



Cherry

CHERRY AB (PLC)

END YEAR REPORT

FOURTH QUARTER

1 JANUARY - 31 DECEMBER 2014



FUN AND EXCITEMENT

SINCE 1963



**BEST ONLINE GAMING OPERATOR
2014 & 2015**

Highlights

Fourth quarter - New turnover records across all business areas - Online Gaming grew by 60 percent

- Group revenue increased by 33 percent which amounted to MSEK 100.2 (75.0).
- EBITDA amounted to MSEK -6.5 (-10.7). EBIT amounted to MSEK -10.6 (-11.9). The result is affected by a non-recurring cost of MSEK -4.0 related to change of CEO.
- The result after tax amounted to MSEK -15.3 (-10.6) equivalent to SEK -1.13 (-0.80) per share after dilution.
- Net financial items and result from associated companies was affected by an impairment of assets and shares related to Klubblo with MSEK -7.7 (0.0).
- Online Gaming grew by 60 percent and deposits increased by 56 percent.
- Restaurant Casino increased turnover by 7 percent and EBITDA amounted to MSEK 5.0 (5.2).
- Yggdrasil Gaming went live with six new operators and signed one new contract during the quarter.
- The Group cash amounted to MSEK 54.3 (68.4) at the end of the period.
- In December, Cherry made a change in order to create the best possible conditions for continued development of online gaming. The Board of Cherry decided to strengthen its online business, which is based in Malta, hence the largest shareholder, Morten Klein is now working closer to the management in Malta with business development and partnerships. Fredrik Burvall was appointed acting president and CEO.

Full year 2014 - All time high EBIT for Restaurant Casino and Yggdrasil Gaming signed 18 new contract

- Group revenue increased by 28 percent and amounted to MSEK 340.0 (266.3).
- EBITDA amounted to MSEK -17.9 (-24.0). EBIT amounted to MSEK -32.9 (-33.9).
- The result after tax amounted to MSEK -39.3 (-33.7) equivalent to SEK -2.97 (-2.51) per share after dilution.
- The result is affected by non-recurring items (CEO change/write-down of shares/assets in Klubblo) with MSEK -14.2 (0.0).
- Restaurant Casino increased turnover by 7 percent and EBITDA amounted to MSEK 17.1 (16.0).
- Online Gaming grew by 44 percent and deposits increased by 50 percent.
- Yggdrasil Gaming signed 18 new contracts and went live with 13 new operators.

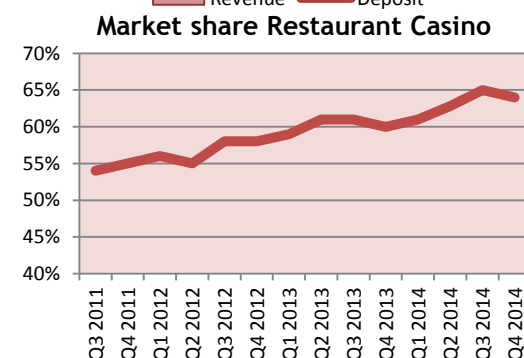
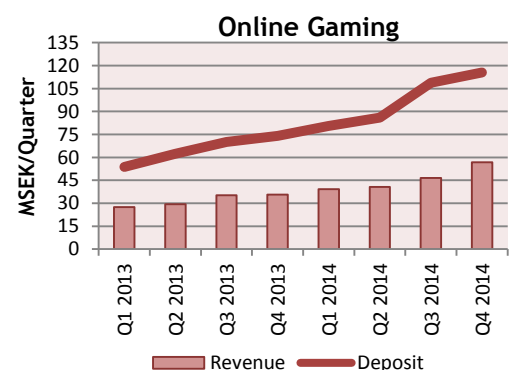
Important event after the end of the quarter

- During January Cherry acquired 51 percent of the shares in the affiliate business Game Lounge Ltd. The deal will also involve Game Lounge selecting Cherry as a white label partner for SveaCasino.com and other brands in the future. The acquisition is expected to enable Cherry to increase volumes quickly on current brands and through future white label partnerships, as well as acquiring more customers at a significantly lower cost. It is also expected to increase both Cherry's revenues and EBIT in the next few years and bring in more than 40,000 new depositing customers over three years.
- In February Cherry was awarded 'Online Gaming Operator of the Year' for the second time in a row at the International Gaming Awards, beating off stiff competition from a number of international operators.

Group	Q4 2014	Q4 2013	Full year 2014	Full year 2013
Turnover	99,8	75,0	334,5	266,3
Other revenue	0,4	0,0	5,5	0,0
EBITDA	-6,5	-10,7	-17,9	-24,0
Earnings per share	-1,13	-0,80	-2,97	-2,51
Cash and liquid assets	54,3	68,4	54,3	68,4

Online Gaming	Q4 2014	Q4 2013	Full year 2014	Full year 2013
Revenue	56,8	35,6	183,1	127,5
EBITDA	-4,3	-12,4	-18,3	-28,1
Deposit amount	115,4	74,0	390,6	260,1
New customers	43 832	40 309	159 218	164 782
Active players	22 197	23 347	22 197	23 347

Restaurant Casino	Q4 2014	Q4 2013	Full year 2014	Full year 2013
Revenue	42,1	39,2	148,0	138,3
EBITDA	5,0	5,2	17,1	16,0
Number of casino venues	269	257	269	257



The figures are adjusted for divested operations unless specified.

