



Cherry

CHERRY AB (PLC)

INTERIM REPORT 3

1 JANUARY - 30 SEPTEMBER 2015



BEST ONLINE GAMING OPERATOR
2014 & 2015

Highlights

Third quarter: Positive EBIT of MSEK 11.0 - 131% growth for Online Gaming and 339% growth for Yggdrasil

- Group revenue increased by 71 percent to MSEK 154.1 (90.4). Online makes up 72 percent (53) of the group revenue.
- Profitability improved considerably and the group showed a positive result. EBITDA amounted to MSEK 17.4 (-3.0). EBIT amounted to MSEK 11.0 (-7.0).
- The result after tax amounted to MSEK 12.1 (-8.8), equivalent to SEK 0.65 (-0.69) per share after dilution & minority int.
- Online Gaming grew by 131 percent and EBITDA amounted to MSEK 14.5 (-4.7).
- Restaurant Casino increased turnover by 13 percent and EBITDA increased by 7 percent to MSEK 5.3 (5.0).
- Yggdrasil Gaming grew by 339 percent and EBITDA amounted to MSEK 1.9 (-1.4). September was the first month with a positive EBIT. Yggdrasil has initiated an application for an UK operator license.
- In July, Cherry acquired 71 percent of the shares in the Malta-based company Almor Holding Limited - a leading online casino in German speaking markets.
- In late July, Cherry-owned Game Lounge acquired a prominent Finnish affiliate's domains and affiliate agreements. The acquisition is expected to increase EBITDA figures by more than EUR 600,000 annually, and bring in more than 10,000 new depositing customers to Cherry and other operators over three years.

Nine-month interim period: Strong growth within all business areas and a positive EBITDA

- Group turnover increased by 49 percent compared to the previous year and amounted to MSEK 356.2 (239.8). Online makes up 67 percent (54) of the group revenue.
- Profitability improved considerably and EBITDA amounted to MSEK 12.5 (-11.4). EBIT amounted to MSEK -3.1 (-22.3).
- The result after tax amounted to MSEK -6.4 (-24), equivalent to SEK -0.72 (-1.84) per share after dilution & minority int.
- Online Gaming grew by 83 percent and EBITDA amounted to MSEK 6.4 (-14.0).
- Restaurant Casino increased turnover by 11 percent and EBITDA increased by 20 percent to MSEK 14.5 (12.1).
- Yggdrasil Gaming grew by 215 percent and EBITDA amounted to MSEK 0.3 (-3.2).
- In January 2015, a controlling interest in the affiliate company Game Lounge Ltd was acquired by Cherry. This is expected to enable Cherry to rapidly increase its volumes at a significantly lower cost per customer than before.

Important events after the end of the quarter: Cherry added strategic acquisitions to its core business

- On the 1 October, Cherry's second white label, SuomiCasino.com, was launched in cooperation with Game Lounge.
- In October, Cherry acquired an additional 4 percent of the shares in the Malta based company Almor Holding Limited - a leading online casino in German speaking markets. After the acquisition Cherry owns 75 percent of Almor Holding Ltd.

Group	Q3 2015	Q3 2014	Jan-Sep 2015	Jan-Sep 2014
Turnover	154,1	85,3	356,2	234,7
Other revenue	0,0	5,1	0,0	5,1
EBITDA	17,4	-3,0	12,5	-11,4
EBIT	11,0	-7,0	-3,1	-22,3
Earnings per share	0,65	-0,69	-0,72	-1,84
Cash and liquid assets	10,0	47,1	10,0	47,1

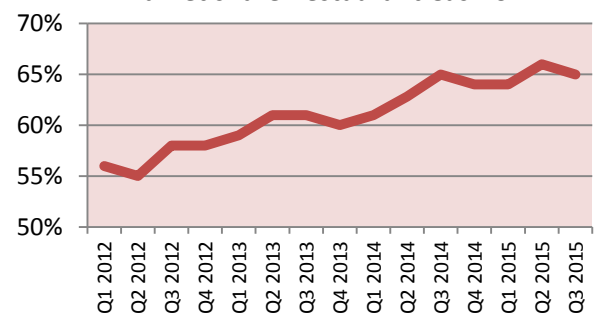
Online Gaming	Q3 2015	Q3 2014	Jan-Sep 2015	Jan-Sep 2014
Revenue	107,6	46,6	231,4	126,3
EBITDA	14,5	-4,7	6,4	-14,0
Deposit amount	269,2	108,7	549,1	275,2
New customers	426 274	37 219	503 249	115 386
Active players	60 300	19 982	60 300	19 982

Restaurant Casino	Q3 2015	Q3 2014	Jan-Sep 2015	Jan-Sep 2014
Revenue	42,5	37,6	117,2	105,9
EBITDA	5,3	5,0	14,5	12,1
Number of casino venues	253	260	253	260

