

PRESS RELEASE

Cherry AB (publ)
Stockholm, May 13, 2016

NOTICE TO ATTEND AN EXTRAORDINARY SHAREHOLDERS' MEETING IN CHERRY AB (PUBL)

The shareholders of Cherry AB, reg. no. 556210-9909, (the "Company"), are hereby given notice to attend an extraordinary shareholders' meeting to be held at 09.00 a.m. Friday 10 June 2016, at Advokatfirman Delphi's office, with address Mäster Samuelsgatan 17, 7th floor, Stockholm. Registration for the meeting commences at 8.30 a.m.

Right to participate

Shareholders who wish to participate at the extraordinary shareholders' meeting must:

- be entered in the share register kept by Euroclear Sweden AB on Friday 3 June 2016, and
- give notice of attendance to the Company at the latest on the same day (Friday 3 June 2016).

The notice shall be given by mail to Cherry AB (publ), Attn: Alexander Pettersson, Blekholmstorget 30, SE-111 64 Stockholm, by telephone to +46 (0)8 514 969 48 or by e-mail to alexander.pettersson@cherry.se. Such notice must contain the shareholder's name, personal identification number or corporate registration number, address, telephone number and the numbers of shares held, as well as any attending counsel, maximum two.

Details provided and information obtained from the share register will be processed electronically and will be used for the purposes of the extraordinary shareholders' meeting.

Nominee-registered shares

In order to be entitled to participate in the meeting, shareholders who hold their shares through nominees (Sw. förvaltare) must request a temporary registration of the shares in their own name in the share register kept by Euroclear Sweden AB. Shareholders who wishes to obtain such registration must contact the nominee regarding this well in advance of 3 June 2016, when such registration must be completed.

Proxies

Shareholders represented by proxy must issue a written, signed and dated proxy. If the proxy is issued by a legal entity, a certified copy of the valid registration certificate (Sw. registreringsbevis) of the legal entity (or similar document for non-Swedish legal entity) must be attached to the proxy. Proxy forms for shareholders who wish to attend the meeting by proxy will be available on the Company's website, www.cherry.se. An original copy of the proxy shall be presented at the meeting.

Number of shares and votes in the Company

At the time of the issuance of this notice, the total number of shares in the Company is 14,359,614, whereof 997,600 are shares of class A and 13,362,014 are shares of class B, and the total number of votes in the Company is 23,338,014. The Company does not hold any own shares.

Proposed agenda

1. Opening of the meeting and election of chairman of the meeting
2. Preparation and approval of the voting list
3. Approval of the agenda
4. Election of persons to approve the minutes
5. Determination of whether the meeting has been duly convened
6. Resolution on amendments to the articles of association (share capital and number of shares)
7. Resolution regarding issue of new shares of class B against payment in kind
8. Closing of the meeting



Proposals by the board of directors

Item 6 - Resolution on amendments to the articles of association (share capital and number of shares)

By reason of the board of directors' proposal to issue new shares in accordance with item 7, the board of directors proposes that the shareholders' meeting resolves to amend item 4 and the first sentence in item 5 in the current version of the articles of association. The wording of item 4 is proposed to be changed from "The share capital shall be not less than SEK 2,090,000 and not more than SEK 8,360,000" to "The share capital shall be not less than SEK 9,000,000 and not more than SEK 36,000,000". The wording of the first sentence in item 5 is proposed to be changed from "The number of shares shall be not less than 3,800,000 shares and not more than 15,200,000 shares" to "The number of shares shall be not less than 17,000,000 shares and not more than 68,000,000 shares". The proposed changes are conditional upon the shareholders' meeting's approval of the board of directors' proposal on a share issue in accordance with item 7.

Item 7 - Resolution regarding issue of new shares of class B against payment in kind

Background

The Company has during May 2016 entered into a share sale and purchase agreement with (i) Prunus Avium Ltd, reg. no. C 75038, (ii) Kojak Malta Ltd, reg. no. C 53063, (iii) Teneo Management Ltd, reg. no. 098300, (iv) Fiona Holding Ltd, reg. no. C 58489, and (v) Lucid Web Solutions Ltd, reg. no. C 59385, regarding the acquisition of 50,225 shares equivalent to 49 per cent of the total number of outstanding shares and votes in the company Come On Malta Ltd, reg. no. C46829 ("ComeOn").

According to the agreement, the purchase price for the shares in ComeOn shall consist of (i) EUR 39,659,363 to be paid in cash and (ii) newly issued shares of class B ("Shares") in the Company to a value corresponding to SEK 372,112,373.25 based on the volume weighted average share price for the Company's Shares listed on the official stock exchange list of AktieTorget during the period as from 7 April 2016 until 15 April 2016.

