

PRESS RELEASE

Cherry AB (publ)
Stockholm July 20th, 2016

Cherry completes acquisition of 49% of shares in ComeOn

Cherry AB (publ) announces that the company has, as of today, completed the acquisition of the first 49 percent of shares in ComeOn Malta Ltd. Cherry's acquisition means that the company's market position will be considerably strengthened in Scandinavia with strong brands including ComeOn, Mobilbet, Folkeautomaten and Casinostugan. The transaction also brings fantastic opportunities for continued international expansion.

The consideration for the 49 percent has been paid with 2,901,461 B-shares and EUR 39.7 million in cash - a total of EUR 80 million. The issue of shares has been directed to the sellers of ComeOn and represents a 16.8% dilution in Cherry.

ComeOn is expected to have an immediate positive effect on Cherry's earnings per share.

ComeOn reported preliminary sales of approximately EUR 48 million and an EBIT for the period January 1, 2016 to June 30, 2016 amounting to approximately EUR 10 million. The figures are adjusted for certain items and have been provided by the sellers and has not been subject for audit or review by Cherry. This shows that ComeOn's financial performance is in line with the group's expected operating profit for 2016 of EUR 19-23 million. This result is the basis for the final purchase price.

"Now we have completed the acquisition of the first 49 percent of ComeOn, we will, together with ComeOn, initiate the work of maximizing our common values and customer offerings with the goal to strengthen our common operation. It is important that we and ComeOn clearly schedule the process so that when the final integration takes place it will be both swift and efficient," says Fredrik Burvall, CEO of Cherry.

The final and total consideration for the shares in ComeOn will also be paid with a combination of newly issued shares and cash. The cash part is to be financed with an expansion of the corporate bond, and the price for the new share issue will be calculated as the volume weighted average share price during the fifteen trading days following Cherry's announcement to exercise the option to acquire the remaining 51 percent in ComeOn (tranche two). The option can be exercised during the period October 1, 2016 to December 31, 2016. The total consideration can be a maximum of EUR 280 million on a debt-free basis.

For further information, please contact:

Fredrik Burvall, CEO Cherry AB (publ), telephone +46 8-514 969 52, +46 709 279 632, Email: fredrik.burvall@cherry.se
Gunnar Modalen, Head of Investor Relations & Communication Cherry AB (publ), telephone +46 702 802 636, gunnar.modalen@cherry.se

Cherry in brief

Cherry is a Swedish gaming company established in 1963 specialized in online casinos and lotteries (www.CherryCasino.com, www.EuroLotto.com, www.EuroSlots.com, www.SpilleAutomater.com, www.NordicSlots.com, www.NorgesSpill.com, www.SveaCasino.com, www.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.