

List of Signatures

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Cherry with friends AB consolidation FS 2023 2022 - in SEK.pdf

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**Swedish company number 559226-3981
Cherry With Friends AB
Annual and Consolidated Financial Statements
for the financial year ended 31st December 2023 and 31st December 2022**



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Cherry With Friends AB

Annual and Consolidated Financial Statements for the financial years ended 31st December 2023
and 31st December 2022

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Cherry With Friends AB

Consolidated statement of comprehensive income for the year ended 31st December 2023 and 31st December 2022

	Note	2023 SEK in '000	Group 2022 SEK in '000	2021 SEK in '000
Revenue	5	173,692	169,095	93,145
Other income	6	2,073	4,512	11,903
Expenses directly related to gambling activities		(74,793)	(80,113)	(47,804)
Employees benefit expenses	7	(76,452)	(65,587)	(41,672)
Depreciation, amortisation and impairment of non-financial assets		(5,964)	(5,005)	(4,347)
Impairment losses on financial and contract assets	8	-	-	-
Other Expenses	9	(13,052)	(8,679)	(4,830)
Operating profit		5,504	14,223	6,395
Finance income	10	271	3	-
Finance costs	11	(2,671)	(1,453)	(2,529)
Profit before tax		3,104	12,773	3,866
Income tax expense	13	(762)	(2,505)	(803)
Profit for the year - total comprehensive income		2,342	10,268	3,063
Total comprehensive income attributable to				
Non controlling interest		(461)	-	-
Equity holders of the parent		2,803	10,268	3,063
		<u>2,342</u>	<u>10,268</u>	<u>3,063</u>

There were no transactions in other comprehensive income for financial years ended 31 December 2023, 2022 and 2021.

The notes set on pages 11 to 46 are an integral part of these financial statements.



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Cherry With Friends AB

Consolidated statement of financial position for the year ended 31st December 2023 and 31st December 2022

		Group			As at
	Note	2023 SEK in '000	2022 SEK in '000	2021 SEK in '000	01/01/2021 SEK in '000
Assets					
Non-current assets					
Goodwill	14	63,323	63,323	63,323	63,004
Intangible assets	15	17,930	18,406	1,473	2,452
Property plant and equipment	16	2,345	2,669	2,320	2,630
Right-of -use assets	17	3,646	4,382	5,620	6,221
Deferred tax	19	549	131	-	244
Total non-current assets		87,793	88,911	72,736	74,551
Current assets					
Other receivables	21	8,021	4,918	5,156	6,593
Cash and bank balances	22	24,837	12,732	25,027	12,175
Current assets		32,858	17,650	30,183	18,768
Total assets		120,651	106,561	102,919	93,319



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Cherry With Friends AB

Consolidated statement of financial position for the year ended 31st December 2023 and 31st December 2022

	Note	Group			As at
		2023 SEK in '000	2022 SEK in '000	2021 SEK in '000	01/01/2021 SEK in '000
Equity and liabilities					
Capital and reserves					
Share capital	23	200	200	200	200
Capital contribution	24	4,000	4,000	4,000	4,000
Retained earnings		14,972	12,169	1,901	(1,162)
Equity attributable to owners of the company		19,172	16,369	6,101	3,038
Non controlling interest		(442)	-	-	-
Total Equity		18,730	16,369	6,101	3,038
Liabilities					
Non current Liabilities					
Borrowings	25	30,993	40,580	45,453	51,778
Lease liabilities	17	1,515	2,404	3,775	4,841
Deferred tax liabilities		-	-	23	-
Total non-current liabilities		32,508	42,984	49,251	56,619
Current liabilities					
Borrowings	25	7,880	7,880	7,880	7,880
Trade and other payables	26	57,119	35,402	37,930	21,669
Lease liabilities	17	1,725	1,679	1,735	1,380
Current tax liabilities		2,689	2,247	22	2,733
Other Liabilities		-	-	-	-
Total Current liabilities		69,413	47,208	47,567	33,662
Total Liabilities		101,921	90,192	96,818	90,281
Total Equity and Liabilities		120,651	106,561	102,919	93,319

The notes set on pages 11 to 46 are an integral part of these financial statements.



Cherry With Friends AB

Consolidated statement of changes in equity for the year ended 31st December 2023 and 31st December 2022

Group

	Attributable to owners of the parent				Total SEK in '000
	Share Capital SEK in '000	Retained Earnings SEK in '000	Capital Contribution SEK in '000	Non Controlling Interest SEK in '000	
Balance as at 1 January 2021	200	(1,162)	4,000	-	3,038
Profit for the year - total comprehensive income	-	3,063	-	-	3,063
Balance as at 31 December 2021	200	1,901	4,000	-	6,101
	Share Capital SEK in '000	Retained Earnings SEK in '000	Capital Contribution SEK in '000	Non Controlling Interest SEK in '000	Total SEK in '000
Balance as at 1 January 2022	200	1,901	4,000	-	6,101
Profit for the year - total comprehensive income	-	10,268	-	-	10,268
Balance as at 31 December 2022	200	12,169	4,000	-	16,369
	Share Capital SEK in '000	Retained Earnings SEK in '000	Capital Contribution SEK in '000	Non Controlling Interest SEK in '000	Total SEK in '000
Balance as at 1 January 2023	200	12,169	4,000	-	16,369
Profit for the year - total comprehensive income	-	2,803	-	(461)	2,342
Acquisition of non controlling interest	-	-	-	19	19
Balance as at 31 December 2023	200	14,972	4,000	(442)	18,730

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Cherry With Friends AB

Consolidated statement of cash flows for the year ended 31st December 2023 and 31st December 2022

	Note	Group		
		2023 SEK in '000	2022 SEK in '000	2021 SEK in '000
Cash flow from operating activities				
Profit before tax from continuing operations		3,104	12,773	3,866
Adjustments for				
Depreciation and amortisation	15, 16, 17	5,964	5,005	4,347
Finance costs	11	2,671	1,453	2,529
Finance income	10	(271)	(3)	-
Profit from operations		11,468	19,228	10,742
Change in trade and other receivables		(3,103)	226	1,681
Change in trade and other payables		19,339	(4,892)	16,297
Cash generated from operations		27,704	14,562	28,720
Interest and finance charges paid				
Income taxes paid		(738)	(434)	(3,419)
Net cash from operating activities		26,966	14,128	25,301
Cash flows from investing activities				
Interest Received	10	271	3	-
Acquisition of property, plant and equipment	16	(1,337)	(2,052)	(1,075)
Acquisition of intangible assets	15	(1,972)	(13,847)	(535)
Acquisition of non-controlling interest		19	-	-
Net cash used in investing activities		(3,019)	(15,896)	(1,610)
Cash flows from financing activities				
Interest and other fees paid on loans	11	(1,792)	(653)	(1,150)
Repayment of loans and borrowings		(7,880)	(7,880)	(7,880)
Repayment of lease payments	16	(2,170)	(1,994)	(1,809)
Net Cash (use in)/from financing activities		(11,842)	(10,527)	(10,839)
Net increase in cash and cash equivalents		12,105	(12,295)	12,852
Cash and cash equivalents at beginning of year		12,732	25,027	12,175
Cash and cash equivalents at end of year	22	24,837	12,732	25,027

The notes set on pages 11 to 46 are an integral part of these financial statements.



Cherry With Friends AB

Annual statement of comprehensive income for the year ended 31st December 2023 and 31st December 2022

		Company		
	Note	2023 SEK in '000	2022 SEK in '000	2021 SEK in '000
Revenue	5	693	42	-
Employees benefit expenses	7	(1,656)	(513)	-
Depreciation, amortisation and impairment of non-financial assets		(18)	-	-
Impairment losses on financial and contract assets	8	(200)	-	-
Other Expenses	9	(5,860)	(3,151)	(22)
Operating loss		(7,041)	(3,622)	(22)
Finance income	10	113	-	-
Finance costs	11	(1,521)	(1,275)	(1,934)
Loss after financial items		(8,449)	(4,897)	(1,956)
Appropriations	12	13,261	17,970	5,477
Profit before tax		4,812	13,073	3,521
Income tax expense	13	(1,077)	(2,653)	(725)
Profit for the year - total comprehensive income		3,735	10,420	2,796

There were no transactions in other comprehensive income for financial years ended 31 December 2023, 2022 and 2021.

