses and similar items	**-16 877**	**-2 671**	**-2 529**

Category financial assets:
1) financial assets measured at amortised cost
Category financial liabilities:
2) financial liabilities measured at amortised cost

Note 9 Income tax

	2024	2023	2021
Current tax for the year	-2 027	-1 179	-536
Current tax attributable to previous years	-629	-	-
Deferred tax	28	417	-267
Total income tax	**-2 628**	**-762**	**-803**

The differences between reported tax expense and an estimated tax expense based on the applicable tax rate are as follows:

	2024	2023	2021
Profit before tax	-14 995	3 104	3 866
Income tax calculated at applicable tax rate for the Group	-3 089	-639	-796
Tax effect of non-taxable income	-422	-123	-7
Tax effect of non-deductible expenses	356	-	-
Tax losses for which no deferred tax asset has been recognised	495	-	-
Deferred tax on temporary differences	32	-	-
Income tax	**-2 628**	**-762**	**-803**

	2024-12-31	2023-12-31	2021-12-31
Deferred tax assets			
Right-of-use agreements	122	-	-
Total deferred tax assets	**122**	**-**	**-**
Net deferred tax assets	**122**	**-**	**-**

Deferred tax assets are distributed as follows:

	2024-12-31	2023-12-31	2021-12-31
At beginning of year	0	–	–
Additional right-of-use agreements	25	–	–
Increase through business combinations	72	–	–
Recognition in profit or loss	25	–	–
At end of year	**122**	**-**	**-**

Tax loss carry-forwards for which no deferred tax asset is recognised in the balance sheet amount to 496 616 (3 051) thousand SEK. The tax loss carry-forwards have no expiry date.

The tax effect of loss carry-forwards is recognised only to the extent that there is convincing evidence that they can be utilised within the foreseeable future. A history of tax losses is a factor that weighs against recognising deferred tax assets. In addition, loss carry-forwards have been recognised to the extent that there are deferred tax liabilities available for offset.

Note 10 Impairment testing of Goodwill and Intangible assets with Indefinite useful lives

The online gaming market is expected to experience long-term growth, while the land-based segment is also expected to deliver sustained profitable growth. Goodwill and trademarks are considered to have indefinite useful lives and are therefore not subject to annual amortisation. These assets are deemed to have a useful life with no foreseeable limit, and their carrying amounts remain unchanged as long as the expected discounted net inflows from the intangible assets equal or exceed their respective carrying values.

Annual impairment tests are performed to identify any need for write-downs. If such a need is identified, the asset is impaired to reflect the accumulated impairment. The Group’s recognised goodwill and trademarks derive from acquisitions made in recent years. Cherry Spelglädje AB was acquired in 2020 and Gameday Group PLC in 2024.

The Group’s total intangible assets with indefinite useful lives currently amount to a carrying value of 146 895 thousand SEK (of which goodwill 65 594 thousand SEK and trademarks 81 301 thousand SEK) and are allocated to two separate cash-generating units: Land-based (goodwill 63 323 thousand SEK) and Online (goodwill 2 271 thousand SEK and trademarks 81 301 thousand SEK).

As these assets are not amortised, an impairment test was carried out in connection with the 2024 year-end closing by calculating their recoverable amount based on value in use. This assessment showed that the recoverable amount exceeded the carrying amount, and no impairment of goodwill or trademarks with indefinite useful lives is deemed necessary.

Key assumptions and valuation methodology
The recoverable amount is based on actual performance for 2024, the Board-approved budget for 2025, and projections for 2026–2029, with an assumed average annual growth rate of just over 5 percent for the Land-based segment and 8 percent for the Online segment. Cash flows beyond 2029 were extrapolated using an annual growth rate of 2 percent, corresponding to the assumed long-term inflation rate. The projected cash flows were discounted using pre-tax discount rates of 17,8 percent for Land-based and 22,5 percent for Online. Management considers these discount rates appropriate in view of current interest rate levels and other macroeconomic factors affecting the cost of capital. The effective tax rate was estimated at 20,6 percent for Land-based and 5,0 percent for Online, in line with current tax legislation.

Management's approach to determining the values of key assumptions is based on experience and market expectations. Sensitivity analyses were conducted as part of the impairment assessment for the following assumptions: a general reduction in organic revenue growth by 1 percentage point during the forecast period; a general reduction in operating margin by 1 percentage point; and a general increase in the WACC by 1 percentage point.