Resolution

In the light of the above, the board of directors proposes that the Company shall issue new Shares against payment in kind.

Only a whole number of shares may be issued and round off, if necessary, shall be made downwards to the nearest wholly number of shares. The Company's share capital will thereby increase with SEK 1,595,803.55 by the issuance of 2,901,461 new Shares.

The new share issue will entail a dilution of approximately 16.81 per cent of the total number of shares in the Company and approximately 11.06 per cent of the total number of votes in the Company. The dilution has been calculated by dividing the number of shares and votes that will be issued with the total number of shares and votes after such an issue.

The following terms shall apply for the new share issue.

1. The right to subscribe for new Shares shall fall upon (i) Prunus Avium Ltd, reg. no. C 75038, (ii) Fiona Holding Ltd, reg. no. C 58489 and Lucid Web Solutions Ltd, reg. no. C 59385, with the right and obligation to pay for the new Shares by contribution of in total 27,195 shares in ComeOn.
2. The assets contribution is estimated to a total value of SEK 737,771,700.11, whereof SEK 372,112,373.25 is contributed against payment in newly issued Shares in the Company. This corresponds to a subscription price of SEK 128.25 per Share. The estimated value is based on the volume weighted average share price for the Company's Shares listed on the official stock exchange list of AktieTorget during the period as from 7 April 2016 until 15 April 2016 and the board appraises that the assets will be included in the Company's balance sheet at the estimated value. The subscription price and the ultimate value at which the assets will be included in the Company's balance sheet will - in accordance with applicable accounting principles - be determined based on the Share price of the Company's Shares at the so-called transaction date and may therefore deviate from the expected subscription price and the estimated value of SEK 737,771,700.11 mentioned above.
3. Subscription for new Shares in the Company shall be made on a subscription list not later than 30 June 2016. The board of directors shall be entitled to extend the subscription period.



4. Payment for Shares subscribed for in the Company shall be made in connection with allotment by contribution of the assets described above, however, not later than 30 June 2016. The board of directors shall be entitled to extend the period for payment.
5. The new Shares shall entitle to dividends as from the first record date for dividend to occur after the Shares have been entered into the share register kept by Euroclear Sweden AB and the share issue has been registered with the Swedish Companies Registration Office.

The chairman of the board of directors, or anyone appointed by the board of directors, shall have the right to take those smaller measures that may be required in order to register the resolution.

It was noted that the resolution is valid only where approved by the shareholders' meeting and supported by shareholders holding a simple majority of the votes cast. The resolution is also conditional upon the shareholders' meeting's approval of the board of directors' proposal to change the articles of associations.

It was noted that documents in accordance with Chapter 13, Sections 6-8 of the Swedish Companies Act have been prepared and are kept available at the Company's office, Blekholmstorget 30 in Stockholm, Sweden.

Shareholders' right to request information

Pursuant to Chapter 7, Section 32 of the Swedish Companies Act, the board of directors and the managing director are under a duty to, if any shareholder so requests and the board of directors deems that it can be made without material damage to the company, at the meeting provide information regarding circumstances which may affect the assessment of a matter on the agenda and circumstances that can affect the assessment of the Company's financial situation.

Documentation

The board of directors' full proposals and documents in accordance with Chapter 13, Sections 6-8 of the Swedish Companies Act will be available at the Company's office, Blekholmstorget 30 in Stockholm, at the latest two weeks prior to the meeting and will be sent to those shareholders who request this and provide their postal address. These documents will also be available on the Company's website, www.cherry.se. All documents will be presented at the shareholders' meeting.

Stockholm in May 2016
CHERRY AB (PUBL)
The board of directors

Translation

This is a translation of the Swedish original.

For further information, please contact:

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Cherry in brief

Cherry is a Swedish gaming company established in 1963 specialized in online casinos and lotteries (www.CherryCasino.com, www.EuroLotto.com, www.EuroSlots.com, www.SpilleAutomater.com, www.NordicSlots.com, www.NorgesSpill.com, www.SveaCasino.com, www.SuomiAutomaatti.com, www.Sunmaker.com and www.SunnyPlayer.com), affiliate business through Game Lounge and games development (www.Yggdrasil.com), through subsidiaries in Malta. Cherry is the market leader in casinos in restaurants and nightclubs in Sweden. Cherry employs around 750 people and has more than 3,800 shareholders. The Company's B-shares are listed on AktieTorget.