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Cherry With Friends AB

Annual statement of financial position for the year ended 31st December 2023 and 31st December 2022

	Note	Company			
		2023	2022	As at	As at
		SEK	SEK	2021	01/01/2021
		in '000	in '000	in '000	in '000
Assets					
Non-current assets					
Property plant and equipment	16	53	31	-	-
Investments in subsidiaries	18	88,006	82,425	80,225	79,906
Financial assets	20	13,821	11,800	-	-
Deferred tax	19	-	-	-	244
Total non-current assets		101,880	94,256	80,225	80,150
Current assets					
Other receivables	21	882	275	-	-
Cash and bank balances	22	371	477	41	63
Current assets		1,253	752	41	63
Total assets		103,133	95,008	80,266	80,213



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Cherry With Friends AB

Annual statement of financial position for the year ended 31st December 2023 and 31st December 2022

	Note	Company			
		2023	2022	As at	As at
		SEK	SEK	2021	01/01/2021
		in '000	in '000	in '000	in '000
Equity and liabilities					
Capital and reserves					
Restricted equity					
Share capital	23	200	200	200	200
Non-restricted equity					
Capital contribution	24	4,000	4,000	4,000	4,000
Retained earnings		16,057	12,322	1,902	(894)
Total Equity		20,257	16,522	6,102	3,306
Liabilities					
Non current Liabilities					
Borrowings	25	66,821	66,990	65,681	68,856
Total non-current liabilities		66,821	66,990	65,681	68,856
Current liabilities					
Borrowings	25	7,880	7,880	7,880	7,880
Trade and other payables	26	4,782	923	122	171
Current tax liabilities		3,393	2,693	481	-
Other Liabilities				-	-
Total Current liabilities		16,055	11,496	8,483	8,051
Total Liabilities		82,876	78,486	74,164	76,907
Total Equity and Liabilities		103,133	95,008	80,266	80,213

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Cherry With Friends AB

Annual statement of cash flows for the year ended 31st December 2023 and 31st December 2022

	Note	Company		
		2023 SEK in '000	2022 SEK in '000	2021 SEK in '000
Cash flow from operating activities				
Profit before tax from continuing operations		4,812	13,073	3,521
Adjustments for				
Depreciation and amortisation	16	18	-	-
Impairments of financial asset	8	200	-	-
Finance costs	11	1,521	1,275	1,934
Finance income	10	(113)	-	-
Dividends received		(13,261)	(17,970)	(5,477)
Profit from operations		(6,823)	(3,622)	(22)
Change in trade and other receivables		(607)	(276)	-
Change in trade and other payables		3,859	802	(49)
Cash generated from operations		(3,571)	(3,096)	(71)
Income taxes paid		(377)	(441)	-
Net cash used in operating activities		(3,948)	(3,537)	(71)
Cash flows from investing activities				
Interest Received	10	113	-	-
Dividend Received		13,261	17,970	5,477
Acquisition of property, plant and equipment	16	(40)	(31)	-
Acquisition of investments		(5,581)	(2,200)	(319)
Loans to related parties		(2,221)	(11,800)	-
Net cash from investing activities		5,532	3,939	5,158
Cash flows from financing activities				
Interest and other fees paid on loans	11	(1,521)	(1,275)	(1,934)
Repayment of loans and borrowings		(169)	1,309	(3,175)
Net Cash use in financing activities		(1,690)	34	(5,109)
Net increase in cash and cash equivalents		(106)	436	(22)
Cash and cash equivalents at beginning of year		477	41	63
Cash and cash equivalents at end of year	22	371	477	41

The notes set on pages 11 to 46 are an integral part of these financial statements.



Cherry With Friends AB

Notes to the consolidated and annual financial statements for the year ended 31st December 2023 and 31st December 2022

1 General Information

Cherry With Friends AB (the Company) is a private limited company incorporated in Sweden. The address of its registered office is Furstenbergdgatan 4, 416 64, Goteborg Sweden.

2 Basis of preparation

2.1 Statement of compliance

The consolidated financial statements for the Group have been prepared in accordance with RFR 1 Supplementary accounting rules for groups, and International Financial Reporting Standards (IFRS) and interpretations from the IFRS Interpretations Committee (IFRS IC) as adopted by the EU. Historic financial information has been converted from 1 January 2021, which is the date of transition to IFRS accounting.

The parent company applies RFR 2, Accounting for legal persons and the Annual Accounts Act. The application of RFR 2 means that in the report for the legal person, the parent company applies all IFRS and statements adopted by the EU as far as possible within the framework of the Annual Accounts Act and with regard to the relationship between accounting and taxation.

The group accounting policies have been consistently applied to all periods presented in the consolidated financial statements, unless otherwise stated below.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost basis except as disclosed in the accounting policies below.

2.3 Going concern

The Group and the Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

2.4 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31st December 2023. Control is achieved when the Company;

- has power over the investee
- is exposed, or has rights, to variable returns from its involvement with the investee and
- has the ability to use its power to affect its returns.

The company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

The Group applies the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed (identifiable net assets) in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.



Cherry With Friends AB

Notes to the consolidated and annual financial statements for the year ended 31st December 2023 and 31st December 2022

Basis of consolidation - continued

All intragroup assets and liabilities, equity, income expense and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

The subsidiaries of Cherry with Friends AB are as follows

	2023	2022	2021
	%	%	%
Cherry Spelglädje AB	100	100	100
Cherry Event AB	100	100	100
Cherry Domain AB	100	100	-
Cherry AB	100	100	-
Cherry Tech AB	81	-	-

The above companies are incorporated in Sweden and have their registered address at Furstenbergsgatan 4, 416 64, Goteborg Sweden.

Cherry Spelglädje AB is a gaming operator of land based casino. Cherry Event AB is engaged in organising gaming events in Sweden. Cherry Domain AB is holder of domains while Cherry Tech AB is holder of online gaming websites. Cherry AB was dormant during all years.

2.5 Foreign currencies

i) Functional and presentation currency

These financial statements are presented in Swedish krona (SEK) which is also the Group's and Company's functional currency. Amounts are rounded to the nearest thousand.

ii) Transactions and balances

Transactions denominated in foreign currencies are translated into the functional currency using the exchange rate at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at financial position date are translated into functional currency using the closing rates of exchange at reporting date. Any exchange differences arising on the settlement of monetary assets and liabilities, or on translating foreign denominated monetary assets and liabilities at the financials position date are recognised in profit or loss.

2.6 Standards, amendments and interpretation to published standard effective in 2023 and 2022

The Group and the Company adopted new standards, amendments and interpretation to existing standards that are mandatory for the Group's and the Company's account period beginning 1 January 2023 and 1 January 2022

New standards and amendments and interpretation to published standards not yet effective

The Group and the Company have not early adopted standards, amendments and interpretation to standards in issue at the date of authorisation of these financial statements, but not yet effective. The Group and the Company directors are of the opinion that the standards, amendments and interpretations will have no material impact on the financial statements of the Group and the Company in the period of initial application.



Cherry With Friends AB

Notes to the consolidated and annual financial statements for the year ended 31st December 2023 and 31st December 2022

3 Material accounting policies

3.1 Revenue

Revenue consists of the fair value of the consideration received or receivable for services provided in the ordinary course of the Group's and the Company's activities. The Group's revenue consists primarily of gaming activities which is the net result of players bets after deducting winnings. The Company's revenue consist of management fees charge to group members.

Revenue is recognised when the customer gains control over the service and has the opportunity to benefit from the service. Revenue from the gaming activities is recognised at the time the wager is made. Control is transferred at the same point that the service is delivered.

3.2 Dividend income

Dividend is recognised when the right to received dividends is established. Dividends are included in profit or loss as a separate line item.

3.3 Institutional grants

Institutional grants are recognised when there is reasonable assurance that the Company or Group will comply with the conditions attaching to them and that the grants will be received. Institutional grants received that are non conditional on future performance are recognised as other income when they are received.

3.4 Finance income

Finance income consist of interest income. Interest income is recognised when the inflow of economic benefits associated with the transaction is probable and the amount of income can be measured reliably. Interest income is accrued on a time basis on the amount outstanding.

3.5 Finance costs

Finance costs consists of interest expenses incurred on borrowing and lease liabilities. Interest expense is recognised in profit or loss using the effective interest method.

3.6 Employee benefits

Employees benefits refer to all forms of remuneration paid by the Company or Group to its employees. Employee benefits include wages and salaries, paid annual leave, paid absences, bonus and post employments benefits (pensions). Employees benefits are recognised as an expenses and a liability when there is a legal or constructive obligation to pay a benefits as a results of a past event and a reliable estimate of the amount can be made.



3 Material accounting policies - continued**3.7 Income taxes**

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss, except when it relates to items recognised in other comprehensive income, in which case tax is also recognised in other comprehensive income.

Current tax is based on taxable profit for the year. Taxable profit may differ from profit before tax as reported in the statements of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's and the Company's tax is calculated using tax rates, which have been enacted or substantively enacted by the end of the reporting period .