The CEO comments on the fourth quarter and the full year 2014

With a strong heritage of 52 years in the industry, Cherry is a unique company in the Swedish gaming market. Cherry has entertained generations of players with moments of fun and excitement, playing in pubs and restaurants all over Sweden, and in recent years we have also been present online as a casino and lottery operator and gaming provider. It is a major responsibility to develop and lead Cherry in order to meet the new opportunities and challenges that accompany the evolving gaming industry. I look forward with confidence to taking the role as CEO and together with Cherry's more than 700 skilled employees develop Cherry further.

The fourth quarter showed strong growth in sales, and new records set across all business areas and after non-recurring costs, it also showed improved financial results. Cherry has, in the fourth quarter and beginning of 2015, made a number of changes in order to create the best possible conditions for further profitability and continued growth. Among these were changes in management, where Cherry decided to strengthen management within the online business, the acquisition of the affiliate company Game Lounge and further focus on the core business. Cherry has decided to phase out its involvement in the Swedish sports lottery Klubblo.

In the fourth quarter Online Gaming showed strong growth of 60 percent, which, combined with improved financial results, means that Cherry's efforts to improve the gaming experience and increase customer loyalty has begun to show results. The fact that Cherry was awarded "Online Gaming Operator of the Year" at the International Gaming Awards for the second year running is yet another confirmation that our investment is having the desired effect. In January 2015, 51 percent of the affiliate company Game Lounge Ltd. was acquired by Cherry. This is expected to enable Cherry to rapidly increase its volumes in existing brands and through future white label brands, and increases the number of customers at a significantly lower cost per customer than before. We believe that this will increase Cherry's revenues and EBIT during the next few years and generate many new depositing customers, which will mean that we will reach profitability in this business area more quickly.

In the fourth quarter, Yggdrasil has launched six gaming operators and during the year has signed 18 new agreements with well-known gaming operators. It takes time to get customers live and get them to use all of the games and features, but we can conclude that the gaming operators that went live in 2014 made great progress, which has proved that the business model works and that the games and features Yggdrasil produces are popular. Several new games have been released, such as "Reef Run," "Casino Zeppelin" and "Draglings". Also, in January 2015, "The Dark Joker Rizes" was released. "The Dark Joker Rizes" is the first Yggdrasil game built on the new platform HTML5 platform iSENSE 2.0, which makes it possible to launch games simultaneously on PC, mobile and tablet. This means that the operators have greater ability to reach their players and streamline their marketing costs. As new operators are deployed, with a growing portfolio of games, revenues will increase.

Once again Restaurant Casino impresses with a continued positive trend and 2014 shows the best result ever, creating growth in a declining market. During the year Cherry acquired JPC Casino and introduced faster POS terminals. The market share is currently 64 percent, making Cherry the clear market leader in the land-based sector. The market has stabilized, but larger stakes are still required for long-term growth.

Cherry has decided to phase out its involvement in the sports lottery Klubblo, since the conditions for conducting business have changed. Cherry and Idrottsalliansen believe that enforcement has changed, which has made it impossible for Klubblo to cooperate with the sports associations whose federations are not members of Idrottsalliansen. Just under half of all special sport federations within Riksidrottsförbundet (the Swedish Sports Confederation) are connected to the Idrottsalliansen, also several large confederations, such as the Football and Ice Hockey Federations, are prevented from joining the Idrottsalliansen because of the exclusivity agreement with Svenska Spel. The objective was that Klubblo, with its focus on grassroots sport, would take on the position as a significant partner to Swedish athletics within gaming and lotteries. Under current conditions Klubblo therefore does not fit with Cherry's strategy

A new order is required in the Swedish gaming market. Sweden has quite rightly been taken to the European Court after it has, for too long, delayed a re-regulation. Some countries have realized that the gaming industry, if properly managed, can contribute positively to economic growth. Instead of hindering private operators and trying to maintain a monopoly, Sweden should make it accessible and affirm the rapidly evolving gaming industry. Cherry calls for a modernized legislation, which allows us to operate under great social responsibility and compete on equal terms.

Cherry has and will always deliver fun and excitement!
Fredrik Burvall, CEO



The Group

Fourth quarter

The Group's revenue increased by 33 percent to MSEK 100.2 (75.0). EBITDA for the Group amounted to MSEK -6.5 (-10.7) and EBIT amounted to MSEK -10.6 (-11.9). The operating result is affected by a non-recurring cost of MSEK -4.0 related to change of CEO.

The Group's consolidated profit after financial items amounted to MSEK -14.9 (-9.5) and profit after tax amounted to MSEK -15.3 (-10.6), equivalent to SEK -1.13 (-0.80) per share after dilution and minority interest.