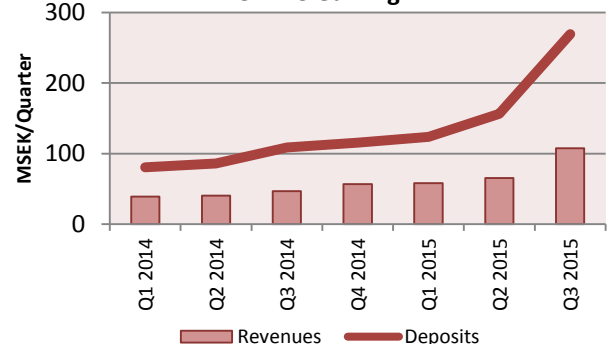
Yggdrasil Gaming	Q3 2015	Q3 2014	Jan-Sep 2015	Jan-Sep 2014
Revenue	5,3	1,2	9,8	3,1
EBITDA	1,9	-1,4	0,3	-3,2
Signed agreements	1	8	25*	16*
Integrated customers	1	5	18*	8*

* Number of signed agreements or integrated operators from start.

Market share Restaurant Casino



Online Gaming



CEO comments on the third quarter

We are pleased to be able to show a strong growth and profit for the third quarter. Our strategic acquisitions have been successfully integrated within Cherry and all business areas are now showing a profit. The third quarter continued to show strong growth and the group turnover increased by 71 percent. Cherry's online business continues to grow and now represents 72 percent (53) of group sales. Going forward, it is expected to grow faster than the market.

Cherry's business area Online Gaming has achieved a strong growth of 131 percent during the third quarter, and again is showing a profit. Our efforts to improve gaming experience, delivering joy of gaming, and to increase our customer loyalty is beginning to create results. We are seeing strong growth in mobile gaming and will continue to improve our mobile offerings. Further synergies are expected when Almor's trademarks are migrated to Cherry's platform. Today, Online Gaming is well positioned, using a well-functioning and flexible platform, where new products can easily be integrated and new skins easily added. Therefore we can, with limited increase in costs, grow in volume and increase our profit. At present Cherry has three licenses via Malta, Curacao and Schleswig Holstein and intends to obtain local licenses in markets where Cherry has a large volume, or in new markets where the company expects a strong growth.

During the quarter, Yggdrasil has developed strongly and September was the first month with a positive EBIT. Yggdrasil has delivered three new quality games (Holmes And The Stolen Stones™, Vikings Go Wild™ and Chibeasties), which were well received by both customers and operators. In the third quarter, revenues increased by 339 percent and a new agreement was signed. In addition to this, two new agreements were signed regarding Yggdrasil's popular progressive jackpot game, Joker Millions. During the quarter, the first jackpot for the Joker Millions was paid out, amounting to €720,000 and paid out on EuroSlots.com. Yggdrasil has taken the decision to release all of the games on the new platform iSense 2.0, based on HTML5, providing the opportunity to release games simultaneously on computer, tablet and mobile, as well as giving the games better and faster performance. This enables operators to interact more effectively with their players, particularly in conjunction with marketing campaigns. During the third quarter the company has initiated an application for an UK operator license. Yggdrasil has the intention to deliver at least 12 games annually to the market and the upcoming games look exciting. As new operators are deployed, more games are launched at existing customers and the game portfolio keeps growing, Yggdrasil's revenue and profit will increase.

Restaurant Casino continues to impress with positive progress. During the third quarter, the business delivered solid growth and increased its profit by nine percent. Staff training and further development of the business has led to stronger key figures during the year. In July, general payroll tax for young people was raised which, over time, will affect the industry and Restaurant Casino's profitability. The increase in cost for the raise of the general payroll tax for young people will be shared with the restaurateurs, but it will also result in more gaming venues becoming unprofitable. Therefore it is necessary to be able to raise the stakes in Restaurant Casino. We have begun a project to promote the raise of stakes and ensure politicians are made aware of the problems and the challenge for the industry. This autumn, Mr. Jan R Andersson (M) has submitted a motion which includes a proposed increase in the stake from the current level of SEK 70 to SEK 200. The bill is expected to be processed in the spring of 2016.

A new regime is required on the Swedish gaming market, and a new Swedish gaming legislation is expected to be in place by July 2018. We are supportive of the appointment of General Director, Mr. Håkan Hallstedt, to lead the new gaming investigation. Cherry welcomes a gaming market that is open to all, with transparent and responsible actors, and we want to create more jobs in Sweden and compete on fair conditions.

Cherry's goal is to continue to grow faster than the market through acquisitions as well as organically and focusing on rapidly increasing the profitability. We now look forward to continue to spread the joy of playing, both online and at the pub.

Fredrik Burvall, CEO



The Group

Third quarter

The Group's revenue increased by 71 percent to MSEK 154.1 (90.4). EBITDA and EBIT for the Group improved considerably and amounted to MSEK 17.4 (-3.0) and MSEK 11.0 (-7.0), respectively.

The profit was negatively affected by acquisition costs of MSEK 2.4.

The Group's consolidated profit after financial items amounted to MSEK 13.8 (-8.3) and profit after tax amounted to MSEK 12.1 (-8.8), equivalent to SEK 0.65 (-0.69) per share after dilution and minority interest.

Net financial items were positively affected with MSEK 3.0 by exchange rate revaluations on internal receivables in Euro.