Deferred tax is recognised on temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. The Group and the Company recognises a deferred tax liability in respect of all taxable temporary differences and a deferred tax asset in respect of all deductible temporary differences except to the extent that such deferred tax liability arises from the initial recognition of goodwill or the deferred tax asset/liability arises from the initial recognition of an asset or liability which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (loss). Recognition of a deferred tax asset is however limited to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. The Group and the Company re-assesses any unrecognised deferred tax asset at each balance sheet date to determine whether future taxable profit has become probable that allows the deferred tax asset to be recovered.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the statement of financial position date.

3.8 Goodwill

Goodwill resulting from business combinations is measured at the aggregate amount of the consideration transferred measured at fair value, any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net fair value of the acquired company net assets. If the net assets acquired and the liabilities assumed measured at the acquisition date fair value exceeds the consideration transferred, a gain on negative goodwill is recognised immediately in profit or loss.

Goodwill is not amortised, but it is tested annually for possible impairment. For this purpose, goodwill is allocated to each of the Group's cash-generated units that is expected to benefit from the synergies of the combinations.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Impairment of goodwill

Goodwill is tested for impairment annually as at year end and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than its carrying amount an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.



3 Material accounting policies - continued

3.9 Intangible assets

Intangible assets are an identifiable non-monetary assets without physical substance. Intangible assets are recognised when future economic benefits that are attributable to the asset will flow to the group and the cost of the asset is measured reliably. The Group's intangible assets consist mainly of acquired gaming agreement, domains and licenses.

Acquired intangible assets

Intangible assets are initially measured at cost. This comprises the purchase price and any directly attributable cost of preparing the assets for their intended use.

After initial recognition the all the Group intangible assets are measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight line basis over their estimated useful lives and it begins from when the assets is ready for use. The estimated useful life of the Group's intangible assets is as follows:

Gaming agreements & licenses 3 to 5 years

Intangible assets are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Gains or losses arising from derecognition represent the difference between net disposal proceeds, in any and the carrying amount, and are included in profit or loss in the period of derecognition.

3.10 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when it is probable that the future economic benefits that are associated with the asset will flow to the entity and the cost can be measured reliably.

Property, plant and equipment are initially measured at cost comprising the purchase price, any costs directly attributable to bringing the assets to a working condition for their intended use, and the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Subsequent expenditure is capitalised as part of the cost of property, plant and equipment only if it enhances the economic benefits of an asset in excess of the previously assessed standard of performance, or it replaces or restores a component that has been separately depreciated over its useful life.

After initial recognition property, plant and equipment are stated at cost less accumulated depreciation, and accumulated impairment losses

Depreciation

Depreciation is calculated to write down the carrying amount of the asset on a systematic basis over its expected useful life. Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) or the date that the asset is derecognised. The depreciation charge for each period is recognised in profit or loss.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Fixtures & gaming equipment 10% to 33% Straight Line

Depreciation method, useful life and residual value

The depreciation method applied, the residual value and the useful life are reviewed on a regular basis and when necessary, revised with the effect of any changes in estimate being accounted for prospectively.

Derecognition of property, plant and equipment

Property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Gains and losses arising from derecognition represent the difference between the net proceeds (if any) and the carrying amount and are included in profit or loss in the period of derecognition.



3 Material accounting policies - continued**3.11 Right-of-use assets**

The right of use assets is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying assets or to restore the underlying assets or the site on which it is located, less any incentive received.

Subsequent to initial recognition right of use asset is measured at cost less any accumulated depreciation and accumulated impairment losses. Depreciation starts from the commencement date of the lease and is calculated using the straight-line method over the shorter period of the lease term and useful life of the underlying asset, unless the Group or the Company expects to exercise a purchase option available to transfer the ownership of the underlying assets, in which case it is depreciated over the useful life of the underlying asset.

The Group presents right of use assets as a separate line item in the statement of financial position.

3.12 Investment in subsidiaries

Investments in subsidiaries are recognised initially at cost. After initial recognition, the investment in subsidiary is measured using the cost method.

Under the cost method, investment in subsidiary is measured at cost less any accumulated impairment losses. Dividends received from the subsidiary are recognised in profit or loss.

3.13 Impairment of non-financial assets

The carrying amounts of the non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated in order to determine the extent of impairment loss. If it is not possible to determine the recoverable amount for certain asset, the Company and the Group calculate the recoverable amount of the cash-generating unit that the assets belong. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised and the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised immediately in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

3.14 Financial instruments

Financial assets and liabilities are recognised when the Group or the Company becomes party of to the instrument's contractual terms. Purchases and sales of financial assets and liabilities are recognised on the transaction date, which is the date on which the Group or Company commits itself to buy or sell the asset. Financial instruments are initially reported at fair value plus directly attributable transaction costs for all financial assets and liabilities that are not recognised at fair value through profit or loss.

Financial assets or parts thereof are derecognised from the statement of financial position when the contractual rights to receive cash flows from the assets have expired or risk and rewards associated with the ownership of the financial asset have been transferred or in case significant risk and rewards were not transferred the Group or Company has not retained control over the asset.



3 Material accounting policies - continued

3.14 Financial instruments - continued

Financial assets - classification

The Group and the Company classify their financial assets as financial assets held at amortised cost. These financial assets are assets held for the purpose of receiving contractual cash flows (Hold to collect) which consists solely for principal payments and interest.

The carrying amount of financial assets held at amortised cost is adjusted for any expected credit losses incurred. Interest income from these financial assets is recognised in accordance with the effective interest method and is included in financial income.

The Group's and the Company's financial assets that are measured at amortised cost consist other receivables (except prepayments) and cash and cash equivalents. The Company's financial assets also includes loans to group members.

-Other receivable

Other receivables are presented as current assets unless collection is expected after more than one year. If not, they are presented as non-current assets.

Other receivables are initially recognised at fair value and subsequently stated at their nominal values unless the effect of discounting is material in which case other receivables are measured at amortised cost using the effective interest method.

After initial recognition the carrying amount of the asset is also adjusted through the use of an allowance account and the amount of the loss is recognised in trade and other receivables. Subsequent recoveries of amounts previously written off are credited against profit or loss.

- Cash and Cash equivalents

Cash and cash equivalents are reported at nominal value in the statement of financial position. Cash and cash equivalents consist of bank balances and liquid asset held with financial intermediaries.

Impairment on financial assets

The Group's and the Company's financial assets are subject to impairment allowance on forward looking basis under the 'expected credit loss' (ECL) model.

The expected credit loss model requires the Group and Company to measure impairment allowance for all financial assets from the time the asset is originated, based on the deterioration of credit risk since initial recognition. If the credit risk has not increased significantly, the impairment allowance is based on 12 month expected losses. If the credit risk has increased significantly or if the financial instruments are credit impaired, impairment allowances are based on lifetime expected losses.

For cash and cash equivalents, the Group and the Company considers to have low credit risk since the credit risk rating of the bank institution it banks with is equivalent to the globally understood definition of 'investment grade'.

The expected losses are recognised a separate item in the statement of profit or loss.

Financial liabilities

The Group's financial liabilities are classified as financial liabilities at amortised cost. These financial liabilities are initially measured at fair value included transaction costs and subsequently carried at amortised cost using the effective interest method.

Financial liabilities are derecognised from the statement of financial position when the obligations have been settled, cancelled or ceased. The difference between the carrying amount of a financial liability that have been transferred or extinguished and the consideration paid are recognised in the profit or loss.



3 Material accounting policies - continued

3.14 Financial instruments - continued

- Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised costs using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption value are recognised in profit or loss.

Borrowings are classified as current liabilities unless the Group or the Company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

- Lease liabilities

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease. If the interest rate implicit in the lease cannot be readily determined, the Group and the Company use the incremental borrowing rate as the discount rate. The Group's and the Company incremental borrowing rate is the rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measurement of the lease liability includes:

- the fixed lease payments (including in-substance fixed payments), less any lease incentives,
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date,
- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Group if it is reasonable certain to assess that option; and
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Variable lease payments that do not depend on an index or rate are expensed in the period to which they relate.

After initial recognition, a lease liability is measured at amortised cost using the effective interest method. A lease liability is remeasured when there is a change in future lease payment arising for a change in an index or rate, if there is a change in the Group's or company's estimate of the amount expected to be payable under a residual value guarantee, or if the Group's or Company's changes its assessment of whether it will exercise a purchase, extension or termination option.

The portion of the lease liability recognised on the statement of financial position as a current liability pertains to the liability that fall due with 12 months. The remaining portion of the lease liability is recognised as non-current liability

The Group and the Company presents lease liabilities as a separate line item in the statement of financial position.

- Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are initially recognised at fair value and subsequently measured at amortised cost.



3 Material accounting policies - continued

3.14 Financial instruments - continued

Offsetting of financial instruments

Financial assets and liabilities are offset and reported in a net amount in the statement of financial position when the Group or the Company has a legal right to offset the reported amounts and intends to settle the items on a net basis or to simultaneously realise the asset and settle the liability.