Net financial items and result from associated companies was affected by a write-down of assets and shares related to Klubblo with MSEK -7.7 (0.0)

Full year

The Group's revenue increased by 28 percent and amounted to MSEK 340.0 (266.3). EBITDA for the Group amounted to MSEK -17.9 (-24.0) and EBIT amounted to MSEK -32.9 (-33.9).

The Group's consolidated profit after tax amounted to MSEK -39.3 (-33.7) equivalent of SEK -2.97 (-2.51) per share after dilution and minority interest.

The result is affected by a non-recurring cost related to change of CEO and write-down of assets and shares related to Klubblo with MSEK -14.2 (0.0).

Return on equity was -30 percent (-13) and on total assets -19 percent (-10). The Group's consolidated liquid funds amounted to MSEK 54.3 (68.4) at the end of the period and equity/assets ratio percent was 58 (75).

Business Areas

Cherry's operations are divided into the following business areas: Online Gaming, Restaurant Casino, Yggdrasil Gaming and Development Projects.

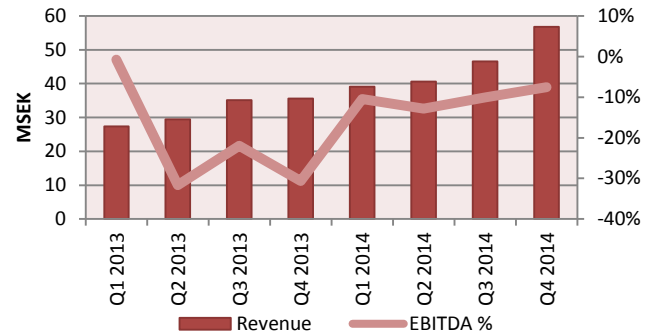
Online Gaming

Online casino and lottery on computers, tablets and mobiles on the sites: www.CherryCasino.com, www.EuroSlots.com, www.EuroLotto.com and www.SpilleAutomater.com. Web Resorts offers games on sites including www.NorgesSpill.com and www.NordicSlots.com.



Fourth quarter and full year

During the fourth quarter, turnover increased by 60 percent and amounted to MSEK 56.8 (35.6). EBITDA amounted to MSEK -4.3 (-12.4) and EBIT amounted to MSEK -6.2 (-11.9).



Online Gaming showed strong growth during the fourth quarter and deposits increased by 56 percent and amounted to MSEK 115.4 (74.0). The number of active customers amounted to 22,197 (23,347). During the fourth quarter the number of new customers increased with 9 percent and amounted to 43,832 (40,309). The number of registered customers amounted to 478,239 (319,021) at the end of the quarter. Marketing activities for Online Gaming during the fourth quarter amounted to MSEK 24.0 (21.3). Above all, significant marketing spend on CherryCasino.com and SpilleAutomater.com has resulted in a large increase in customer intake and deposits. The high bonus costs for new customers have negatively affected both turnover and EBIT. Cherry's work with customer loyalty programs has been intensified to increase profitability of the existing customer base. During the quarter the gaming experience has improved further for PC, mobile and tablet. Volumes continue to increase on both mobile and tablet.

During the full year, turnover increased by 44 percent and amounted to MSEK 183.1 (127.5). EBITDA amounted to MSEK -18.3 (-28.1) and EBIT amounted to MSEK -25.0 (-33.0).

Important events during the fourth quarter and full year

- In September, Cherry launched customized tablet casino sites. Where our competitors often provide a scaled mobile version, Cherry now offers a product that takes advantage of all the features that tablets offer, and can therefore provide a better gaming experience on tablets.
- In June, EuroLotto was transferred to Cherry's platform, which presently offers more than 200 games. Scratch cards, Keno, Table games, Slots and Jackpot games are offered on the new site, along with the Daily lottery with a jackpot of at least 25 million euro.

Important event after the interim report

- In January 2015, 51 percent of the affiliate company Game Lounge Ltd. was acquired by Cherry. This is expected to enable Cherry to rapidly increase its volumes in existing brands and through future white label brands, and increases the number of customers at a significantly lower cost per customer than before.
- Cherry was awarded "Online Gaming Operator of the Year" at the International Gaming Awards for the second year running.

Acquisition of Game Lounge

Cherry acquired 51 percent of the shares of Game Lounge Ltd on January 28, 2015. Game Lounge Ltd is an affiliate company with cutting-edge expertise in search engine optimization (SEO). The acquisition is expected to enable Cherry to increase volumes quickly on current brands, as well as acquiring more customers at a significantly lower cost. The deal will also involve Game Lounge selecting Cherry as a white label partner for SveaCasino.com and other brands in the future. It is also expected to increase both Cherry's revenues and EBIT in the next few years and bring in more than 40,000 new depositing customers over a three year period.

