

PRESS RELEASE

Cherry AB (publ)
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Cherrys Interim report for the first quarter of 2017 - Continued strong growth and improved profitability

First quarter summary

- Group revenue increased by 205 % year-on-year to MSEK 541 (177), with organic revenue growth amounting to 44%.
- Profitability improved and EBITDA increased by 224% to MSEK 83 (26) and the EBITDA margin was 15.4% (14.5).
- EBIT amounted to MSEK 52 (17).
- Profit for the period amounted to MSEK 36 (17).
- Earnings per share before and after dilution amounted to SEK 1.21 (0.81) and SEK 1.19 (0.80) respectively.
- Online Gaming - ComeOn! revenue grew by 282% to MSEK 453 (119) and EBITDA increased by 375% to MSEK 57 (12). The organic revenue growth was 44%.
- Performance-based marketing - Game Lounge revenue grew by 201% to MSEK 30 (10) and EBITDA increased by 222% to MSEK 15 (5).
- Game development - Yggdrasil Gaming revenue grew by 134% to MSEK 33 (14) and EBITDA increased by 68% to MSEK 13 (8).
- In December 2016, in connection with Cherry calling the option to acquire the remaining 51% of the shares in ComeOn Malta Ltd, the Group provided a forecast to generate total revenue for the full year 2017 of between MSEK 2,600 and MSEK 2,700, with an EBITDA of MSEK 550 and MSEK 600, which remains.

Events after the end of the period

- The new gaming technology business area - XCaliber, signed an agreement with its first external customer.
- Additional secured bonds were issued at nominal MEUR 134.5 to finance the remaining 51% of the shares in ComeOn Malta Ltd.

Comment in brief from Anders Holmgren, CEO Cherry

"With a strong acquisition year behind us, the first quarter was mainly characterized by consolidation. At the same time, we grew as planned and with good profitability. Partnerships and synergies have enabled an even stronger focus on innovation, improved customer experience and continued growth.

Cherry continued to develop positively during the first quarter, with revenues increasing by 205 percent to MSEK 541, of which 44 percent were from organic growth and 161 percent from acquisitions. Profitability improved and EBITDA increased by 224 percent to MSEK 83, corresponding to an EBITDA margin of 15 percent.

All business areas performed well, with a strong contribution from gaming development - Yggdrasil Gaming and performance-based marketing - Game Lounge. Online gaming-ComeOn! showed stable growth. During the quarter, we made significant investments in marketing, which affected earnings but created strong conditions for increased customer intake in the upcoming quarters. The acquisition of ComeOn! expands our portfolio of products and brands and creates good conditions for strong organic growth and continued international expansion.

Cherry has broadened the Group's business to cover the entire value chain within gaming. A strong organic growth and further acquisitions of entrepreneurial companies give us a unique platform to continue to create value. Overall, within Cherry we have the strengths and advantages that give us the opportunity to continue to grow faster than the market."

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Cherry in brief

Cherry is a Swedish innovating and fast growing gaming company established in 1963. The business strategy is to create 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 **Cherry ComeOn!**, *Performance-based Marketing* through **Game Lounge**, *Gaming Technology* through **XCaliber**, *Game Development* through **Yggdrasil Gaming** and *Restaurant Casino* through **Cherry Spelglädje**. The objective is to grow organic in combination with strategic acquisitions of fast-growing companies. Cherry employs around 1 100 people and has more than 6,000 shareholders. The Company's B-shares are listed on AktieTorget.