3.15 Share Capital

Ordinary share issued by the Company are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds. Dividends to ordinary shareholders are included directly to equity and are recognised as liabilities in the period in which they are declared.

3.16 First adoption of IFRS

As indicated in note 2.1, this financial statements are the first financial statements that the Group and the Company are presenting in International Financial Reporting Standards as adopted by the European Union. This note explains the principal adjustments made by the Group and the Company in restating its K3 financial statements, including the statement of financial position as at 1 January 2021 and the financial statements as of, and for, the year ended 31 December 2021.

In restating the financial statement to IFRSs the Group and the Company applied the following exemption

- Leases

The Group opted not to restate balances prior to the transition date (01 January 2021) in relation to leases and chose to recognize a right-of-use asset and lease liability on the transition date.

The Group assessed all contracts existing as of 1 January 2021 to determine whether a contract contained a lease based on the conditions in place at 1 January 2021

Lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2021 or the rate implicit in the lease. Right-of-use assets were measured at an amount equal to the lease liabilities, adjusted by any prepaid or accrued lease payments related to that lease recognised in the statement of financial position immediately before 1 January 2021.



Cherry With Friends AB

Notes to the consolidated and annual financial statements for the year ended 31st December 2023 and 31st December 2022

3 Material accounting policies - continued

3.16 First adoption of IFRS - continued

- Group reconciliation of equity as at 1 January 2021 (date of transition to IFRS)

	Notes	As per K3 SEK in '000	Reclassification and remeasurement SEK in '000	IFRS as at 1 January 2021 SEK in '000
Assets				
Non-current assets				
Goodwill	A	56,704	6,300	63,004
Intangible assets		2,452	-	2,452
Property plant and equipment		2,630	-	2,630
Right-of -use asset	B	-	6,221	6,221
Deferred tax		244	-	244
Total non-current assets		62,030	12,521	74,551
Current assets				
Other receivables		6,593	-	6,593
Cash and bank balances		12,175	-	12,175
Current assets		18,768	-	18,768
Total assets		80,798	12,521	93,319



Cherry With Friends AB

Notes to the consolidated and annual financial statements for the year ended 31st December 2023 and 31st December 2022

3 Material accounting policies - continued

3.16 First adoption of IFRS - continued

- Group reconciliation of equity as at 1 January 2021 (date of transition to IFRS) - continued

	Notes	As per K3 SEK in '000	Reclassification and remeasurement SEK in '000	IFRS as at 1 January 2021 SEK in '000
Equity and liabilities				
Capital and reserves				
Share capital		200	-	200
Capital contribution	C	-	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	-	51,778
Lease liabilities	B	-	4,841	4,841
Deferred tax liabilities		-	-	-
Total non-current liabilities		51,788	4,841	56,619
Current liabilities				
Borrowings		7,800	-	7,880
Trade and other payables		21,669	-	21,669
Lease liabilities	B	-	1,380	1,380
Current tax liabilities		2,733	-	2,733
Total Current liabilities		32,202	1,380	33,662
Total Liabilities		83,990	6,221	90,281
Total Equity and Liabilities		80,728	12,521	93,319



Cherry With Friends AB

Notes to the consolidated and annual financial statements for the year ended 31st December 2023 and 31st December 2022

3 Material accounting policies - continued

3.16 First adoption of IFRS - continued

- Group reconciliation of equity as at 31 December 2023

	Notes	As per K3 SEK in '000	Reclassification and remeasurement SEK in '000	IFRS as at 31 December 2023 SEK in '000
Assets				
Non-current assets				
Goodwill	A	38,026	25,297	63,323
Intangible assets		17,930	-	17,930
Property plant and equipment		2,345	-	2,345
Right-of -use asset	B	-	3,646	3,646
Deferred tax	D	631	(82)	549
Total non-current assets		58,932	28,861	87,793
Current assets				
Other receivables		8,021	-	8,021
Cash and bank balances		24,837	-	24,837
Current assets		32,858	-	32,858
Total assets		91,790	28,861	120,651



Cherry With Friends AB

Notes to the consolidated and annual financial statements for the year ended 31st December 2023 and 31st December 2022

3 Material accounting policies - continued

3.16 First adoption of IFRS - continued

- Group reconciliation of equity as at 31 December 2023 - continued

	Notes	As per K3 SEK in '000	Reclassification and remeasurement SEK in '000	IFRS as at 31 December 2023 SEK in '000
Equity and liabilities				
Capital and reserves				
Share capital		200	-	200
Capital contribution	C	-	4,000	4,000
Retained earnings	A,B,C	(6,647)	21,621	14,974
Non-controlling interest		(442)	-	(442)
Total Equity		(6,889)	25,621	18,732
Non current Liabilities				
Borrowings		30,993	-	30,993
Lease liabilities	B	-	1,515	1,515
Deferred tax liabilities		-	-	-
Total non-current liabilities		30,993	1,515	32,508
Current liabilities				
Borrowings		7,880	-	7,880
Trade and other payables		57,117	-	57,117
Lease liabilities	B	-	1,725	1,725
Current tax liabilities		2,689	-	2,689
Total Current liabilities		67,686	1,725	69,411
Total Liabilities		98,679	3,240	101,919
Total Equity and Liabilities		91,790	28,861	120,651



Cherry With Friends AB

Notes to the consolidated and annual financial statements for the year ended 31st December 2023 and 31st December 2022

3 Material accounting policies - continued

3.16 First adoption of IFRS - continued

- Group reconciliation of total comprehensive income for the year ended 31 December 2023

	Notes	As per K3 SEK in '000	Reclassification and remeasurement SEK in '000	IFRS as at 31 December 2023 SEK in '000
Revenue		173,692	-	173,692
Other income		2,073	-	2,073
Expenses directly related to gambling activities		(74,793)	-	(74,793)
Employees benefit expenses		(76,452)	-	(76,452)
Depreciation, amortisation and impairment of non-financial assets	A,B	(10,455)	4,491	(5,964)
Impairment losses on financial and contract assets				-
Other Expenses	B	(15,222)	2,170	(13,052)
Operating profit/(loss)		(1,157)	6,661	5,504
Finance income		271	-	271
Finance costs	B	(2,449)	(222)	(2,671)
Profit before tax		(3,335)	6,439	3,104
Income tax expense	D	(742)	(20)	(762)
Profit for the year - total comprehensive income		(4,077)	6,419	2,342

There were no changes in the Company equity at transition date to IFRSs, at 31 December 2023 and in total comprehensive income for the year ended 31 December 2023

Note A - Amortisation of goodwill

Goodwill results mainly from the acquisition of Cherry Spelglädje AB. Under K3, goodwill is amortised over 10 years. In terms of IFRSs amortisation of goodwill is not permitted, consequently the Group reversed all goodwill adjustments from recognition date.



3 Material accounting policies - continued

3.16 First adoption of IFRS - continued

Note B - Leases

Under K3, the Group differentiate between operating and finance leases. Under K3, both finance and operating leases are recognised as operating expense in the statement of profit or loss on straight line basis over the term of the lease. Under IFRS, a lessee applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets and recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

At the date of transition to IFRS, the Group applied the transitional provision and measured lease liabilities at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of transition to IFRS or the rate implicit in the lease. Right-of-use assets were measured at the amount equal to the lease liabilities. As a result, the Group recognised an increase of SEK 6,221,000 (31 December 2021: SEK 921,000) of lease liabilities and right-of-use assets.

After transition date, up to 31 December 2021, right of use assets was decrease by depreciation of SEK 1,526,000, lease liability was increase by finance costs of SEK 173,000 and decrease by lease payments (other expense in profit or loss) of SEK1,809,000.

Note C - Capital contribution

Under K3, the Group, recognises capital contribution as part of retained earnings/accumulated losses. In IFRS, capital contribution is recognised as part of other reserves.

Note D - Deferred tax

Deferred tax adjustment is the result of differences in right-of-use assets and lease liability at 31st December 2023.

4 Critical accounting estimates and judgments

Estimates and judgements are continually evaluated and based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

In the opinion of the Directors, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1, unless further described below.