The purchase price for 51 percent of the shares in Game Lounge is MSEK 13.4 (MEUR 1.43) on joining and maximum MSEK 18.8 (MEUR 2) in a conditional additional purchase price, which may be paid no earlier than 13 months after closing. Payment of the purchase price can be made in cash or through shares. The deal also includes a call option which means that Cherry can acquire the remaining shares in Game Lounge, three years after closing.

The acquisition is expected to have the following effect on Cherry's assets and liabilities:

MSEK	Fair Value
Intangible fixed assets	4,0
Tangible fixed assets	0,0
Other receivables	0,8
Liquid assets	1,6
Deferred tax	-0,2
Loan	-0,7
Other liabilities	-1,8
Identified net assets	3,8
Goodwill	59,3
Purchase price	-32,2
Conditional purchase price	18,8
Liquid assets including in the acquisition	1,6
Net effect on cash	-11,8

The acquisition balances are not definitive

Acquisition of Web Resorts

On November 7, 2013, Cherry acquired and took possession of 49 percent of the shares of Web Resorts NV (Curacao). With the acquisition followed several domains, agreements and gaming sites, including NordicSlots.com and NorgesSpill.com. The acquisition contributed to increased turnover of MSEK 10.8 (3.2) and EBIT of MSEK 9.5 (2.8) during the full year of 2014. In addition to the operating result, the Group's result in 2014 was positively affected by MSEK 5.5, relating to the revaluation of the additional purchase price for the acquisition of Web Resorts. The combined earnings-based additional purchase price was a maximum of MSEK 13.0 of which MSEK 4.2 has already been paid. In the balance sheet, MSEK 2.3 remains to be paid as a supplementary consideration. The goodwill from the acquisition has undergone an impairment test and our assessment is that the value of the acquisition remains intact.

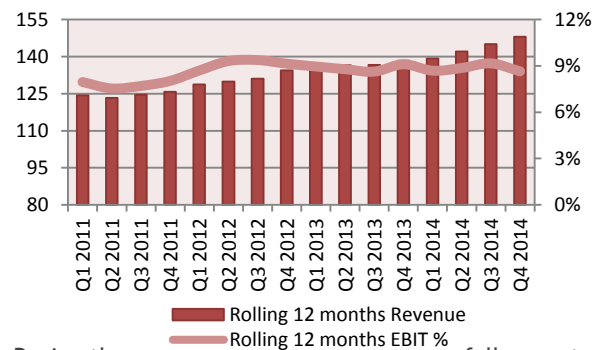
Restaurant Casino

Traditional casino table games (blackjack and roulette) operate in approximately 270 Swedish restaurants, nightclubs and hotels. Cherry also offers Event Casino for companies and private individuals.



Fourth quarter and full year

During the fourth quarter 2014, turnover increased by 7 percent and amounted to MSEK 42.1 (39.2). EBITDA amounted to MSEK 5.0 (5.2) and EBIT amounted to MSEK 3.9 (4.4). The result is affected by seasonal issues, as the Christmas holidays had fewer open gaming nights than 2013.



During the full year, turnover increased by 7 percent and amounted to MSEK 148.0 (138.3). EBITDA increased with 7 percent and amounted to MSEK 17.1 (16.0) and EBIT amounted to all time high MSEK 12.8 (12.6). The increase is partly explained by the new faster POS terminals that allow quicker transactions at the gaming tables. The business is developing positively.

Important events during the fourth quarter and full year

- Cherry's market share increased and amounted to 64 percent (60) of the active gaming tables according to the 2014 December statistics from the Swedish Lotteries and Gaming Authority. At the end of the quarter, Cherry had casinos at 269 gaming venues (257) with a total of 375 gaming tables (372).
- The fourth quarter increased with 12 casino venues compared to the fourth quarter 2013, among the agreements signed were Cleo in Luleå and Hantis Köping.
- Cherry acquired JPC Casino in July.
- At the end of Q1, Cherry launched new POS terminals for faster transactions, based on 4G technology and Wi-Fi. This also gives our customers the opportunity to use many more payment solutions than before, better statistical monitoring and optimization of the game.

Yggdrasil Gaming

Yggdrasil Gaming develops PC, mobile and tablet games. It is licensed in Malta and Curacao and sells and distributes its products to various gaming operators.

Fourth quarter and full year

During the quarter Yggdrasil went live with six operators including ComeOn and signed one new agreement. At the end of the quarter 14 operators were live, including LeoVegas, Vera&John, Unibet, MrGreen and Cherry. Yggdrasil Gaming has signed a total of 19 agreements, of which 18 were signed during 2014. At least another 3 operators will go live during Q1 2015 and in addition more games and functionality will be launched on already live customers.



During the quarter, the games "Reef Run" and "Cazino Zeppelin" and "Draglings" were released and "The Dark Joker Rizes" was launched after the end of the quarter. The Dark Joker Rizes" is the first Yggdrasil game built on the new HTML5 iSENSE 2.0 platform, which makes it possible to launch games simultaneously on PC, mobile and tablet. This means that the operators have greater ability to reach their players and streamline their marketing costs.



During Q1, will six games, already released on PC, also be available on mobile and tablet.