Sensitivity analyses were performed for the Group's two cash-generating units, Land-based and Online. The outcome of these analyses indicates that no individual adjustment of assumptions would result in an impairment. Even when applying simultaneous changes to all assumptions tested, no impairment requirement was identified.

Note 11 Intangible assets with Indefinite useful lives

KSEK	2024-12-31	2023-12-31	2021-12-31
Opening acquisition value	63 323	63 323	63 004
Acquisitions during the year	81 493	-	-
Reclassifications	2 079	-	-
Adjustment for historical acquisitions	-	-	319
Closing accumulated acquisition value	**146 895**	**63 323**	**63 323**
Closing carrying amount	**146 895**	**63 323**	**63 323**

Note 12 Intangible assets with Definite useful lives

KSEK	2024-12-31	2023-12-31	2021-12-31
Opening acquisition value	39 632	37 661	18 869
Increase through business combinations	50 907	-	-
Investments during the year	1 721	1 971	217
Divestments	-2 488	-	-
Closing accumulated acquisition value	**89 773**	**39 632**	**19 086**
Opening depreciation	-21 702	-19 255	-16 417
Depreciation for the year	-16 143	-	- 1 196
Impairments for the year	-	-2 448	-
Divestments	213	-	-
Closing accumulated depreciation	**-37 631**	**-21 702**	**-17 613**
Closing carrying amount	**52 142**	**17 930**	**1 473**

Note 13 Right-of-use Assets

	Premises	Vehicles	Premises	Vehicles	Premises	Vehicles
	2024-12-31		2023-12-31		2021-12-31	
Opening acquisition value	6 693	1 968	6 221	1 335	6 221	-
Increase through business combinations	2 060	-	-	-	-	-
Additions and remeasurements for the year	1 702	1 388	472	633	-	925
Exchange rate differences	-	-	-	-	-	-
Closing accumulated acquisition value	**10 455**	**3 356**	**6 693**	**1 968**	**6 221**	**925**
Opening depreciation	-3 918	-1 097	-2 589	-709	-	-
Disposals and derecognitions	-	-	-	-	-	-
Increase through business combinations	-	-	-	-	-	-
Depreciation for the year	-1 777	-562	-1 329	-388	-1 294	-232
Exchange rate differences	-	-	-	-	-	-
Closing accumulated depreciation	**-5 695**	**-1 659**	**-3 918**	**-1 097**	**-1 294**	**-232**
Closing carrying amount	**4 760**	**1 697**	**2 775**	**871**	**4 927**	**693**

The Group leases office premises and vehicles. Lease terms are generally fixed between 1 to 5 years, although extension options may exist. The Group does not have the option to terminate lease contracts early. During the year, the Group incurred expenses related to low-value leases for IT equipment amounting to 24 (22) thousand SEK. Additional right-of-use assets increased by 2 060 thousand SEK through the acquisition of Gameday Group PLC during the financial year. As of the balance sheet date, the lease liability amounted to 6 571 thousand SEK. Total cash outflows related to lease contracts amounted to 1 953 thousand SEK within financing activities. During the year, the Group recognised interest expenses related to leases of 738 thousand SEK. A maturity analysis of lease liabilities is presented in Note 24.

Note 14 Tangible fixed assets

	2024	2023	2021
Opening acquisition value	33 477	32 140	29 012
Investments during the year	2 735	1 337	1 075
Closing accumulated acquisition value	**36 212**	**33 477**	**30 087**
Opening depreciation	-31 132	-29 471	-26 383
Depreciation for the year	-1 997	-1 661	-1 384
Exchange rate differences	-2	-	-
Closing accumulated depreciation	**-33 132**	**-31 132**	**-27 767**
Closing carrying amount	**3 080**	**2 345**	**2 320**

Note 15 Other non-current assets

	2024	2023	2021
Other non-current receivables	3 793	-	-
	3 793	-	-

Note 16 Trade receivables

Trade receivables by currency (KSEK)	**2024-12-31**	**2023-12-31**	**2021-12-31**
SEK	2 938	1 375	2 500
EUR	564	-	-
Total	**3 502**	**1 375**	**2 500**

Note 17 Other current assets

Current tax receivables	**2024**	**2023**	**2021**
VAT receivable	4 257	-	-
Total current tax receivables	**4 257**	-	-