- Financial Instruments - allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. The expected credit loss assessment is combination of probability for default, loss of given default and exposure at default. These require a certain degree of estimation based on both historical, year-end information and information available at the time of the preparation. The actual credit losses in future years may be higher or lower

- IFRS 16 - Leases

Critical judgements required in the application of IFRS 16 may include, among others, the following:

- Identifying whether a contract (or part of a contract) includes a lease;
- Determining whether it is reasonably certain that an extension or termination option will be exercised;
- Classification of lease agreements (when the entity is a lessor);
- Determination of whether variable payments are in substance fixed;
- Establishing whether there are multiple leases in an arrangement;

Sources of estimation uncertainty in the application of IFRS 16 may include, among others, the following:

- Estimation of the lease term;
- Determination of the appropriate rate to discount the lease payments;
- Assessment of whether a right-of-use asset is impaired



Cherry With Friends AB

Notes to the consolidated and annual financial statements for the year ended 31st December 2023 and 31st December 2022

5 Revenue

	Group			Company		
	2023	2022	2021	2023	2022	2021
	SEK	SEK	SEK	SEK	SEK	SEK
	in '000	in '000	in '000	in '000	in '000	in '000
Net Gaming Revenue	173,692	169,095	-	-	-	-
Management fees	-	-	-	693	42	-
Total Revenue	173,692	169,095	-	693	42	-

Revenue consist mainly of income derived from gaming activities. Net gaming revenue consist of the net result of players bets after deducting players winnings. The Company revenue consist of management service provided to members of the group. The Group and the Company treat all revenue generated from different revenue streams as a single revenue segment in accordance with internal management reporting.

6 Other income

	Group		
	2023	2022	2021
	SEK	SEK	SEK
	in '000	in '000	in '000
Gain on sale of tangible assets	122	-	-
Bad Debts recovered	242	84	176
Sundry income	1,709	4,428	11,727
Total other income	2,073	4,512	11,903

7 Employees benefit expenses

	Group			Company		
	2023	2022	2021	2023	2022	2021
	SEK	SEK	SEK	SEK	SEK	SEK
	in '000	in '000	in '000	in '000	in '000	in '000
Wages and salaries	56,794	48,082	30,260	1,143	374	-
Social security costs and other contributions	19,658	17,505	11,412	513	139	-
Total	76,452	65,587	41,672	1,656	513	-

The average number of employed during the year

	2023	2022	2021	2023	2022	2021
Administrative and gaming	141	131	76	1	-	-

Included in the total employee benefit expenses are directors salaries and remuneration. These area as follows:

	Group			Company		
	2023	2022	2021	2023	2022	2021
	SEK	SEK	SEK	SEK	SEK	SEK
	in '000	in '000	in '000	in '000	in '000	in '000
Directors remuneration	1,305	1,097	954	257	146	-



Cherry With Friends AB

Notes to the consolidated and annual financial statements for the year ended 31st December 2023 and 31st December 2022

8 Impairment losses of financial and contract assets

Movement in impairment allowances consist of the following:

	Company		
	2023	2022	2021
	SEK	SEK	SEK
	in '000	in '000	in '000
Increase in loss allowance on financial assets	200	-	-
Increase in loss allowances recognised in profit or loss during the year	200	-	-

The loss allowance on financials assets is reconciled as follows:

	2023	2022	2021
	SEK	SEK	SEK
	in '000	in '000	in '000
Opening loss allowances as at 1 January	-	-	-
Increase in loss allowances recognised in profit or loss during the year	200	-	-
Closing loss allowances as at 31 December	200	-	-

9 Other expenses

Total remuneration paid to the Group and the subsidiaries auditors during the year amounted to:

	Group			Company		
	2023	2022	2021	2023	2022	2021
	SEK	SEK	SEK	SEK	SEK	SEK
	in '000	in '000	in '000	in '000	in '000	in '000
Annual statutory audit	378	250	303	378	250	-
Other non-audit services	58	306	212	58	265	-
Auditor's remuneration	436	556	515	436	515	-

Other non-audit services consist of fees charged in relation of advisory and accounting services.

10 Finance income

	Group			Company		
	2023	2022	2021	2023	2022	2021
	SEK	SEK	SEK	SEK	SEK	SEK
	in '000	in '000	in '000	in '000	in '000	in '000
Interest from banks	111	3	-	1	-	-
interest from related party loans	-	-	-	112	-	-
Other interest	160	-	-	-	-	-
Total finance income	271	3	-	113	-	-



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Notes to the consolidated and annual financial statements for the year ended 31st December 2023 and 31st December 2022

11 Finance costs

	Group			Company		
	2023 SEK in '000	2022 SEK in '000	2021 SEK in '000	2023 SEK in '000	2022 SEK in '000	2021 SEK in '000
Interest on finance leases	384	157	173	-	-	-
Interest on bank loans and other	1,411	1,275	1,934	1,411	1,275	1,934
Interest on short term debt	271	85	422	-	-	-
Other interest	689	(114)		110	-	-
Currency exchange difference	78	50		-	-	-
Total finance costs	2,671	1,453	2,529	1,521	1,275	1,934

12 Appropriations

	Company		
	2023 SEK in '000	2022 SEK in '000	2021 SEK in '000
<i>Group contributions</i>			
Group contributions received	16,139	17,970	5,477
Group contributions granted	(2,878)	-	-
Total	13,261	17,970	5,477

13 Income tax

13.1 Income tax recognised in profit or loss

	Group			Company		
	2023 SEK in '000	2022 SEK in '000	2021 SEK in '000	2023 SEK in '000	2022 SEK in '000	2021 SEK in '000
Current tax expense	1,179	2,466	536	1,077	2,653	481
Deferred taxation	(417)	39	267	0	-	244
	762	2,505	803	1,077	2,653	725

13.2 The tax on the Group's and the Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

	Group			Company		
	2023 SEK in '000	2022 SEK in '000	2021 SEK in '000	2023 SEK in '000	2022 SEK in '000	2021 SEK in '000
Profit/(Loss) before tax on ordinary activities	3,104	12,773	3,866	5,212	13,073	3,521
Income tax expense calculated at 20.6%	639	2,631	796	1,074	2,693	725
Effect of:						
Non allowable expenses and other differences	123	(126)	7	3	(40)	-
	762	2,505	803	1,077	2,653	725



Cherry With Friends AB

Notes to the consolidated and annual financial statements for the year ended 31st December 2023 and 31st December 2022

14 Goodwill

Group	Goodwill SEK in '000	Total SEK in '000
At 01/01/2021		
Cost amounts	63,004	63,004
Accumulated impairment	-	-
Net Book amount	<u>63,004</u>	<u>63,004</u>
Year ended 31/12/2021		
Opening net book amount	63,004	63,004
Adjustment for previous acquisitions	319	319
Closing net book amount	<u>63,323</u>	<u>63,323</u>
At 01/01/2022		
Cost amounts	63,323	63,323
Accumulated impairment	-	-
Net Book amount	<u>63,323</u>	<u>63,323</u>
Year ended 31/12/2022		
Opening net book amount	63,323	63,323
Impairment	-	-
Closing net book amount	<u>63,323</u>	<u>63,323</u>
At 31/12/2022		
Cost amounts	63,323	63,323
Accumulated impairment	-	-
Net Book amount	<u>63,323</u>	<u>63,323</u>
Year ended 31/12/2023		
Opening net book amount	63,323	63,323
Impairment	-	-
Closing net book amount	<u>63,323</u>	<u>63,323</u>
At 31/12/2023		
Cost amounts	63,323	63,323
Accumulated impairment	-	-
Net book amount	<u>63,323</u>	<u>63,323</u>



14 Goodwill - continued

Intangible assets (including goodwill) are tested for impairment. For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of a related business combination and represent the lowest level within the Group at which management monitors goodwill

Cash-generating units to which goodwill and intangible asset that has an indefinite useful life or is not yet available for use has been allocated are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's (or cash-generating unit's) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. Value-in-use is based on estimated future cash flows discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the specific risk of the asset or cash-generating unit. Management recognizes Goodwill from the acquisition of Cherry Spelglädje AB (which is considered the sole cash-generated unit).

Directors have evaluated Cherry Spelglädje AB cash generating unit for impairment as at 31 December 2023 and are of the view that carrying amount is recoverable on the basis of the cash flow generated from this cash generating unit. Consequently, the directors have assessed that there is no need to impair Cherry Spelglädje AB cash generating unit. The recoverable amount of Cherry Spelglädje AB cash-generated unit was assessed on the basis of value-in-use calculation (through the discounted cash flow approach). The value in use was based on:

- the cashflow reflecting the Cherry Spelglädje AB cash generating unit for 2024 to 2026 with an average growth rate of 9.7% over the period
- a perpetual growth rate of 2% beyond the period
- discount rate of 18%

Sensitivity analyses have been made of the estimates of value in use in connection with impairment testing, for the following assumptions: general reduction of 1 percentage point in the organic sales growth rate during the forecasting period, general reduction of 1 percentage points in the operating margin; general increase of 1 percentage points in the WACC. A sensitivity analysis for changes in the assumptions used in the impairment testing has been established for the Group's cash generating unit (CGU). The conclusion from the conducted sensitivity analyses is that, standalone, none of the assumptions would result in any impairment loss in the CGU. Also, simultaneous adjustments of all assumptions carried out in the sensitivity analyses would not require a write-down.