Nine-month interim period

The Group's turnover increased by 49 percent and amounted to MSEK 356.2 (239.8). The profit of the group improved considerably. EBITDA amounted to MSEK 12.5 (-11.4) and EBIT amounted to MSEK -3.1 (-22.3). The profit was negatively affected by acquisition costs of MSEK 2.4.

The Group's consolidated profit after financial items amounted to MSEK -4.2 (-22.5) and profit after tax amounted to MSEK -6.4 (-24.0), equivalent to SEK -0.72 (-1.84) per share after dilution and minority interest.

Net financial items reduced negatively with MSEK -1.0 by exchange rate revaluations on internal receivables in Euro.

Business Areas

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



Online Gaming

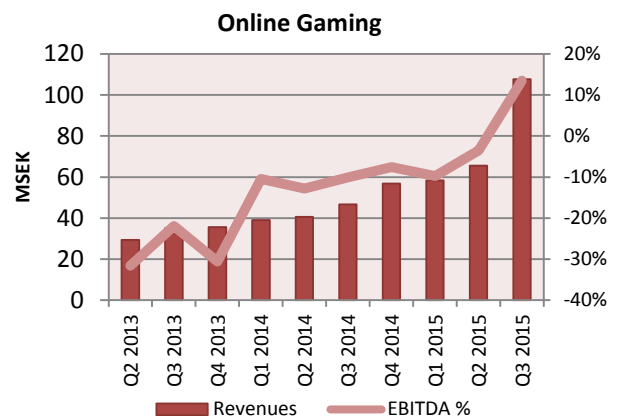
This business area includes online casino and lottery on computers, tablets and mobiles on CherryCasino.com, EuroSlots.com, EuroLotto.com, SveaCasino.com and SpilleAutomater.com. Web Resorts offers games on sites including NorgesSpill.com and NordicSlots.com. From July, Sunmaker.com, Sunnyplayer.com and KingPlayer.com are part of Online Gaming. Online Gaming also includes affiliate business through Game Lounge.

Third quarter/Interim period

During the third quarter, turnover increased by 131 percent and amounted to MSEK 107.6 (46.6). Profits improved

significantly. EBITDA amounted to MSEK 14.5 (-4.7) and EBIT amounted to MSEK 11.2 (-6.4).

Online Gaming showed strong growth during the third quarter and deposits increased by 148 percent and amounted to MSEK 269.2 (108.7). The number of active customers increased by 202 percent and amounted to 60,300 (19,982). During the third quarter the number of new customers amounted to 426,274 (37,219). The number of registered customers amounted to 981,488 (434,407) at the end of the quarter. The figures include Almor's operations from 1 July, 2015.



Marketing activities for Online Gaming during the third quarter amounted to MSEK 27.4 (21.1). Above all, significant marketing spend on CherryCasino.com and SpilleAutomater.com, as well as marketing of Almor's brands, 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. Volumes on mobile and tablet and amounted to 27 percent (19) of Online Gaming's total Gross Game Win (excluding Almor) during the third quarter. Including Almor, which launched a mobile solution during September with only 12 games, the share of mobile/tablet amounted to 20 percent. Once Almor has been migrated to Cherry's platform, this share is expected to increase.

During the third quarter, in cooperation with SBTech, Cherry launched a sportsbook on SpilleAutomater.com, both for PC and mobile, as well as a mobile solution for the new EuroLotto.com site. Cherry has also launched a seamless bonus structure which can be used on all product verticals.

During the nine-month interim period, turnover increased by 83 percent and amounted to MSEK 231.4 (126.3). EBITDA amounted to MSEK 6.4 (-14.0) and EBIT amounted to MSEK -0.5 (-18.8). The figures include Almor's brands.

Important events during the third quarter

- In July, Cherry acquired 71 percent of the shares in the Malta based company Almor Holding Limited - a leading online casino in German speaking markets.

- In July, Cherry-owned Game Lounge acquired a prominent Finnish affiliate's domains and affiliate agreements. The acquisition is expected to increase EBITDA figures by more than EUR 600,000 annually, bring in more than 10,000 new depositing customers to Cherry and other operators over three years and quickly increase volumes on current Cherry brands.

Important events after the interim report

- On 1 October Cherry's second white label, SuomiCasino.com, was launched in cooperation with Game Lounge.
- In October, Cherry acquired an addition 4 percent of the shares in the Malta based company Almor Holding Limited - a leading online casino in German speaking markets. After the acquisition Cherry's ownership amounts to 75 percent of the shares.