Other current receivables	**2024**	**2023**	**2021**
Tax account	722	-	-
Current receivables from restaurants	3 177	-	-
Other current receivables	2 117	5 458	-
Total current receivables	**6 016**	**5 458**	-

Other short-term investments	**2024**	**2023**	**2021**
Short-term investments	57 014	-	-
Total other short-term investments	**57 014**	-	-

Total other current assets	**67 287**	**5 458**	-

Note 18 Prepaid expenses and accrued income

	2024	2023	2021
Prepaid insurance premiums	524	10	-
Deferred refinancing costs related to bond	2 990	-	-
Other prepaid expenses and accrued income	3 441	1 178	2 656
	6 954	**1 188**	**2 656**

Note 19 Cash and cash equivalents

	2024-12-31	2023-12-31	2021-12-31
Balance sheet			
Cash and bank balances	125 327	24 837	25 027
Total cash and cash equivalents from the balance sheet	**125 327**	**24 837**	**25 027**
Cash flow analysis			
Cash and bank balances	125 327	24 837	25 027
Total cash and cash equivalents from the cash flow analysis	**125 327**	**24 837**	**25 027**

Note 20 Shareholder contributions

	2024	2023	2021
Opening balance, 1st of Jan	4 000	4 000	4 000
Transactions during the year	-4 000	-	-
Closing balance, 31st of Dec	**-**	**4 000**	**4 000**

The shareholder contributions from New Berrie AB and Inter Leisure i Göteborg Invest AB were converted into shareholder loans following authorisation by the AGM held on May 23rd, 2024.

Note 21 Borrowings

	2024-12-31	2023-12-31	2021-12-31
Long-term liabilities			
Liabilities to credit institutions	-	1 970	17 730
Shareholder loans	33 695	29 023	27 723
Bonds	169 159	-	-
Total long-term liabilities	**202 854**	**30 993**	**45 453**

	2024-12-31	2023-12-31	2021-12-31
Current liabilities			
Liabilities to credit institutions	-	7 880	7 880
Total current liabilities	**-**	**7 880**	**7 880**

The previous bank loans were repaid in April 2024.

The shareholder loans are unsecured, carry an annual interest rate of 2 percent, and are repayable on demand. Management does not expect repayment within 12 months from the balance sheet date.

The bond, issued by the subsidiary Together Gaming Solutions PLC, has a term from 2024 to 2026. The bond carries an interest rate of 5,9 percent, payable annually in arrears on July 21st each year. As of December 31st, 2024, the bonds were traded at nominal value. The carrying amount of the bonds as of year-end 2024 was 14 762 100 EUR, and accrued interest amounted to 389 042 EUR.

Note 22 Other current liabilities

	2024	2023	2021
Liability to the Swedish Tax Agency	8 032	25 339	-
VAT payable	181	79	-
Withholding tax and social security contributions	3 008	2 447	-
Gaming tax payable	4 078	3 473	-
Player account balances	12 616	-	-
Affiliate partner liabilities	1 757	-	-
Other current liabilities	417	2 615	11 272
	30 089	**33 954**	**11 272**

Note 23 Accrued expenses and deferred income

	2024	2023	2021
Accrued interest	6 316	-	-
Accrued salaries	3 611	3 073	2 365
Accrued vacation pay	5 185	4 541	3 331
Accrued social security contributions	4 558	3 957	7 831
Accrued payroll on pension costs	1 136	-	-
Audit fees	2 151	-	-
Accrued marketing expenses	1 029	-	-
Accrued player liabilities	5 317	7 759	-
Provision for doubtful accounts	4 487	-	-
Other accrued expenses	707	2 712	12 223
	34 497	**22 042**	**25 750**

Note 24 Financial instruments and financial risk

The Group is exposed to a number of financial market risks, as outlined in the respective risk sections below. The Board of Directors is responsible for the allocation of these risks within the organisation. The main financial risks for the Group are refinancing risk, liquidity risk, interest rate risk, currency risk, credit risk and acquisition-related risks.