Cherry With Friends AB

Notes to the consolidated and annual financial statements for the year ended 31st December 2023 and 31st December 2022

15 Intangible assets

Group

	Gaming agreements & licenses SEK in '000	Total SEK in '000
At 01/01/2021		
Cost amounts	18,869	18,869
Accumulated amortisation	(16,417)	(16,417)
Net Book amount	<u>2,452</u>	<u>2,452</u>
Year ended 31/12/2021		
Opening net book amount	2,452	2,452
Additions	217	217
Amortisation charge	(1,196)	(1,196)
Closing net book amount	<u>1,473</u>	<u>1,473</u>
At 01/01/2022		
Cost amounts	19,086	19,086
Accumulated amortisation	(17,613)	(17,613)
Net Book amount	<u>1,473</u>	<u>1,473</u>
Year ended 31/12/2022		
Opening net book amount	1,473	1,473
Additions	18,575	18,575
Amortisation charge	(1,642)	(1,642)
Closing net book amount	<u>18,406</u>	<u>18,406</u>
At 31/12/2022		
Cost amounts	37,661	37,661
Accumulated amortisation	(19,255)	(19,255)
Net Book amount	<u>18,406</u>	<u>18,406</u>
Year ended 31/12/2023		
Opening net book amount	18,406	18,406
Additions	1,972	1,972
Amortisation charge	(2,448)	(2,448)
Closing net book amount	<u>17,930</u>	<u>17,930</u>
At 31/12/2023		
Cost amounts	39,633	39,633
Accumulated amortisation	(21,703)	(21,703)
Net book amount	<u>17,930</u>	<u>17,930</u>



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Cherry With Friends AB

Notes to the consolidated and annual financial statements for the year ended 31st December 2023 and 31st December 2022

16 Property, plant and equipment

Group

	Fixtures & gaming equipment SEK in '000	Total SEK in '000
At 01/01/2021		
Cost amounts	29,012	29,012
Accumulated depreciation	(26,383)	(26,383)
Net Book amount	<u>2,629</u>	<u>2,629</u>
Year ended 31/12/2021		
Opening net book amount	2,629	2,629
Additions	1,075	1,075
Deprecation charge for the year	(1,384)	(1,384)
Closing net book amount	<u>2,320</u>	<u>2,320</u>
At 01/01/2022		
Cost amounts	30,087	30,087
Accumulated depreciation	(27,767)	(27,767)
Net Book amount	<u>2,320</u>	<u>2,320</u>
Year ended 31/12/2022		
Opening net book amount	2,320	2,320
Additions	2,053	2,053
Deprecation charge for the year	(1,704)	(1,704)
Closing net book amount	<u>2,669</u>	<u>2,669</u>
At 31/12/2022		
Cost amounts	32,140	32,140
Accumulated depreciation	(29,471)	(29,471)
Net Book amount	<u>2,669</u>	<u>2,669</u>
Year ended 31/12/2023		
Opening net book amount	2,669	2,669
Additions	1,337	1,337
Deprecation charge for the year	(1,661)	(1,661)
Closing net book amount	<u>2,345</u>	<u>2,345</u>
At 31/12/2023		
Cost amounts	33,477	33,477
Accumulated depreciation	(31,132)	(31,132)
Net book amount	<u>2,345</u>	<u>2,345</u>



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Cherry With Friends AB

Notes to the consolidated and annual financial statements for the year ended 31st December 2023 and 31st December 2022

16 Property, plant and equipment - continued

Company

	Fixtures & gaming equipment SEK in '000	Total SEK in '000
At 01/01/2022		
Cost amounts	-	-
Accumulated depreciation	-	-
Net Book amount	-	-
Year ended 31/12/2022		
Opening net book amount	-	-
Additions	31	31
Closing net book amount	31	31
At 31/12/2022		
Cost amounts	31	31
Accumulated depreciation	-	-
Net Book amount	31	31
Year ended 31/12/2023		
Opening net book amount	31	31
Additions	40	40
Deprecation charge for the year	(18)	(18)
Closing net book amount	53	53
At 31/12/2023		
Cost amounts	71	71
Accumulated depreciation	(18)	(18)
Net book amount	53	53



Cherry With Friends AB

Notes to the consolidated and annual financial statements for the year ended 31st December 2023 and 31st December 2022

17 Leases

Group

Right-of-use assets

	Motor vehicles SEK in '000	Buildings SEK in '000	Total SEK in '000
At 01/01/2021			
Cost amounts	-	6,221	6,221
Accumulated depreciation	-	-	-
Net book amount	-	6,221	6,221
Year ended 31/12/2021			
Opening net book amount	-	6,221	6,221
Additions	925	-	925
Depreciation	(232)	(1,294)	(1,526)
Closing net book amount	693	4,927	5,620
At 01/01/2022			
Cost amounts	925	6,221	7,146
Accumulated depreciation	(232)	(1,294)	(1,526)
Net book amount	693	4,927	5,620
Year ended 31/12/2022			
Opening net book amount	693	4,927	5,620
Additions	410	-	410
Depreciation	(354)	(1,295)	(1,649)
Closing net book amount	749	3,632	4,381
At 31/12/2022			
Cost amounts	1,335	6,221	7,556
Accumulated depreciation	(585)	(2,589)	(3,174)
Net book amount	750	3,632	4,382
Year ended 31/12/2023			
Opening net book amount	750	3,632	4,382
Additions/ Lease modification	633	472	1,105
Disposals	(388)	-	(388)
Depreciation	(512)	(1,329)	(1,841)
Depreciation release	388	-	388
Closing net book amount	871	2,775	3,646
At 31/12/2023			
Cost amounts	1,580	6,693	8,273
Accumulated amortisation	(709)	(3,918)	(4,627)
Net book amount	871	2,775	3,646



Cherry With Friends AB

Notes to the consolidated and annual financial statements for the year ended 31st December 2023 and 31st December 2022

17 Leases - continued

Right-of-use assets motor vehicle consist of 7 (2022: 7, 2021: 5 leases). The lease term of the leases varies from 3 to 5 years

Right of use assets buildings consisted of lease of two offices, one in Stockholm and the other in Goteborg. Stockholm office original lease term ended in August 2023. Goteborg office original lease term ends in January 2026. Stockholm office lease was extended by 1 year. Unless cancelled by the Group, Goteborg and Stockholm office lease can be extended further for 3 years and 1 year respectively.

Lease liabilities

	Group		
	2023 SEK in '000	2022 SEK in '000	2021 SEK in '000
Current	1,725	1,679	1,735
Non-Current	1,515	2,404	3,775
	<u>3,240</u>	<u>4,083</u>	<u>5,510</u>

The finance lease interest charged to profit or loss for the year is SEK 384,000 (2022: SEK 157,000, 2021: SEK 173,000). Finance lease interest is included as part of finance costs.

The cash outflow for the year related to lease payments amounted to SEK 2,170,000 (2022: SEK 1,994,000 , 2021: SEK 1,809,000).

18 Investments in subsidiaries

The carrying value, which is also the cost of the investments in subsidiaries for the years ended 31 December 2023, 2022 and 2021 is SEK 88,006,000, SEK 82,425,000 and SEK 80,225,000 respectively.

The list of subsidiaries, which are Cherry Spelglädje AB, Cherry Event AB, Cherry Domain AB, Cherry AB and Cherry Tech AB, their respective registered office and the percentage of share held by the company can be found in note 2.4 of these financial statements.



Cherry With Friends AB

Notes to the consolidated and annual financial statements for the year ended 31st December 2023 and 31st December 2022

19 Deferred tax

Deferred taxes are calculated on temporary differences under the liability method using a principal tax rate of 20.6% (2022: 20.6%). The deferred tax liabilities are mainly considered to be of a non-current nature.

19.1 Movement in temporary differences during the year

	Group			Company		
	2023 SEK in '000	2022 SEK in '000	2021 SEK in '000	2023 SEK in '000	2022 SEK in '000	2021 SEK in '000
Year ended 31 December						
At beginning of the year	131	23	244	-	-	244
Deferred tax on financial instruments	438	193	(244)	-	-	(244)
Deferred tax on leases	(20)	(39)	(23)	-	-	-
As 31 December	<u>549</u>	<u>131</u>	<u>(23)</u>	<u>-</u>	<u>-</u>	<u>-</u>

All amounts listed in the above table are recognised in profit or loss.

19.2 Deferred tax is composed of temporary differences in relation of

	Group			Company		
	2023 SEK in '000	2022 SEK in '000	2021 SEK in '000	2023 SEK in '000	2022 SEK in '000	2021 SEK in '000
Leases	(82)	(62)	(23)	-	-	-
Financial instruments	631	193	-	-	-	-
	<u>549</u>	<u>131</u>	<u>(23)</u>	<u>-</u>	<u>-</u>	<u>-</u>

20 Financial assets

	Company		
	2023 SEK in '000	2022 SEK in '000	2021 SEK in '000
Loans to subsidiaries	<u>13,821</u>	<u>11,800</u>	<u>-</u>

Loans to subsidiaries, are stated net of loss allowance amounting to SEK 200,000 (2022: Nil, 2021: Nil). The loans to Cherry AB carry an interest of 6.3% per annum. No interest is charged on other loans. These loans carry no fixed date of repayment. The Company management does not deem that these loans are going to be settled during the next 12 months.