In Q1, Yggdrasil will release "Joker Millions" which is a pooled progressive slot. Yggdrasil Gaming's portfolio now includes 11 video slots, plus a number of innovative lottery and keno games.

During the fourth quarter turnover amounted to MSEK 1.3 (0.3), of which MSEK 0.4 (0.2) was internal revenue from Cherry's gaming sites. EBITDA amounted to MSEK -1.4 (-1.2) and EBIT amounted to MSEK -2.6 (-2.1). Game win (Bet-Win) increased by 563 percent in December 2014 compared with December 2013.

For the full year turnover amounted to MSEK 4.4 (0.9), of which MSEK 1.2 (0.6) was internal revenue from Cherry's

gaming sites. EBITDA amounted to MSEK -4.6 (-2.5) and EBIT amounted to MSEK -8.6 (-3.8).

Yggdrasil is still in a start-up mode. Yggdrasil's revenues are expected to increase as the number of games increases with the number of operational operators. Still, many operators have not received all the games on PC, tablet and mobile. At the integration phase, the operators often choose to gradually roll out the games. iSENSE 2.0, built in HTML5, will increase the speed of the roll out of the games, as it is launched simultaneously on PC, mobile and tablet. It can be concluded that the gaming operators that went live in 2014 have made great progress, which has proved that the business model works and that the games and functionality Yggdrasil produces are popular both among the gaming operators and their customers.

Yggdrasil Gaming is operated as an autonomous company within the Cherry group. Cherry's share of ownership was 89 percent at the end of the quarter. Key personnel within Yggdrasil hold the remaining ownership and also have options to subscribe to new shares, which would reduce Cherry's ownership to 86 percent.

Development projects

Cherry has a number of development projects aimed at creating new services and products to support Cherry's business concept and growth strategy. Until the product/service has been launched and established, the costs are taken centrally in the Group and are reported as "Development Projects" to make it transparent how much is being generated by the Group's business areas.

Full year

Revenues within Development Projects amounted to MSEK 0.0 (0.0) and EBIT to MSEK 0.0 (0.0).

The Swedish sports lottery "Klubblo"

Cherry has decided to phase out its involvement in the Swedish sports lottery Klubblo, as the conditions for conducting the business have changed. The Swedish gaming regulator, Lotteriinspektionen, has changed the application of the regulatory framework, which has made it impossible for Klubblo to cooperate with sports associations whose federations are not members of the sports alliance Idrottsalliansen. Some major federations, including the Football Federation and Ice Hockey Federation, are prevented from joining the Sports Alliance due to exclusivity agreements with Svenska Spel. The goal was that Klubblo, with its focus on grass root sports, would take a strong position as a partner to Swedish sports within the area of gaming and lotteries. Under the prevailing conditions, Klubblo does not fit into Cherry's strategy.

Impairment of assets and shares as well as results related to Svenska Klubbspel AB will be charged to financial income from associated companies with MSEK -10.2 for 2014 and MSEK -7.7 for the fourth quarter. In total the project cost accumulated to MSEK -11.0. The liquidity is expected to be affected negatively with MSEK -1.3 during 2015.

Cash and liabilities

The Group's consolidated cash amounted to MSEK 54.3 (68.4) on December 31. Player liability amounted to MSEK 5.9 (3.3). Interest bearing liabilities amounted to MSEK 4.1 (1.1). During the second quarter MSEK 51.2 (143.4) was transferred to the shareholders.

Staff and organization

The average number of employees for the Group (calculated as fulltime positions) during the period was 195 (179). The total number of employees at the end of the period was 752 (706).

Risks and uncertainties

For a description of the risks and uncertainties please see the 2013 Annual Report, available on the company website.

The Parent Company

The parent company provides and sells internal services to other group companies in the areas of finance, accounting, administration and management, and also has some external licensing revenues. Turnover for third quarter amounted to MSEK 3.1 (2.4) and profit after financial items amounted to MSEK -17.5 (-24.3). The parent company's investments in non-current assets amounted to MSEK 0.0 (0.2). Cash and liquid funds amounted to MSEK 44.7 (59.0) at the closing date.

Changes in equity

On December 17 a new issue of 638 931 B-shares was registered according to the execution of the extraordinary general meeting on October 19, 2011, regarding the incentive program for leading executives and key persons within Cherry. The total liquidity amounted to MSEK 10.2 and the share capital increased by TSEK 351. The remaining amount increased the share premium reserve.

Outlook

Cherry's Online Gaming business area is expected to grow faster than the general online gaming market. In January 2014, H2 Gambling Capital estimated that the European online gaming market would grow by 10 percent during 2014. Online gaming is exposed to intense competition and subject to a regulatory environment that may change rapidly in the different European countries.

The legal situation for online gaming changes continuously in the different geographical markets. There is continued pressure on countries within the EU to adapt their domestic legislation to applicable EU law, with free movement of goods and services. Several countries have recently announced that they are working on new legislation that will be consistent with EU requirements.