The below table specifies the Group's financial assets and liabilities that are subject to financial risk management:

	2024	2023	2021
Financial assets measured at amortised cost			
Trade receivables	3 502	1 375	2 500
Other current assets	12 970	6 646	2 656
Cash and cash equivalents	125 327	24 837	25 027
Amount by end of year	**141 799**	**32 858**	**30 183**
Financial liabilities measured at amortised cost			
Long-term interest-bearing liabilities	-216 868	-30 993	-45 453
Long-term interest-bearing lease liabilities	-4 866	-1 515	-3 775
Current interest-bearing liabilities	-8 032	-7 880	-7 880
Current interest-bearing lease liabilities	-1 705	-1 725	-1 735
Trade payables	-32 366	-1 123	-908
Other current liabilities	-64 586	-55 996	-37 022
Amount by end of year	**-328 423**	**-99 232**	**-96 773**
Financial assets measured at fair value through profit or loss			
Investments	57 014	-	-
Amount by end of year	**57 014**	**-**	**-**

Liquidity and Refinancing Risk
Liquidity and refinancing risk refer to the risk that Cherry with Friends may, at any given time, be unable to access the necessary funding to finance or refinance the Group's operations, or that such funding may only be available at increased cost. Cherry with Friends aims to maintain a balanced debt maturity structure to ensure the Group is not exposed to significant refinancing risks. The Group's financing is secured through external borrowings and by minimising working capital requirements. Refinancing risk is mitigated by reducing dependence on external financing and maintaining transparent communication with the Group's lenders.

Maturity structure of financial liabilities

2024	**Contractual cash flows**	**<1 y**	**1–2 y**	**3–5 y**	**>5 y**
Interest-bearing loans	228 406	11 359	179 846	37 202	-
Trade payables	32 366	32 366	-	-	-
Lease liabilities	7 175	1 985	3 088	2 102	-
Total	**267 948**	**45 710**	**182 934**	**39 304**	-

Interest rate risk
The Group is exposed to interest rate risk. This risk arises from the potential impact of interest rate changes on the Group's interest expenses. The Group's interest rate risk primarily originates from long-term borrowings and lease liabilities. Borrowings with variable interest rates expose the Group to cash flow interest rate risk, while borrowings with fixed interest rates expose the Group to fair value interest rate risk.

As of the end of 2024, the Group had a deferral granted by the Swedish Tax Agency amounting to 22 046 thousand SEK, and shareholder loans amounting to 33 695 thousand SEK. The interest on the deferral is based on the central bank policy rate and amounted to 7,88 percent at year-end 2024, while the shareholder loans carry an interest rate of 2 percent.

To assess the potential risk to the Group, a sensitivity analysis has been performed, in which the interest rate on borrowings was increased/decreased by 1 percentage point. A change in the interest rate of one (1) percentage point would result in an increase/decrease in the Group's annual interest expense by 557 thousand SEK.

Foreign exchange risk – Transaction exposure
The Group's reporting currency is Swedish kronor (SEK), while Cherry with Friends is a group with operations in Malta. As such, from a financial reporting perspective, the Group is exposed to translation-related currency risks. Foreign exchange risk arises within the Group primarily as a result of future payment flows in foreign currencies. Transaction exposure within the Group is limited and arises, among other things, from parts of the Group's equity consisting of net assets in foreign subsidiaries – a situation referred to as translation exposure.

Translation exposure
The Group does not currently hedge its translation exposure. The foreign subsidiaries' assets, net of liabilities, constitute a net investment in foreign currency which, upon consolidation, gives rise to a translation difference. These translation differences are recognised directly in equity under a separate component of equity.

When translating the income statements of subsidiaries with a functional currency other than SEK, exchange rate fluctuations give rise to translation effects. To assess the potential risk to the Group, a sensitivity analysis was performed in which exchange rate movements for EUR were compared to the actual results for the 2023 financial year. The net effect on net revenue amounted to 0 thousand SEK, and the net effect on operating profit before depreciation amounted to 0 thousand SEK.

Transaction exposure generally refers to risks arising from commercial flows – i.e., cross-border sales and purchases – as well as financial flows. The Group's transaction exposure is limited.

Credit risk
Credit risk, or counterparty risk, is the risk that a counterparty in a financial transaction will fail to fulfil its obligations on the due date. Credit risk is managed at Group level and arises from trade receivables, cash and cash equivalents, and balances held with banks and financial institutions.

Customer credit risk

Customer credit risk refers to the risk of loss due to the Group's customers failing to meet their payment obligations. The risk is managed through credit assessments of new customers and the assignment of credit limits to existing customers based on historical payment performance. Trade receivables are recognised at the amount expected to be received, based on an individual assessment of each customer.