21 Other receivables

	Group			Company		
	2023 SEK in '000	2022 SEK in '000	2021 SEK in '000	2023 SEK in '000	2022 SEK in '000	2021 SEK in '000
Other Receivable	6,833	3,788	2,500	-	26	-
Prepayments and accrued income	1,188	1,130	2,656	882	249	-
	<u>8,021</u>	<u>4,918</u>	<u>5,156</u>	<u>882</u>	<u>275</u>	<u>-</u>



Cherry With Friends AB

Notes to the consolidated and annual financial statements for the year ended 31st December 2023 and 31st December 2022

22 Cash and cash equivalents

Cash and cash equivalents included in the statement of cash flows comprise the following amounts:

	Group			Company		
	2023 SEK in '000	2022 SEK in '000	2021 SEK in '000	2023 SEK in '000	2022 SEK in '000	2021 SEK in '000
Cash at banks and other financial intermediaries	24,837	12,732	25,027	371	477	41

23 Share capital

	Company		
	2023 SEK in '000	2022 SEK in '000	2021 SEK in '000

Issued and fully paid up share capital

20,000,000 Ordinary A Shares of SEK0.01 each	200	200	200
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The holders of ordinary shares are entitled to receive dividends as declared from time to time. These are entitled to one vote per share at meetings of the parent company. All shares rank equally with regard to the parent company residual assets.

24 Capital contribution

	Group			Company		
	2023 SEK in '000	2022 SEK in '000	2021 SEK in '000	2023 SEK in '000	2022 SEK in '000	2021 SEK in '000
Balance at 1 January	4,000	4,000	4,000	4,000	4,000	4,000
Movement during the year	-	-	-	-	-	-
Balance at 31 December	4,000	4,000	4,000	4,000	4,000	4,000



Cherry With Friends AB

Notes to the consolidated and annual financial statements for the year ended 31st December 2023 and 31st December 2022

25 Borrowings

Non-current liabilities

Borrowings included under non-current liabilities on the statement of financial position comprise the following amounts:

	Group			Company		
	2023 SEK in '000	2022 SEK in '000	2021 SEK in '000	2023 SEK in '000	2022 SEK in '000	2021 SEK in '000
Bank loans	1,970	9,850	17,730	1,970	9,850	17,730
Loans from subsidiaries	-	-	-	35,828	28,773	20,227
Shareholders loans	29,023	28,367	27,723	29,023	28,367	27,724
Other liabilities	-	2,363	-	-	-	-
	<u>30,993</u>	<u>40,580</u>	<u>45,453</u>	<u>66,821</u>	<u>66,990</u>	<u>65,681</u>

Current liabilities

Borrowings included under non-current liabilities on the statement of financial position comprise the following amounts:

	Group			Company		
	2023 SEK in '000	2022 SEK in '000	2021 SEK in '000	2023 SEK in '000	2022 SEK in '000	2021 SEK in '000
Bank loans	<u>7,880</u>	<u>7,880</u>	<u>7,880</u>	<u>7,880</u>	<u>7,880</u>	<u>7,880</u>

The company bank loan is secured by against a subsidiary shares.

The bank loan is repayable by January 2025. The bank loan carries a rate of 2.45% over the 3 month Stibor. The current bank loan balance is the short term portion of the bank loan.

Loans from subsidiaries are unsecured. No interest is charge on these loans. Loans from subsidiaries has no fixed date of repayment. The Company management is of the opinion that these loans will not be payable within the next 12 months from year end.

Shareholders' loans are unsecured. These carry an interest of 2% per annum. They are callable on demand. Management is of the opinion the shareholders' loans will not be payable within the next 12 months from year end.

26 Trade and other payables

	Group			Company		
	2023 SEK in '000	2022 SEK in '000	2021 SEK in '000	2023 SEK in '000	2022 SEK in '000	2021 SEK in '000
Trade Creditors	1,120	812	908	14	108	-
Other creditors	33,954	12,708	11,272	2,922	(102)	-
Accruals	22,045	21,882	25,750	1,846	917	122
	<u>57,119</u>	<u>35,402</u>	<u>37,930</u>	<u>4,782</u>	<u>923</u>	<u>122</u>



27 Financial risk management

The Group's and the Company's activities potentially expose it to a variety of financial risks: market risk (including cashflow and fair value interest rate risk), credit risk and liquidity risk. The Group's and the Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's and Company's financial performance. The Group and the Company did not make use of derivative financial instruments to hedge risk exposures during the current financial period. The directors provides principles for overall risk management, as well as policies covering risks referred to above.

*a) Market risk**i) Foreign exchange risk*

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities which are denominated in a currency that is not the Group's and Company's functional currency. The Group and Company are not exposed to significant foreign exchange risk since principally the Group and Company's assets and liabilities are denominated in Swedish krona and the Group and Company are not exposed to foreign exchange risk arising on trading transaction as these are principle conducted in Swedish krona.

ii) Cash flow and fair value interest rate risk

The Group and the Company are exposed to changes in market interest rate through their borrowings and bank balances. The Company is further exposed to changes in market interest rates through related party loans receivable. At year end, the Group and the Company cash flow interest rate risk arises mainly from bank borrowings (refer to note 24). Bank borrowings are subject to interest rate that varies according the 3 month STIBOR.

The Group and Company other borrowings and the Company's related loans receivable are subject to no or fixed interest rate. Other borrowing expose the Group and Company to fair value interest rate risk. In opinion of the directors, the potential impact of a defined shift in interest rates will have an immaterial effect on the Group and Company profit or loss.



Cherry With Friends AB

Notes to the consolidated and annual financial statements for the year ended 31st December 2023 and 31st December 2022

27 Financial risk management - continued

b) Credit Risk

Credit risk is the risk that a customer or counterparty is unable or unwilling to meet its financial commitments that it has entered into and therefore causing the Group to incur a financial loss. The Group's and the Company's exposure to credit risk at the end of the reporting period is analysed as follows:

	Group			Company		
	2023 SEK in '000	2022 SEK in '000	2021 SEK in '000	2023 SEK in '000	2022 SEK in '000	2021 SEK in '000
Receivables	8,021	4,918	5,156	882	275	-
Amounts due by related parties	-	-	-	13,821	11,800	-
Cash at bank and other intermediaries	24,837	12,732	25,027	371	477	41
Maximum exposure to credit risk	<u>32,858</u>	<u>17,650</u>	<u>30,183</u>	<u>15,074</u>	<u>12,552</u>	<u>41</u>

The Group's credit risk arises mainly on cash at banks and other financial institutions. To mitigate this risk, the Group works with well-established vendors in the business. The Group cash at bank are managed by bank with an investment rating of investment grade or better.

The Company's credit risk arises mainly on amount due by related parties. Amounts due by related parties are tested for impairment under the expected credit loss model. This model requires the Company to measure impairment allowance for all financial instruments for the time the asset is originated, based on the deterioration of credit risk since initial recognition. If the credit risk has not increased significantly, the impairment allowance is based on 12 month expected losses. If the credit risk has increased significantly or if the financial instruments are credit impaired, impairment allowances are based on lifetime expected losses.



Cherry With Friends AB

Notes to the consolidated and annual financial statements for the year ended 31st December 2023 and 31st December 2022

27 Financial risk management - continued

c) Liquidity risk

Liquidity risk is the risk that the Group or Company will have difficulties in paying its financial liabilities. The Group and the Company are exposed to liquidity risk in relation to trade and other payable, borrowings and leases liabilities.

The Group's and Company's management monitors liquidity risk by means of cash flow forecasts on the expected cash flows over a twelve-month period. The following table provides analyses on the Group's and Company's financial liabilities into relevant maturity grouping based on the remaining period at the statement of financial position to the contractual maturity date. The amount disclosed below are the contractual undiscounted cash flows.