**Acquisitions
Almor Holding**

At the beginning of July, Cherry acquired 71 percent of the shares in the Malta-based company Almor Holding Limited - a leading online casino in German speaking markets. The business is consolidated by Cherry from 1 July. In October, Cherry acquired an addition 4 percent of the shares in Almor Holding Limited. After the acquisition Cherry's ownership amounts to 75 percent of the shares. The acquisition of Almor is expected to have the following effect on Cherry's assets and liabilities:

MSEK	Fair Value
Intangible fixed assets	14.8
Tangible fixed assets	0.0
Current receivables	11.1
Liquid assets	0.0
Deferred tax	-0.9
Other liabilities	-4.6
Identified net assets	20.3
Goodwill	39.7
Purchase price	-42.4
Paid by shares	21.2
Liquid assets in acquired business	0.0
Net effect on cash	-21.2

The acquisition balances are not definitive

Almor's most well-known brands - Sunmaker, Sunnyplayer and Kingplayer - have attained a strong position on their core markets since launch in 2011, and offer a vast variety of online casino games and a sportsbook. Almor is estimated to be the largest operator of Merkur Slots (developed by Edict eGaming), one of the most popular slots on Almor's main markets. Until September, neither Sunmaker nor Sunnyplayer had a mobile/tablet solution. Upon the migration to Cherry's platform, a mobile/tablet solution will be implemented on Almor's brands. Cherry expects additional synergies and increased volumes once the migration is completed.

In 2014, Almor's net gaming revenue amounted to MEUR 11.1 and the EBITDA to MEUR 1.2. As of 1 January, 2015, Germany started to charge VAT a rate of 19%. This is however offset by a net gaming revenue of MEUR 7.2 and an EBITDA of approximately MEUR 1.0 for the first six months of 2015.

The purchase price for 71 percent of the shares in Almor Holding Limited was MEUR 4.6. Payment of the initial purchase price was made 50% in cash and 50% in Cherry shares. After the new issue, the number of shares in Cherry AB increased with 546,239 of series B. In October, an additional 4 percent were purchased in cash for the price of MEUR 0.76 (7.1 MSEK). After this purchase in October, Cherry's ownership amounts to 75 percent of the shares.

Cherry has, through a call option, the right to acquire the remaining part of Almor within four years and five months. The call options for future acquisition of additional shares are based on a multiple of five-times operating profit. In the event that Cherry exercises the option, payment can be made either through shares in Cherry or in cash. The shares will then in all cases be valued based on the average closing price over the previous three trading days and the three trading days that follow, including the date of acquisition. The seller has an option to sell the remaining shares no sooner than July 2020. In this event and if Cherry has not acquired the remaining part of the company at the termination of the contract, and the seller so requests, a valuation is then made by a renowned external agency.

Game Lounge - domains & affiliate business - Finland

During July, Cherry-owned Game Lounge acquired the domains and affiliate agreements of a leading Finnish affiliate for MEUR 1.2. The acquisition is expected to increase EBITDA figures by more than EUR 600,000 annually, bring in more than 10,000 new depositing customers to Cherry and other operators over three years and quickly increase volumes on current Cherry brands. The acquisition is fully financed by Game Lounge operations and the deal is expected to generate ROI in less than two years. It is consolidated from the third quarter and the domains and affiliate agreements will be depreciated over five years.

Game Lounge

Cherry acquired 51 percent of the shares of Game Lounge Ltd on 28 January, 2015. The business is consolidated from 1 February and has contributed positively to the result during the interim period. The business has developed above expectations.

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. 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.

In cooperation with Cherry, Game Lounge has launched two white labels, SveaCasino.com and SuomiCasino.com.

The purchase price for 51 percent of the shares in Game Lounge was MSEK 13.3 (MEUR 1.43) on joining and maximum MSEK 18.6 (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.

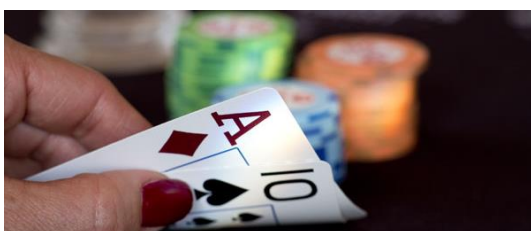
The acquisition of Game Lounge is expected to have the following effect on Cherry's assets and liabilities:

MSEK	Fair Value
Intangible fixed assets	3.9
Tangible fixed assets	0.1
Other receivables	0.5
Liquid assets	2.2
Deferred tax	-0.2
Loan	-0.8
Other liabilities	-1.8
Identified net assets	3.9
Goodwill	58.6
Purchase price	-31.9
Conditional purchase price	18.6
Liquid assets included in the acquisition	2.2
Net effect on cash	-11.1

(The acquisition balances are not definitive)

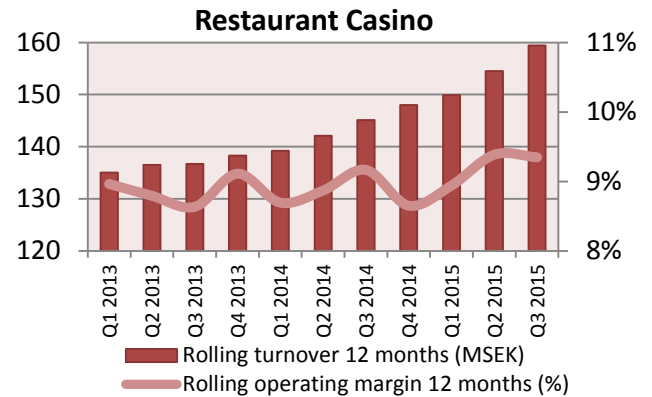
Restaurant Casino

Traditional casino table games (blackjack and roulette) operate in approximately 250 Swedish restaurants, nightclubs and hotels. Cherry also offers Event Casino for companies and private individuals.