Recognised amounts	**2024**	**2023**
Net trade receivables	3 502	1 575
Loss allowance for expected credit losses	-	-200
Net trade receivables	**3 502**	**1 375**

Changes in loss allowance for expected credit losses	**2024**	**2023**
Opening balance	-200	-
Provisions	-2 671	-200
Reversals	200	-
Closing balance	**-2 671**	**-200**

Aging analysis of trade receivables	**2024**	**2023**
Not overdue receivables	1 627	-
Overdue:		
- 1-30 days	189	1 575
- 31-60 days	90	-
- 61-90 days	89	-
- more than 90 days	4 176	-
Total overdue	**4 545**	**1 575**
Of which written down	-2 671	-200
Carrying amount of trade receivables	**3 502**	**1 375**

Capital risk management

The Group's capital structure is maintained at a level that ensures the ability to continue operations in order to generate returns for shareholders and benefits for other stakeholders, while maintaining an optimal structure to minimise the cost of capital.

To maintain or adjust the capital structure, the Group may, where appropriate and subject to shareholder approval, vary dividend payments to shareholders, reduce share capital with repayment to shareholders, issue new shares, or dispose of assets to reduce the debt-to-equity ratio. The Group continuously monitors the ratio of debt to equity, as well as the ratio of debt to equity including shareholder loans, against established targets. The outcomes presented in the table below are within the targets set by the Group.

	2024	2023
Total borrowings	231 471	42 113
Less: cash and cash equivalents	-125 327	-24 837
Net debt	**106 144**	**17 276**
Total equity	88 668	18 730
Total capital	**194 812**	**36 006**
Net debt-to-equity ratio	120%	92%

	2024	2023
Cash and cash equivalents	125 327	24 837
Current liabilities	9 737	9 605
Long-term liabilities	221 734	32 508
Net debt	**356 797**	**66 950**

Note 25 Pledged assets

At the beginning of the year, the parent company had a loan from Nordea, secured by shares in subsidiaries. The loan was repaid in April 2024, and consequently, as of the end of the year, the Group had no externally pledged collateral.

Note 26 Related party transactions

Cherry with Friends AB is primarily owned by New Berrie AB and Inter Leisure i Göteborg Invest AB. Both companies are domiciled in Sweden.

New Berrie AB
Östermalmsgatan 3
SE-504 55 Borås

Inter Leisure i Göteborg Invest AB
Vasagatan 43 B
SE-411 37 Göteborg

The ultimate controlling parties of the Group are Aron Egfors and Morten Klein.

During the year, the Group had the following transactions with related parties:

KSEK	2024	2023	2021
Interest to shareholders	-561	-656	-630
Total related party transactions	**-561**	**-656**	**-630**

Balances by year-end:

KSEK	2024	2023	2021
Shareholder contributions	-	-4 000	-4 000
Shareholder loans	-33 695	-29 023	-27 724
Total balance by year end	**-33 695**	**-33 023**	**-31 724**

Note 27 Events after the Reporting period

In February 2025, the wholly owned subsidiary Together Gaming Solution PLC issued bonds amounting to 12,5 million EUR on the Malta Stock Exchange. The proceeds from the bond issue have been and will primarily be used to refinance existing bonds maturing between 2024 and 2026. The new bond, which matures between 2030 and 2032, carries a fixed interest rate of 6,25 percent and contributes to further strengthening the Group's long-term financial position.

The parent company acts as guarantor for the new issue and will unconditionally and irrevocably guarantee the bondholders the due and punctual payment of liabilities in accordance with the terms of the guarantee. The bonds have therefore been issued with the benefit of a joint and several guarantee from Cherry with Friends AB.

The guarantee constitutes a direct, general and unconditional obligation of the guarantor and ranks at all times at least pari passu with all other present and future unsecured obligations, except for those obligations which are mandatorily preferred by applicable law.

Notes for the Parent company

Cherry with Friends AB, with company registration number 559226–3981, is a Swedish limited liability company with its registered office in Gothenburg, Sweden. The visiting address of the head office is Fürstenbergsgatan 4, SE-416 64 Gothenburg. The Parent Company's annual report is presented in Swedish kronor (SEK). Unless otherwise stated, all amounts are reported in thousands of kronor (KSEK).