On 16 October, 2014, the EU Commission announced that it was taking Sweden to the Court of Justice of the EU for what the Commission considers to comprise Sweden's lack of compliance with EU law applying to gambling services. In addition, the Swedish government announced that work was underway to produce a gaming licensing system in Sweden and explained its plans to accelerate the implementation of

such a system. These announcements are welcomed by Cherry, as the Company deems that a licensing system open for competition in the gaming market, on fair and market adopted conditions, is the best way forward and can help boost economic growth.

The market for Restaurant Casino has a continued negative growth in addition to local competition. Cherry expects to maintain or increase its market share through acquisitions and taking over venues from competitors. Cherry believes that an adjustment of maximum allowed bets will be made during the next re-regulation of the Swedish gaming regulation.

The business area of Yggdrasil Gaming is expected to grow faster than the market average. The growth in Yggdrasil's sector is expected to follow the development of online gaming, which is estimated at about 10 percent per year.

Cherry will launch products and services that fall within the business area of Development Projects and support Cherry's business concept and growth strategy.

For further information see the Annual Report for 2013. Cherry has not issued a forecast for 2015.

Nomination committee

In accordance with the decision at Cherry's annual general meeting held on May 8, 2014, the following members of the Nomination Committee for AGM 2015 have been appointed:

The following nomination committee has been formed based on ownership on September 30, 2014, and consists of John Wattin (appointed by the Hamberg family), Morten Klein (appointed by Morten Klein AS), Pontus Lindwall (appointed by the Kling family) and Rolf Åkerlind (Chairman Cherry AB). The nomination committee together represents 47.6 percent of the votes and 33.9 percent of the shares in Cherry AB (PLC).

The Nomination Committee shall, for the next AGM in 2015, submit proposals on the number of directors to be elected, the directors' remunerations, the composition of the Board of directors, a Chairman of the board, auditor (-s), remuneration for the auditor (-s) and the Chairman at the AGM. Furthermore, the Nomination Committee shall submit a proposal on a new instruction for the Nomination Committee at the next AGM.

Shareholders who wish to contact the nomination committee can do so by e-mail to valberedningen@cherry.se or by mail to Cherry AB, Nomination committee, Blekholmstorget 30, 111 64 Stockholm.

Annual General Meeting

The Cherry AB (PLC) Annual General Meeting will be held in Stockholm on Tuesday May 12, 2015, at CET 16:30. Shareholders who wish to attend the meeting must both be recorded in the register kept by Euroclear Sweden AB share database on Wednesday 6 of May 2015 and notify their intention to attend the meeting no later than Friday, May 8,

2015. Notice of attendance at the meeting must be submitted in writing to the company at Bleholmstorget 30, 111 64 Stockholm, by telephone +468-514 969 52 or by email: fredrik.burvall@cherry.se.

Annual report

The annual report will be published latest April 20, on the company website, www.cherry.se, and AktieTorget webpage www.AktieTorget.se.

Financial calendar 2015

Cherry intends to distribute financial reports and statements on the dates below:

- Interim report 1, Tuesday, May 12
- Interim report 2, Tuesday, August 25
- Interim report 3, Tuesday, November 10
- Full year report/Interim report 4, Thursday, February 18, 2016

Accounting principles

Cherry applies IFRS, which is adopted by the EU. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. The Parent Company applies the same principles as the Group apart from the exceptions in paragraph of RFR 2; Reporting for legal persons. Starting in the fourth quarter of 2012 the Group applies IFRS 5 as a consequence of the divestment of the Maritime Gaming segment and the Automaten sites. IFRS 5 specifies how the divested operations shall be presented and the information to be provided for discontinued operations.

Income from discontinued operations shall be presented separately in the income statement, and in the company income statement it is listed under the item "Income from discontinued operations" (net of tax).

Information about the Group's accounting and valuation principles, the annual report 2013, published April 17, 2014, is available on the company website.

This report has not been subject to a review by the auditors.

All figures in this report are in million SEK unless otherwise specified. Numbers in parenthesis indicate the amount of the corresponding period for the previous year.

Translation

This is a translation of the Swedish original.

Stockholm, February 18, 2015

Fredrik Burvall
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Cherry in brief

Cherry is a Swedish gaming company established in 1963 specialized in online casinos and lotteries; (www.cherrycasino.com, www.EuroLotto.com, www.euroslots.com, www.SpilleAutomater.com, www.NordicSlots.com and www.NorgesSpill.com), affiliate business (www.sveacasino.se, www.SuomiCasino.com and www.NorgeKasino.com etc.) and games development (www.Yggdrasil.com), through subsidiaries in Malta. Cherry is the market leader in casinos in restaurants and nightclubs in Sweden. Cherry employs around 700 people and has more than 2 400 shareholders. The Company's B-shares are listed on AktieTorget.