Third quarter/Interim period

During the third quarter of 2015, turnover increased by 13 percent and amounted to MSEK 42.5 (37.6). EBITDA amounted to MSEK 5.3 (5.0) and EBIT amounted to MSEK 4.2 (3.8). The increase is mainly explained by a higher turnover per shift, thanks to further education of the staff and by introducing faster payment systems. The business is developing positively.



During the nine-month interim period, turnover increased by 11 percent and amounted to MSEK 117.2 (105.9). EBITDA increased by 20 percent and amounted to MSEK 14.5 (12.1). EBIT increased by 24 percent to MSEK 11.0 (8.9).



Important events during the third quarter

- Cherry's market share amounted to 65 percent (65) of the active gaming tables according to the 2015 September statistics from the Swedish Lotteries and Gaming Authority. At the end of the quarter, Cherry had casinos at 253 gaming venues (260) with a total of 350 gaming tables (357).
- During the third quarter, 10 new agreements were signed, while nine gaming venues were closed for the season, due to concept changes, bankruptcies or to being unprofitable due to the raise of general payroll tax for young people. Cherry signed agreements with Krögers Kalmar, Stopet Norrköping and Allstar Östersund among others.
- On 1 July, the Government raised the general payroll tax for the young, which negatively affected the industry, Cherry and its partners. The increase will partly be shared with Cherry's partners, but the overall margin will be lower. The increase may though provide opportunities, where Cherry with its market dominance could acquire competitors. In the long-term it is necessary to be able to raise the stakes within Restaurant Casino, from presently SEK 70 to SEK 200.

With this initiative the industry could generate around 1,000 new entry-level jobs. Cherry will promote and lobby for a raise of stakes. In the autumn, Mr. Jan R Andersson (M) filed a motion on the matter. The bill is expected to be processed in the spring of 2016.

Yggdrasil Gaming

Yggdrasil Gaming develops computer, mobile and tablet games. It is licensed in Malta and Curacao (the latter license is in the progress of being discontinued). Yggdrasil sells and distributes its products to various gaming operators.

Third quarter

In September, Yggdrasil showed a positive EBIT for the first time. This was thanks to strong game releases and the HTML5-based iSENSE 2.0 platform. It makes it possible to launch games simultaneously on computer, mobile and tablet and to make the games faster and to improve their performance.

During the third quarter the turnover increased by 339 percent and amounted to MSEK 5.3 (1.2), of which MSEK 1.2 (0.2) was internal revenue from Cherry's gaming sites. EBITDA amounted to MSEK 1.9 (-1.4) and EBIT amounted to MSEK 0.0 (-2.5).

Bet turnover increased by 449 percent and amounted to MSEK 1003.5 MSEK (182.8), which meant that for the first time over one billion SEK in bets during a quarter was achieved. The number of player transactions (bets) increased by 485 percent and amounted to 83.2 million (14.2). Mobile's share of Gross Game Win increased to 33 percent (9).

During the nine-month interim period, turnover increased by 215 percent and amounted to MSEK 9.8 (3.1), of which MSEK 2.3 (0.8) was internal revenue from Cherry's gaming sites. EBITDA improved and amounted to MSEK 0.3 (-3.2) and EBIT amounted to MSEK -4.8 (-6.0).



During the third quarter Yggdrasil went live with one operator. At the end of the quarter 18 operators were live, including Betsson, LeoVegas, Vera&John, Unibet, Mr Green and Cherry. During the quarter one new agreement was signed. Yggdrasil Gaming has signed a total of 25 agreements. One customer discontinued its operations during the first quarter and another agreement was terminated due to legal changes. Yggdrasil is expecting further integrations during the fourth quarter, while at the same time more games and functionality will be rolled out to already integrated customers. Yggdrasil has signed six agreements for its first progressive jackpot Joker Millions, of which three are live.

During the quarter, the games "Chibeasties", "Vikings Go Wild" and "Holmes and the Stolen Stones" were released. During September, Yggdrasil's first pooled progressive jackpot "Joker Millions" was won for the amount of EUR 720,000.

Yggdrasil has decided to release all new games during 2015 on the new HTML5-based iSENSE 2.0 platform, which makes it possible to launch games simultaneously on computer, mobile and tablet. This means that the operators have greater ability to reach their players and streamline their marketing costs.

Yggdrasil's games portfolio now consists of 15 video slots and a number of innovative lottery and keno games.



Yggdrasil is still in start-up mode. The company's revenues are expected to rise as the number of games and operators increase. Still, many operators have not launched all the games on computer, tablet and mobile. At the integration phase, the operators often choose to gradually roll out the games. The HTML5-based iSENSE 2.0 will increase the speed of the roll out of the games, as they are launched simultaneously on computer and mobile. The gaming operators that have already gone live have made great progress, which proves that the business model works and that the games and functionality Yggdrasil produces are popular both among 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.