Note 28 Basis of preparation of the financial statements

The financial statements of the parent company have been prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. The application of RFR 2 means that for the legal entity, the company applies all IFRS and statements adopted by the European Union as far as possible within the provisions of the Annual Accounts Act and with regard to the relationship between accounting and taxation.

Shares in subsidiaries are recognised in the parent company at acquisition cost, and an annual assessment is made to determine whether any indication of impairment exists. The Group applies IFRS 16 Leases. The parent company applies the exemption under RFR 2 and recognises all lease payments as an expense over the lease term. As a result, right-of-use assets and lease liabilities are not recognised in the parent company's balance sheet.

Group contributions

Group contributions are recognised in the income statement as appropriations.

Financial assets

Financial assets not related to subsidiaries or associated companies are measured at fair value in the consolidated accounts according to IFRS 9. In the parent company, such assets are measured at the lower of acquisition cost and recoverable amount. The recoverable amount is the higher of net realisable value and value in use. Impairment is made if the recoverable amount is lower than the carrying value. Reversals of impairments are made when the asset is assessed to have a reliable and permanent value exceeding the carrying amount, in accordance with the Swedish Annual Accounts Act.

Note 29 Revenue

The company's revenue primarily derives from intra-group invoicing for services such as management fees, rent, and IT systems. There were no external sales during 2024.

KSEK	**2024**	**2023**
Net sales	1 818	656
Other operating income	-	37
Total operating income	**1 818**	**693**

Note 30 Other external expenses

KSEK	2024	2023
Other costs of premises	1 123	1 005
IT expenses	596	398
Other administrative expenses	36	8
Consulting fees	-36	3 702
Travel expenses	114	258
Other expenses	1 906	487
Total other external expenses	**3 739**	**5 858**

The following fees have been paid to auditors and audit firms for audit services and other statutory reviews. Fees have also been paid for additional advisory services, such as tax consulting.

Remuneration to auditors, KSEK	2024	2023
PWC		
Audit services	1 356	378
Tax advisory services	5	-
Other consulting services	137	58
Total remuneration to auditors	**1 498**	**436**

Note 31 Personnel costs

Average number of employees	2024	2023
Men	1	1
Women	-	-
Total	**1**	**1**

Salaries, remuneration and social charges	2024	2023
Salaries and remuneration	1 254	1 139
Social security charges	452	401
Pension costs	241	112
Other personnel-related expenses	42	3
Total salaries, remuneration and social charges	**1 989**	**1 656**

Remuneration to the Board of Directors and executive management (KSEK)	2024	2023
Board of Directors	369	257
Total	**369**	**257**

The CEO receives remuneration from another company within the group, in the form of consultancy fees.

Note 32 Interest income and similar items

KSEK	2024	2023
Interest income from credit institutions	-	1
Interest income from group companies	1 765	112
Other interest income	118	-
Foreign exchange gains	922	
Total interest income and similar items	**2 805**	**113**

Note 33 Interest expenses and similar items

KSEK	2024	2023
Interest expenses from financial leases	-	-
Interest expenses on loans from credit institutions	807	1 411
Interest expenses from group companies	2 746	-
Interest expenses on short-term liabilities	25	110
Foreign exchange losses	744	-
Total interest expenses and similar items	**4 322**	**1 521**

Note 34 Appropriations

KSEK	2024	2023
Group contributions received	15 067	16 139
Group contributions paid	-1 849	- 2 878
Total appropriations	**13 218**	**13 261**

Note 35 Income tax

KSEK	2024	2023
Current tax for the year	-1 628	-1 077
Total tax on profit for the year	**-1 628**	**-1 077**

	2024	2023
Profit before tax	7 957	5 212
Income tax calculated at applicable tax rate[1]	-1 639	-1 074
Tax effect of non-taxable income	42	-
Tax effect of non-deductible expenses	-32	-3
Tax on profit for the year	**-1 628**	**-1 077**

1) Applicable tax rate: 20,6%

Note 36 Property, plant and equipment

Fixtures and fittings on leased property, equipment (KSEK)	2024	2023
Opening acquisition value	71	71
Closing accumulated acquisition value	**71**	**71**
Opening depreciation	-18	-
Depreciation for the year	-24	-18
Closing accumulated depreciation	**-42**	**-18**
Closing carrying amount	**29**	**53**