Amounts in SEK million unless otherwise specified

Consolidated income	Q4 2014	Q4 2013	Full year 2014	Full year 2013	Full year 2012
Revenues	99,8	75,0	334,5	266,3	231,5
Other revenue - revaluation of additional purchase price Online Gaming	0,4	0,0	5,5	0,0	0,0
Total operating revenues	100,2	75,0	340,0	266,3	231,5
Cost of sales	-38,6	-31,5	-129,5	-110,9	-89,4
Gross profit	61,6	43,5	210,5	155,4	142,1
Marketing expenses	-24,8	-21,5	-87,9	-69,2	-35,6
Personnel expenses	-38,1	-25,7	-119,0	-90,0	-75,9
Other expenses	-5,2	-7,0	-21,5	-20,2	-18,7
Operating income (EBITDA)	-6,5	-10,7	-17,9	-24,0	11,8
Depreciation and amortisation	-4,1	-1,2	-15,0	-9,9	-5,7
Operating profit/loss (EBIT)	-10,6	-11,9	-32,9	-33,9	6,1
Financial items	-4,3	2,4	-4,5	1,8	-3,8
Profit before tax	-14,9	-9,5	-37,4	-32,1	2,3
Tax	-0,4	-1,1	-1,9	-1,6	-0,2
Profit after tax	-15,3	-10,6	-39,3	-33,7	2,1
Profit for divested operations	0,0	-0,9	0,0	25,5	28,2
Attributable to:					
Parent company shareholders	-15,0	-11,2	-38,3	-7,9	30,4
Minority interest	-0,3	-0,2	-1,0	-0,3	0,0
Profit after tax	-15,3	-11,4	-39,3	-8,2	30,4
Earnings per share from remaining operations before dilution (SEK)	-1,21	-0,83	-3,14	-2,66	0,17
Earnings per share from remaining operations after dilution (SEK)	-1,13	-0,80	-2,97	-2,51	0,16
Earnings per share from total operations before dilution including divested operations (SEK)	-1,21	-0,90	-3,14	-0,66	2,37
Earnings per share from total operations after dilution including divested operations (SEK)	-1,13	-0,86	-2,97	-0,63	2,30
Statement of total income	Q4 2014	Q4 2013	Full year 2014	Full year 2013	Full year 2012
Profit/loss for the period	-15,3	-11,4	-39,3	-8,2	30,4
Translation gains/losses on consolidation, overseas operations	-1,2	0,2	-1,6	-4,9	-12,8
Total income for the period	-16,5	-11,2	-40,9	-13,1	17,6
Group per segment/business area	Q4 2014	Q4 2013	Full year 2014	Full year 2013	Full year 2012
Revenues					
Online Gaming	56,8	35,6	183,1	127,5	96,9
Restaurant Casino	42,1	39,2	148,0	138,3	134,5
Yggdrasil Gaming	1,3	0,3	4,4	0,9	0,0
Elimination, internal revenues from Yggdrasil to Cherry	-0,4	-0,2	-1,2	-0,6	0,0
Development Projects	0,0	0,0	0,0	0,0	0,0
Other revenue - revaluation of additional purchase price Online Gaming	0,4	0,0	5,5	0,0	0,0
Group-wide	0,0	0,1	0,2	0,2	0,1
The Group	100,2	75,0	340,0	266,3	231,5
Operating profit/loss before depreciation and amortization (EBITDA)					
Online Gaming	-4,3	-12,4	-18,3	-28,1	5,6
Restaurant Casino	5,0	5,2	17,1	16,0	15,0
Yggdrasil Gaming	-1,4	-1,2	-4,6	-2,5	-0,4
Development Projects	0,0	0,0	0,0	0,0	0,0
Group-wide	-5,8	-2,3	-12,1	-9,4	-8,4
The Group	-6,5	-10,7	-17,9	-24,0	11,8
Operating profit/loss (EBIT)					
Online Gaming	-6,2	-11,9	-25,0	-33,0	3,0
Restaurant Casino	3,9	4,4	12,8	12,6	12,3
Yggdrasil Gaming	-2,6	-2,1	-8,6	-3,8	-0,4
Development Projects	0,0	0,0	0,0	0,0	0,0
Group-wide	-5,7	-2,3	-12,1	-9,7	-8,8
The Group	-10,6	-11,9	-32,9	-33,9	6,1