Important events during the third quarter

- Yggdrasil initiated an application for an operator license in the UK.
- One new contract was signed and one new operator went live during the third quarter.
- Two new contracts were signed with regards to Joker Millions.
- Chibeasties was released in July, "Vikings Go Wild" in August, and "Holmes and the Stolen Stones" in September.
- The game "Doubles" was released after the end of the quarter.
- After the quarter, an agreement was signed with Hero Gaming, which operates the sites CasinoHero and Casitabi.



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 or 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.

Interim Period

Revenues within Development Projects amounted to MSEK 0.0 (0.0). EBIT amounted to MSEK -2.4 (0.0) due to acquisition costs for Almor and Game Lounge.

Cash and liabilities

The Group's consolidated cash amounted to MSEK 10.0 (47.1) on 30 September. Interest bearing liabilities amounted to MSEK 3.1 (4.4). At the end of the quarter there were overdue receivables from two of Cherry's partners, amounting to MSEK 7.5. The vast majority has been settled during October.

Customer liabilities, including the provision for accumulated jackpots, amounted to MSEK 5.6 (4.9). Due to the Maltese Lotteries and Gaming Authority's regulations, this amount may limit utilization of the Company's liquid funds. Current net receivables from payment providers for unsettled customer deposits were MSEK 2.5 (3.4).

The company has a sound cash position and an overdraft facility which amounts to MSEK 25.0.

Share issue in connection to the acquisition of Almor

Upon finalizing the acquisition of Almor Holding Ltd, Cherry made a new issue, which forms part of the purchase price. The number of shares increased with 546,239 of series B. The new issue was supported by the resolution at the Annual General Meeting held May 12, 2015. The total number of shares in Cherry AB (plc) amounted as of 10 July, 2015 to 13 987 812 shares, of which 997,600 Class A shares and 12,990,212 Class B, representing a total of 22,966,212 votes.

Staff and organization

The average number of employees for the Group (calculated as fulltime positions) during the period was 245 (197). The total number of employees at the end of the period was 759 (735).

Risks and uncertainties

For a description of the risks and uncertainties please see the Annual Report 2014, on the company website.

Nomination committee

In accordance with the decision at Cherry's annual general meeting held on 12 May, 2015, the following members of the Nomination Committee for AGM 2015 have been appointed:

The following nomination committee has been formed based on ownership at 30 September 2015, and consists of

John Wattin (appointed by the Hamberg family), Morten Klein (appointed by Klein Group AS), Pontus Lindwall (appointed by the Kling family) and Rolf Åkerlind (Chairman Cherry AB). The nomination committee together represents 45.2 percent of the votes and 33.6 percent of the shares in Cherry AB.

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.

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 the interim period amounted to MSEK 2.0 (2.4) and profit after financial items amounted to MSEK -6.6 (-3.9). The parent company's investments in tangible and intangible fixed assets amounted to TSEK 27 (18). Cash and liquid funds amounted to MSEK -13.5 (39.7) at the closing date.

Outlook

Cherry's Online Gaming business area is expected to grow faster than the general online gaming market. H2 Gambling Capital estimates that the global online gaming market will grow by seven percent during 2015. Online gaming is exposed to intense competition and subject to a regulatory environment that may change rapidly in 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 it considers to be Sweden's lack of compliance with EU law, with regard to gambling services. In addition, the Swedish government announced that work was underway to accelerate the implementation of a national gaming licensing 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 and local competition exists. 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 market.

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 seven percent per year.

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

For further information see the Annual Report for 2014. Cherry has not issued a forecast for 2015.

Financial calendar 2015

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

- Full year report/Interim report 4 - 18 February, 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 Group's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as

endorsed by the European Union, the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's standard RFR 1 Supplementary Accounting Rules for Groups.

The Parent Company applies the same principles as the Group apart from the exceptions in paragraph of RFR 2; Reporting for legal persons.

Information about the group's accounting and valuation principles can be found in the annual report 2014 (p. 38-43), which was published on April 21, 2015, and is available on the company website www.cherry.se.

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, 10 November, 2015

Fredrik Burvall

CEO Cherry AB (PLC)

Phone +46 8-514 969 52

Mail: fredrik.burvall@cherry.se

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, www.NorgesSpill.com, www.SveaCasino.com, www.SuomiCasino.com, www.Sunmaker.com, www.SunnyPlayer.com and www.Kingplayer.com), affiliate business through Game Lounge 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 750 people and has more than 2,900 shareholders. The Company's B-shares are listed on AktieTorget.

