

## Final acquisition analysis for ComeOn!

The Board of Directors of Cherry AB has resolved to approve the final acquisition analysis for ComeOn!. A preliminary acquisition analysis was prepared in connection with the consolidation process in the fourth quarter 2016. In the final acquisition analysis the appreciation in the value of shares, amounting to SEK 510 million, is annulled. This has had no effect on the results for the year, however goodwill and equity were reduced.

In the third quarter of 2017, Cherry AB adjusted the purchase price for the acquisition of ComeOn! following a reassessment of the fair value of the 49 percent share previously held. The adjustment entails the revaluation of the previously held shares by SEK 510 million, reported in the fourth quarter of 2016, being reversed and a corresponding adjustment of goodwill being recognised. The adjustment has had no effect on cash flow nor the results for 2017 but goodwill against equity was reduced. The equity ratio was 36 percent as per 30 June 2017.

The purchase price was paid in two settlements, with an initial part-payment of EUR 80 million being paid in July 2016 and a second part-payment of EUR 209 million being paid in May 2017. In August and September 2016, Come On! was reported as associated company. As of 1 October 2016, Cherry was considered to hold a controlling interest and ComeOn! was consolidated as a subsidiary. In connection with this, the estimated market value of the initially acquired 49-percent holding was revalued by SEK 510 million.

In accordance with IFRS 3, the comparative figures in the income statement and balance sheet for the 2016 full year have been recalculated. The adjusted and thus final acquisition calculation for the acquisition is presented below.

Final acquisition analysis for ComeOn!	SEK million
<b>Purchase price</b>	
Cash and cash equivalents and equity instruments	2,753
Conditional additional purchase price	43
Estimated purchase price to be paid	2,796
<b>Recognised identifiable acquired assets and liabilities</b>	
Intangible assets	543
Property, plant and equipment	6
Current receivables	138
Cash and bank balances	130
Deferred tax	-28
Loans	0
Current liabilities	-167
Identified net assets	622
<b>Goodwill</b>	<b>2,174</b>

Below are the consolidated income statement and balance sheet, applying the final acquisition analysis.

FINANCIAL KEY RATIOS, Cherry Group		Preliminary analysis		Final analysis	
SEK million		Q4 2016	2016	Q4 2016	2016
Revenues		519	1,102	519	1,102
EBITDA		106	174	106	174
Adjusted EBIT		70	115	70	115
Profit		580	625	70	115
EBITDA-margin, %		20.5	15.8	20.5	15.8
Adjusted EBIT margin, %		13.5	10.4	13.5	10.4
EBIT margin, %		111.8	56.7	13.5	10.4
Earnings per share before dilution, SEK		3.62*	39.30	3.62	6.38
Earnings per share after dilution, SEK		3.57*	38.99	3.57	6.33
Earnings per share before dilution and split, SEK		—	—	0.72**	1.28**
Earnings per share after dilution and split, SEK		—	—	0.71**	1.27**
Total assets		3,932	3,932	3,422	3,422
Equity		988	988	478	478
Equity/assets ratio, %***		25	25	14	14

\* Earnings per share are reported excluding the effects of the SEK 510 million

\*\* Split implemented in June 2017

\*\*\* Due to the fact that 100 percent of the acquisition was due but not paid in the 2016 year end report, the reported equity was low. As the acquisition was partly regulated by shares, the equity ratio increased according to plan and amounted to 36 percent on 30 June 2017 (after final adjustment of the acquisition analysis as above)

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*This information is information that Cherry AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above on 21 September 2017.*

### CHERRY IN BRIEF

Cherry is an innovative and fast-growing Swedish gaming company that was established in 1963. Its overarching business strategy is to generate shareholder value by owning and developing fast-growing and profitable businesses within the gaming and casino industry. Cherry operates within five diversified business areas, *Online Gaming* through *ComeOn!*, *Performance-based Marketing* through *Game Lounge*, *Gaming Technology* through *XCaliber*, *Game Development* through *Yggdrasil Gaming* and *Highlight Games* and *Restaurant Casino* through *Cherry Spelglädje*. The objective is to grow organically and through strategic acquisitions of fast-growing companies. Cherry employs some 1,100 people and has almost 6,900 shareholders. The Company's series B shares are listed on AktieTorget.