Note 37 Participation in group companies

Name	Corp. ID number	Domicile	Share-holding	No. of shares	Carrying amount, KSEK	
					2024-12-31	2023-12-31
Cherry Spelglädje AB	556225–3806	Gothenburg, SE	100%	20 000	80 175	80 175
Cherry Event AB	559240–0351	Gothenburg, SE	100%	500	50	50
Cherry Domain AB	559379–2145	Gothenburg, SE	100%	1 000	4 100	100
Cherry AB	559415–8908	Gothenburg, SE	100%	1 000	100	100
Cherry Tech AB	559417–6843	Gothenburg, SE	81%	10 000	5 881	81
Gameday Group PLC	C77333	San Giljan, MT	100%	338 655	94 505	-
Total carrying amount					**184 811**	**80 506**

Note 38 Deferred tax

Deferred tax is calculated on taxable temporary differences based on the applicable tax rate of 20,6% (2023: 20,6%). No deferred tax has been recognised for the parent company.

Note 39 Financial assets

KSEK	2024	2023
Loans to subsidiaries	44 728	13 821
Total financial assets	**44 728**	**13 821**

Note 40 Other receivables

KSEK	2024	2023
Tax account	699	73
VAT receivable	462	64
Other	765	-
Total other receivables	**1 926**	**137**

Note 41 Prepaid expenses and accrued income

KSEK	2024	2023
Accrued income	-	111
Prepaid expenses	689	697
Total prepaid expenses and accrued income	**689**	**809**

Note 42 Cash and cash equivalents

Cash and cash equivalents included in the cash flow statement consist of the following:

KSEK	2024	2023
Bank accounts	3 350	371
Total cash and cash equivalents	**3 350**	**371**

Note 43 Share capital

KSEK	2024	2023
Share capital	267	200
Total share capital	**267**	**200**

The share capital consists of 26 682 801 ordinary A shares of 0,01 SEK each.

Shareholders are entitled to dividends as declared by the Annual General Meeting.
Each A share carries one vote at the AGM. All shares have equal rights to the company's assets and earnings.

Note 44 Borrowings

KSEK	2024	2023
Long-term liabilities		
Loans from credit institutions	-	1 970
Loans from group companies	119 498	35 828
Shareholder loans	33 695	29 023
Other borrowings	-	-
Total long-term liabilities	**153 193**	**66 821**
Current liabilities		
Loans from credit institutions	-	7 880
Total current liabilities	**-**	**7 880**
Total borrowings	**153 193**	**74 701**

On March 13th, 2024, a long-term loan of 5 million EUR was raised from the subsidiary Together Gaming Solutions PLC. The loan carries an annual interest rate of 6% and is secured by shares in subsidiaries (please refer to note 24 for further details). The other intra-group loans are unsecured, interest-free, and are not expected to be repaid within 12 months from the balance sheet date.

The previous bank loans were repaid in April 2024.

The shareholder loans are unsecured, carry an annual interest rate of 2%, and are repayable on demand. Management does not expect repayment within 12 months from the balance sheet date.

Note 45 Financial risk

The company is exposed to a number of financial market risks, as outlined in the respective risk sections below. The Board of Directors is responsible for the allocation of these risks within the organization. The main financial risks for the parent company are refinancing risk, liquidity risk, interest rate risk, currency risk, and credit risk.

Liquidity and Refinancing risk
Liquidity and refinancing risk refers to the risk that the company may, at any given time, be unable to secure necessary financing to fund or refinance its operations, or that such financing may only be available at increased cost. Cherry with Friends AB aims to maintain a loan portfolio with a balanced maturity structure to ensure the company is not exposed to significant refinancing risk. The company's financing is secured through external borrowing and by minimising working capital. Refinancing risk is mitigated by reducing the need for external financing and maintaining open communication with lenders.