Amounts in SEK million unless otherwise specified

	Q3 2015	Q3 2014	Jan-Sep 2015	Jan-Sep 2014	Full Year 2014	Full Year 2013
Consolidated income statement (remaining operations)						
Revenues	154,1	85,3	356,2	234,7	334,5	266,3
Other revenue - revaluation of additional purchase price Online Gaming	0,0	5,1	0,0	5,1	5,5	0,0
Total operating revenues	154,1	90,4	356,2	239,8	340,0	266,3
Cost of sales	-59,8	-36,7	-135,3	-90,9	-129,5	-110,9
Gross profit	94,3	53,7	220,9	148,9	210,5	155,4
Marketing expenses	-30,0	-21,5	-81,3	-63,1	-87,9	-69,2
Personnel expenses	-37,0	-28,7	-101,1	-80,9	-119,0	-90,0
Other expenses	-10,0	-6,5	-26,0	-16,3	-21,5	-20,2
Operating income (EBITDA)	17,4	-3,0	12,5	-11,4	-17,9	-24,0
Depreciation and amortisation	-6,4	-4,0	-15,6	-10,9	-15,0	-9,9
Operating profit/loss (EBIT)	11,0	-7,0	-3,1	-22,3	-32,9	-33,9
Financial items	2,8	-1,3	-1,1	-0,2	-4,5	1,8
Profit before tax	13,8	-8,3	-4,2	-22,5	-37,4	-32,1
Tax	-1,7	-0,5	-2,3	-1,5	-1,9	-1,6
Profit after tax	12,1	-8,8	-6,4	-24,0	-39,3	-33,7
Profit for divested operations	0,0	0,0	0,0	0,0	0,0	25,5
Attributable to:						
Parent company shareholders	9,2	-8,4	-9,8	-23,3	-38,3	-7,9
Minority interest	3,0	-0,4	3,4	-0,7	-1,0	-0,3
Profit after tax	12,1	-8,8	-6,4	-24,0	-39,3	-8,2
Earnings per share from remaining operations before dilution (SEK)	0,65	-0,72	-0,72	-1,93	-2,99	-2,66
Earnings per share from remaining operations after dilution (SEK)	0,65	-0,69	-0,72	-1,84	-2,96	-2,53
Earnings per share from total operations before dilution including divested operations (SEK)	0,65	-0,72	-0,72	-1,93	-2,99	-0,66
Earnings per share from total operations after dilution including divested operations (SEK)	0,65	-0,69	-0,72	-1,84	-2,96	-0,63
Statement of total income						
	Q3 2015	Q3 2014	Jan-Sep 2015	Jan-Sep 2014	Full Year 2014	Full Year 2013
Profit/loss for the period	12,1	-8,8	-6,4	-24,0	-39,3	-8,2
Translation gains/losses on consolidation, overseas operations	0,5	0,2	1,9	-0,4	-1,6	-4,9
Total income for the period	12,7	-8,6	-4,6	-24,4	-40,9	-13,1
Group per segment/business area						
	Q3 2015	Q3 2014	Jan-Sep 2015	Jan-Sep 2014	Full Year 2014	Full Year 2013
Revenues						
Online Gaming	107,6	46,6	231,4	126,3	183,1	127,5
Restaurant Casino	42,5	37,6	117,2	105,9	148,0	138,3
Yggdrasil Gaming	5,3	1,2	9,8	3,1	4,4	0,9
Elimination, internal revenues from Yggdrasil to Cherry	-1,2	-0,2	-2,3	-0,8	-1,2	-0,6
Development Projects	0,0	0,0	0,0	0,0	0,0	0,0
Other revenue - revaluation of additional purchase price Online Gaming	0,0	5,1	0,0	5,1	5,5	0,0
Group-wide	0,0	0,1	0,1	0,2	0,2	0,2
The Group	154,1	90,4	356,2	239,8	340,0	266,3
Operating profit/loss before depreciation and amortization (EBITDA)						
Online Gaming	14,5	-4,7	6,4	-14,0	-18,3	-28,1
Restaurant Casino	5,3	5,0	14,5	12,1	17,1	16,0
Yggdrasil Gaming	1,9	-1,4	0,3	-3,2	-4,6	-2,5
Development Projects	-2,4	0,0	-2,4	0,0	0,0	0,0
Group-wide	-1,9	-1,9	-6,4	-6,3	-12,1	-9,4
The Group	17,4	-3,0	12,5	-11,4	-17,9	-24,0
Operating profit/loss (EBIT)						
Online Gaming	11,2	-6,4	-0,5	-18,8	-25,0	-33,0
Restaurant Casino	4,2	3,8	11,0	8,9	12,8	12,6
Yggdrasil Gaming	0,0	-2,5	-4,8	-6,0	-8,6	-3,8
Development Projects	-2,4	0,0	-2,4	0,0	0,0	0,0
Group-wide	-1,9	-1,9	-6,4	-6,4	-12,1	-9,7
The Group	11,0	-7,0	-3,1	-22,3	-32,9	-33,9

Amounts in SEK million unless otherwise specified

Consolidated balance sheet	2015-09-30	2014-09-30	2014-12-31
Intangible assets	175,7	51,5	52,1
Property, plant and equipment	10,2	11,8	11,2
Share in Associated companies	0,0	1,5	0,3
Other long-term receivables	0,8	0,8	0,8
Inventories	0,1	0,2	0,2
Current receivables	61,4	46,4	43,2
Cash and liquid assets (SEK million)	10,0	47,1	54,3
Total assets	258,2	159,3	162,1
Shareholders' equity	159,1	100,5	94,3
Long-term interest bearing liabilities	2,8	3,1	2,8
Deferred tax payables	1,4	0,6	0,5
Current interest bearing liabilities	0,3	1,3	1,3
Other current liabilities	94,6	53,8	63,2
Total equity and liabilities	258,2	159,3	162,1