Amounts in SEK million unless otherwise specified

Consolidated balance sheet	2014-12-31	2013-12-31
Intangible assets	52,1	52,4
Property, plant and equipment	11,2	6,8
Share in Associated companies	0,3	1,5
Other long-term receivables	0,8	0,9
Inventories	0,2	0,4
Current receivables	43,2	103,4
Cash and liquid assets (SEK million)	54,3	68,4
Total assets	162,1	233,8
Shareholders' equity	94,3	175,8
Long-term interest bearing liabilities	2,8	0,4
Deferred tax payables	0,5	0,7
Current interest bearing liabilities	1,3	0,7
Other current liabilities	63,2	56,2
Total equity and liabilities	162,1	233,8
Consolidated cash flow statement (total operations)	Full year 2014	Full year 2013
Profit after financial items	-37,4	-6,5
Adjustments for non-cash items	20,3	-10,9
Taxes paid	-1,3	-0,6
Cash flow from operating activities before changes in working capital	-18,4	-18,0
Changes in working capital	5,2	-6,3
Cash flow from operating activities	-13,2	-24,3
Net investments	-16,5	-12,9
Investment in acquisition of subsidiaries/associated companies	-7,5	-27,3
Change in long-term receivables	0,1	0,4
Sales of shares and property, plant and equipment	60,0	216,4
Cash flow from investing activities	36,1	176,6
New share issue	10,6	0,1
Dividend/Redemption programme	-51,2	-143,4
Change in long-term liabilities	2,9	-0,6
Cash flows from financing activities	-37,7	-143,9
Change in cash and cash equivalents	-14,8	8,4
Cash and liquid assets at beginning of period	68,4	59,1
Exchange rate differences	0,7	0,9
Cash and liquid assets at end of period	54,3	68,4
Attributable to divested business	Full year 2014	Full year 2013
Cash flow from operating activities	0,0	8,6
Cash flow from investment activities	60,0	215,4
Cash flow from financial activities	0,0	0,0
Changes in Group equity	2014-12-31	2013-12-31
Opening balance	175,8	332,2
New issue	10,3	0,0
Acquisition of minority	0,3	0,1
Dividend	-51,2	-143,4
Total profit/loss	-40,9	-13,1
Equity, end of period	94,3	175,8
Attributable to:		
Parent company shareholders	95,5	175,8
Minority interest	-1,2	0,0
Total equity	94,3	175,8

Amounts in SEK million unless otherwise specified.

Result affecting key performance indicators have been adjusted for the divested operations, Business segment Maritime Gaming and the Automaten sites.

Group key performance indicators	Full year 2014	Full year 2013	Full year 2012	Full year 2011
	2014-12-31	2013-12-31	2012-12-31	2011-12-31
Number of outstanding shares at the end of the period (thousands)	13 442	12 803	12 803	12 803
Average number of outstanding shares during the period (thousands)	12 827	12 803	12 803	12 803
Number of own shares	0,0	0,0	0,0	0,0
Number of registered shareholders	2 411	2 329	1932	1956
Published price at the end of the period (SEK)	34,50	31,20	29,00	17,70
Earnings per share before dilution (remaining operations)	-3,14	-2,66	0,17	-1,29
Earnings per share after dilution (remaining operations)	-2,97	-2,51	0,16	-1,29
Earnings per share from total operations before dilution including divested operations (SEK)	-3,14	-0,66	2,37	2,81
Earnings per share from total operations after dilution including divested operations (SEK)	-2,97	-0,63	2,30	2,81
Cash flow per share (SEK)	-1,15	0,66	2,33	0,33
Equity per share (SEK)	7,01	13,73	25,95	25,42
Executed dividend/redemption programme per share (SEK)	4,00	11,20	0,75	0,75
Return on equity (percent)	-30	-13	1	-5
Return on total capital (percent)	-19	-10	1	-4
Return on capital employed (percent)	-27	-13	1	-5
Operating margin (EBITDA, percent)	-5,3	-9,0	5,1	-7,3
Operating margin (EBIT, percent)	-9,7	-12,7	2,7	-9,7
Profit margin (percent)	-11,0	-12,0	1,0	-10,3
Equity/assets ratio (percent)	58	75	86	70
Quick ratio (percent)	151	303	87	87
Net investments (SEK million)	24,0	40,2	15,1	6,1
Cash and liquid assets (SEK million)	54,3	68,4	59,0	30,4
Average number of employees (full-time equivalents)	195	179	160	145
Number of employees at end of period	752	706	677	656
Restaurant Casino				
Number of venues Cherry operates casino in Sweden	269	257	243	240
Online Gaming:	Q4 2014	Q3 2014	Q2 2014	Q1 2014
**Number of registered customers at end of period	478 239	434 407	397 188	362 341
Number of new registered customers during the period	43 832	37 219	34 847	43 320
*Number of active players during the period	22 197	19 982	21 949	22 095
Deposit amount (SEK million) during the period	115,4	108,7	86,0	80,5
Online Gaming:	Q4 2013	Q3 2013	Q2 2013	Q1 2013
**Number of registered customers at end of period	319 021	278 712	224 660	186 933
Number of new registered customers during the period	40 309	54 052	37 727	32 694
*Number of active players during the period	23 347	18 348	17 753	20 001
Deposit amount (SEK million) during the period	74,0	70,0	62,3	53,8
Online Gaming:	Q4 2012	Q3 2012	Q2 2012	Q1 2012
**Number of registered customers at end of period	154 239	126 284	106 300	84 942
Number of new registered customers during the period	27 955	19 984	21 358	24 155
*Number of active players during the period	15 016	13 555	17 519	16 966
Deposit amount (SEK million) during the period	51,0	47,5	38,1	29,3

*An active customer is defined as a customer who has played for money, during the last three months.

** Due to the migration of EuroLotto.com to Cherrys own platform in June 2014, 42 001 registered players from 2011 and 2012, were removed as registered customers.