Group

	Contractual cashflows SEK in '000	Within one year SEK in '000	One to five years SEK in '000	Over five years SEK in '000
As 31 December 2023				
Trade and other payables	57,119	57,119	-	-
Borrowings	39,901	8,198	31,703	-
Lease liability	3,550	1,909	1,641	-
	100,570	67,226	33,344	-
	Contractual cashflows SEK in '000	Within one year SEK in '000	One to five years SEK in '000	Over five years SEK in '000
As 31 December 2022				
Trade and other payables	35,402	35,402	-	-
Borrowings	50,897	8,632	42,265	-
Lease liability	4,386	1,867	2,519	-
	90,685	45,901	44,784	-
	Contractual cashflows SEK in '000	Within one year SEK in '000	One to five years SEK in '000	Over five years SEK in '000
As 31 December 2021				
Trade and other payables	37,930	37,930	-	-
Borrowings	57,045	8,512	48,533	-
Lease liability	5,858	1,892	3,966	-
	100,833	48,334	52,499	-



Cherry With Friends AB

Notes to the consolidated and annual financial statements for the year ended 31st December 2023 and 31st December 2022

27 Financial risk management - continued

c) Liquidity risk - continued

Company

	Contractual cashflows SEK in '000	Within one year SEK in '000	One to five years SEK in '000	Over five years SEK in '000
As 31 December 2023				
Trade and other payables	4,782	4,782	-	-
Borrowings	75,729	8,198	31,703	35,828
Lease liability	2,151	1,032	1,119	-
	82,662	14,012	32,822	35,828

	Contractual cashflows SEK in '000	Within one year SEK in '000	One to five years SEK in '000	Over five years SEK in '000
As 31 December 2022				
Trade and other payables	923	923	-	-
Borrowings	77,307	8,632	39,902	28,773
Lease liability	3,129	978	2,151	-
	81,359	10,533	42,053	28,773

	Contractual cashflows SEK in '000	Within one year SEK in '000	One to five years SEK in '000	Over five years SEK in '000
As 31 December 2021				
Trade and other payables	122	122	-	-
Borrowings	77,272	8,512	48,533	20,227
	77,394	8,634	48,533	20,227



28 Fair value estimation

Financial instruments are carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable).

If the inputs used to measure the fair value of an assets or a liability fall into different levels of the fair value hierarch, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group and the Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting year during with the change has occurred. Significant unobservable inputs and valuation adjustments are regularly reviewed..

At 31 December 2023, 2022 and 2021 the carrying amounts of financial instruments not carried at fair value, comprising cash at bank, receivables, payables, and accrued expenses reflected in the financial statements are a reasonable estimated of fair value in view of the nature of these instruments or the relatively short period of time between the origination of the instruments and their expected realisation.

The fair value of the Group's and Company's non current borrowings and the Company's non current financial assets is not significantly different from the carrying amounts.

29 Capital risk management

The Group's and Company's objective when managing capital are:

- to safeguard the Group's and Company's ability to continue as a going concern in order to provide returns to shareholder and benefits for other stakeholders and
- to maintain an optimal capital structure to reduce the cost of capital

The Group policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence to sustain future development of business.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholders, issue new shares or sell assets. The Company's and Group's equity as disclosed in the statement of financial position, constitute its capital. The Company and Group maintain the level of capital by reference to it financial obligations and commitment arising from operation requirements.



Cherry With Friends AB

Notes to the consolidated and annual financial statements for the year ended 31st December 2023 and 31st December 2022

30 Related party transactions

i) Ultimate controlling parties

Cherry with Friends Ab is mainly owned by New Berrie AB and Inter Leisure I Goteborg Invest AB. Both New Berrie AB and Inter Leisure I Goteborg Invest AB are registered in Sweden, having their registered address, Östermalmsgatan 3, 50455 Borås, Sweden and Vasagatan 43B, 411 37 Göteborg, Sweden respectively.

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

ii) Transactions with related parties

During the year, the Group and Company entered into the following transactions with related parties:

	Group			Company		
	2023 SEK in '000	2022 SEK in '000	2021 SEK in '000	2023 SEK in '000	2022 SEK in '000	2021 SEK in '000
Sales to subsidiaries	-	-	-	656	42	-
Interest from Subsidiaries	-	-	-	111	-	-
Interest to shareholders	656	643	630	656	643	630.00

iii) Amounts at the end of the financial reporting date

	Group			Company		
	2023 SEK in '000	2022 SEK in '000	2021 SEK in '000	2023 SEK in '000	2022 SEK in '000	2021 SEK in '000
Balance receivable from subsidia	-	-	-	14,566	11,800	-
Balances payable to subsidiaries	-	-	-	38,706	28,778	20,227
Shareholders share contributions	4,000	4,000	4,000	4,000	4,000	4,000
Shareholders loans	29,023	28,367	27,724	29,023	28,367	27,724

Other details regarding related party balance can be found in note 20 and 25.

iv) Transactions with key management personnel

During the period the Group directors were paid SEK 1,305,000 (2022: SEK 1,097,000, 2021: SEK 954,000) in remuneration. The Company directors were paid SEK 257,000 and SEK 146,000 for the respective year ended 31 December 2023 and 2022. No transaction with key management personnel was done in 2021 by the Company.



Cherry With Friends AB

Notes to the consolidated and annual financial statements for the year ended 31st December 2023 and 31st December 2022

31 Events after the financial reporting date

i) Acquisition of Gameday group plc

On 12 January 2024, an agreement was signed to acquire 100% of the shares in Gameday Group Plc, a Maltese registered company having registration number C 77333. Gameday Group plc owns subsidiaries operating mainly in online gaming and owns the underlying technology platform that derived both the B2B and B2C businesses. The acquisition of the Gameday Group plc will provide the Group strong brand presence in the Swedish online gaming market, a diversified revenue streams, an omni-channel offering with cross channel marketing and potential group cost synergies. The purchase price for Gameday Group Plc amounts to SEK 94,505 thousand which was paid both in form of issued shares in Cherry with Friends AB and in cash. A total of 6,682,810 shares were issued and the cash portion amounted to SEK 7,932 thousand.

The detail of the preliminary purchase consideration follows:

	Eur in '000
Cash paid	715
Ordinary shares issued	7,802
Total estimated purchase consideration	<u>8,517</u>

The assets acquired and liabilities assumed as a result of the acquisition are as follows:

	Eur in '000
<i>Assets</i>	
Intangible assets	10,576
Property plant and equipment	2
Trade and other receivables	740
Cash and bank balances	16,036
	<u>27,354</u>
<i>Liabilities</i>	
Borrowings	14,440
Payables and other current liabilities	4,967
	<u>19,407</u>
Net identifiable assets acquired	7,947
Goodwill	570
Net assets acquired	<u>8,517</u>

The purchase cash consideration cash flow is a follows:

	Eur in '000
Cash consideration paid	(715)
Payment of shares	(7,802)
Cash and cash equivalents acquired	16,036
Net cash inflow on acquisition	<u>7,519</u>

ii) Appointment of CEO

In March 2024, the group appointed Mr. Erik Skarp and Mr. Frank Micheal Heinanen as the Chief Executive Officer the group and Chief Executive Officer of the group online gaming business respectively. Mr Skarp is the founder of Gameday group plc and bethard and holds a number of directorship in a number a number of other companies. Mr Heinanen has vast experience that span 15 years in the online gaming , technology and marketing.



31 Events after the financial reporting date - continued

iii) Together gaming solution plc bond issue

Toggether Gaming Solutions plc a fully subsidiary of the newly acquired of Gameday Group plc is currently in process of issue Eur 12.5 million bonds on the Malta Stock Exchange. The proceeds of this bond issue will be mainly used for redemption of existing bonds which mature in July 2025. Cherry with Fiends AB will be the guarantor of the new issue. The Company will unconditionally and irrevocably guarantee to Bondholders the due and punctual payment of the indebtedness in accordance with the terms of the Guarantee. The Bonds will accordingly be issued with the benefit of the joint and several Guarantee of the Guarantor.

The Guarantee will constitute the direct, general and unconditional obligation of the Guarantor which will at all times rank at least pari passu with all other present and future unsecured obligations of the Guarantor, save for such obligations as may be preferred by applicable law.



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Cherry With Friends AB

Proposed appropriation of profit

The Annual General Meeting of shareholders has the following profits in the Parent Company at its disposal:

	2023	2022
	SEK	SEK
	in '000	in '000
Net profit for the financial year	3,735	10,420
Retained earnings and non-restricted reserves	20,057	16,322
	<u>23,792</u>	<u>26,742</u>

The Board and the CEO proposed that the entire amount of SEK 23,792 thousand to be carried forward.

The annual report and consolidated financial statements for Cherry with Friends AB for the year 2023 and 2022 have been approved for publication in accordance with the Board's resolution on 2 October, 2024.

The undersigned hereby declare that the consolidated financial statements and annual report have been prepared in accordance with International Financial Reporting Standards, IFRS, as adopted by the EU, and generally accepted accounting principles, respectively, and provide a true and fair view of the Group's and the Parent Company's financial position and results

Goteborg on the date shown on our electronic signature

Fredrik Burvall
Chair of the board

Pamela Morris
Member of the board

Jorgen Olsson
Member of the board

Dawid Myslinski
Member of the board

Aron Egfors
Member of the board

Erik Skarp
CEO

Goteborg on the date shown on our electronic signature

PricewaterhouseCoopers AB

Carolina Frosth Hertzberg
Authorised Public Accountant