Consolidated cash flow statement (total operations)	Jan-Sep 2015	Jan-Sep 2014	Full Year 2014
Profit after financial items	-4,2	-22,5	-37,4
Adjustments for non-cash items	17,5	11,6	20,3
Taxes paid	-1,7	-1,5	-1,3
Cash flow from operating activities before changes in working capital	11,6	-12,4	-18,4
Changes in working capital	-1,9	-5,3	5,2
Cash flow from operating activities	9,7	-17,7	-13,2
Net investments	-21,1	-13,9	-16,5
Investment in acquisition of subsidiaries/associated companies	-32,3	-2,5	-7,5
Change in long-term receivables	-0,1	0,1	0,1
Sales of shares and property, plant and equipment	0,0	60,0	60,0
Cash flow from investing activities	-53,6	43,7	36,1
New share issue	0,6	0,4	10,6
Dividend/Redemption programme	0,0	-51,2	-51,2
Change in long-term liabilities	-0,9	3,2	2,9
Cash flows from financing activities	-0,4	-47,6	-37,7
Change in cash and cash equivalents	-44,2	-21,6	-14,8
Cash and liquid assets at beginning of period	54,3	68,4	68,4
Exchange rate differences	-0,1	0,3	0,7
Cash and liquid assets at end of period	10,0	47,1	54,3

Attributable to divested business	Jan-Sep 2015	Jan-Sep 2014	Full Year 2014
Cash flow from operating activities	0,0	0,0	0,0
Cash flow from investment activities	0,0	60,0	60,0
Cash flow from financial activities	0,0	0,0	0,0

Changes in Group equity	Jan-Sep 2015	Jan-Sep 2014
Opening balance	94,3	175,8
New issue	21,7	0,4
Acquisition of minority	47,8	0,0
Dividend	0,0	-51,2
Total profit/loss	-4,6	-24,5
Equity, end of period	159,1	100,5
Attributable to:		
Parent company shareholders	108,2	101,4
Minority interest	51,0	-0,9
Total equity	159,1	100,5

Amounts in SEK million unless otherwise specified.

Result affecting key performance indicators have been adjusted for the divested Automaten sites.

Group key performance indicators

	Jan-Sep	Jan-Sep	Full Year 2014	Full Year 2013
	2015-09-30	2014-09-30	2014-12-31	2013-12-31
Number of outstanding shares at the end of the period (thousands)	13 988	12 803	13 442	12 803
Average number of outstanding shares during the period (thousands)	13 624	12 803	12 827	12 803
Number of own shares	0,0	0,0	0,0	0,0
Number of registered shareholders	2 948	2 379	2 411	2 329
Published price at the end of the period (SEK)	58,00	31,00	34,50	31,20
Earnings per share before dilution (remaining operations)	-0,72	-1,93	-2,99	-2,66
Earnings per share after dilution (remaining operations)	-0,72	-1,84	-2,96	-2,53
Earnings per share from total operations before dilution including divested operations (SEK)	-0,72	1,93	-2,99	-0,66
Earnings per share from total operations after dilution including divested operations (SEK)	-0,72	-1,84	-2,96	-0,63
Cash flow per share (SEK)	-3,25	-1,69	-1,15	0,66
Equity per share (SEK)	11,38	7,85	7,01	13,73
Executed dividend/redemption programme per share (SEK)	0,00	4,00	4,00	11,20
Return on equity (percent)	-8	-18	-30	-13
Return on total capital (percent)	-2	-11	-19	-10
Return on capital employed (percent)	-3	-16	-27	-13
Operating margin (EBITDA, percent)	3,5	-4,8	-5,3	-9,0
Operating margin (EBIT, percent)	-0,9	-9,3	-9,7	-12,7
Profit margin (percent)	-1,2	-9,4	-11,0	-12,0
Equity/assets ratio (percent)	62	63	58	75
Quick ratio (percent)	75	170	151	303
Net investments (SEK million)	53,5	16,4	24,0	40,2
Cash and liquid assets (SEK million)	10,0	47,1	54,3	68,4
Average number of employees (full-time equivalents)	245	197	195	179
Number of employees at end of period	759	735	752	706
Restaurant Casino				
Number of venues Cherry operates casino in Sweden	253	260	269	257

Online Gaming:

	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014
** Number of registered customers at end of period	981 488	555 214	514 926	478 239	434 407	397 188	362 341
** Number of new registered customers during the period	426 274	40 288	36 687	43 832	37 219	34 847	43 320
** Number of active players during the period *	60 300	26 185	23 742	22 197	19 982	21 949	22 095
** Deposit amount (SEK million) during the period	269,2	156,2	123,7	115,4	108,7	86,0	80,5

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

** Starting Q3 2015, this item includes the customers of Almor. At the end of Q3 2015 Almor had 396 825 registered customers, of which 37 029 were active, and during the third quarter 34 287 new customers were registered.