Maturity structure of financial liabilities

2024	**Contractual cash flows**	**<1 y**	**1–5 y**	**>5 y**
Interest-bearing loans	99 523	4 077	95 446	-
Accounts payable	490	490	-	-
Other long-term liabilities	61 254	-	61 254	-
Summa	**161 267**	**4 567**	**156 700**	**-**

2023	**Contractual cash flows**	**<1 y**	**1–5 y**	**>5 y**
Interest-bearing loans	75 729	8 198	31 703	35 828
Accounts payable	4 782	4 782	-	-
Other long-term liabilities	-	-	-	-
Summa	**80 511**	**12 980**	**31 703**	**35 828**

Interest rate risk
The parent company is exposed to interest rate risk through interest rate fluctuations that could impact borrowing costs. As of the end of 2024, the parent company had a loan from Together Gaming Solutions PLC and shareholder loans totalling 91 939 thousand SEK. The loan from Together Gaming Solutions PLC has a two-year term with a fixed interest rate of 6%. A change in interest rate by one

(1) percentage point would result in an annual interest expense variation of 582 thousand SEK. The shareholder loans carry an interest rate of 2%. An increase or decrease of one (1) percentage point in interest rate would lead to a corresponding change in annual interest expense of 337 thousand SEK.

Currency risk – Transaction exposure
The company's reporting currency is Swedish kronor (SEK), while transactions are also conducted in foreign currencies – particularly due to the Group's presence in Malta. This results in accounting exposure to foreign exchange risk. Currency risk arises from transaction exposure related to future cash flows in foreign currencies. The company's assets also include investments in, and receivables from, foreign subsidiaries.

Credit risk
Credit risk, or counterparty risk, refers to the risk that the counterparty in a financial transaction fails to fulfill its contractual obligations at maturity. The parent company has no receivables from entities outside the Group, but holds receivables from subsidiaries with limited credit risk.

Recognised amounts, KSEK	**2024**	**2023**
Other receivables	2 614	882
Receivables from group companies	36 306	13 821
Cash and cash equivalents	3 350	371
Net trade receivables	**38 921**	**14 703**

Note 46 Capital risk management

The company aims to maintain a capital structure that ensures its ability to continue as a going concern, to generate returns for shareholders and provide benefits to other stakeholders, while optimising the capital structure to reduce the cost of capital.

To maintain or adjust the capital structure, the company may, subject to shareholder approval where required, alter dividend distributions, reduce share capital for repayment to shareholders, issue new shares, or dispose of assets to reduce the debt-to-equity ratio. The company continuously monitors the ratio of debt to equity, as well as the ratio of debt to equity including shareholder loans, based on established targets.

As part of the acquisition of Gameday Group PLC, part of the purchase consideration was settled through equity instruments.

Note 47 Pledged assets

On March 13th, 2024, a long-term loan of 5 million EUR was raised from the subsidiary Together Gaming Solutions PLC. The loan is secured by shares in subsidiaries as specified below:

Pledged assets, KSEK	**2024**	**2023**
Shares in subsidiaries		
Cherry Spelglädje AB	80 175	80 175
Total pledged assets	**80 175**	**80 175**

Note 48 Accounts payable and other liabilities

KSEK	2024	2023
Accounts payable	490	14
Other short-term liabilities	4 720	2 922
Accrued expenses and deferred income	3 593	1 846
Total other liabilities	**8 803**	**4 782**

Note 49 Related party transactions

Cherry with Friends AB is primarily owned by New Berrie AB and Inter Leisure i Göteborg Invest AB. Both companies are domiciled in Sweden.

New Berrie AB
Östermalmsgatan 3
SE-504 55 Borås

Inter Leisure i Göteborg Invest AB
Vasagatan 43 B
SE-411 37 Göteborg

The ultimate controlling parties of the Company are Aron Egfors and Morten Klein.

During the year, the Company had the following transactions with related parties:

KSEK	2024	2023
Sales to subsidiaries	1 818	656
Interest from subsidiaries	1 877	111
Interest to subsidiaries	-2 746	-
Interest to shareholders	-561	-656
Total related party transactions	**387**	**111**

Balances at year-end:

KSEK	2024	2023
Receivables from subsidiaries	81 034	14 566
Liabilities to subsidiaries	-124 197	-38 706
Shareholder contributions	-	-4 000
Shareholder loans	-33 695	-29 023
Net balance at year-end	**-76 857**	**-57 163**

Gothenburg, on the day shown on our electronic signature

Fredrik Burvall Chairman of the Board	Pamela Morris Member of the Board	Jörgen Olsson Member of the Board
Dawid Myslinski Member of the Board	Aron Egfors Member of the Board	Erik Skarp CEO

Gothenburg, on the day shown on my electronic signature

PricewaterhouseCoopers AB

Carolina Frosth Hertzberg
Authorised Public Accountant