

All business areas strengthen positions



Interim report January-September 2018

THIRD QUARTER

- Group revenue increased by 58 percent to MSEK 899 (567), with organic revenue growth amounting to 46 percentages. Acquisitions contributed 1 percentage and currency 12 percentages points.
- Profitability improved, and EBITDA increased by 130 percent to MSEK 258 (112) and the EBITDA margin was 29 percent (20).
- Profit for the period amounted to MSEK 188 (42). EBIT was affected positively by an item affecting comparability of MSEK 57, following the revaluation of the previously owned holding in Highlight Games.
- Earnings per share before and after dilution amounted to SEK 1.75 (0.22) and SEK 1.74 (0.21) respectively.
- Cherry holds 60.4 percent of the shares in the former associated company Highlight Games.
- Cherry subsidiary ComeOn applied for eight Swedish gaming licenses in September.
- On 24 August, Anna Bergius and Claes Ruthberg announced that they would be stepping down from their assignments as members of the Board of Directors of Cherry AB (publ) with immediate effect.

INTERIM PERIOD

- Group revenue increased by 42 percent to MSEK 2,332 (1,644), of which organic growth amounted to 32 percentages. Acquisitions contributed 1 percentage and currency 9 percentages.
- Profitability improved, and EBITDA increased by 114 percent to MSEK 615 (288) and the EBITDA margin was 26 percent (18).
- Profit for the period amounted to MSEK 367 (93). EBIT was affected positively by an item affecting comparability of MSEK 57, following the revaluation of the previously owned holding in Highlight Games.
- Following new share issues, the number of shares has increased. As of September 30 2018, the number of shares is 4,988,000 Class A shares and 100,680,026 Class B shares, totalling 105,668,026 shares.
- Earnings per share before and after dilution amounted to SEK 3.31 (0.49) and SEK 3.30 (0.49) respectively.

EVENTS AFTER THE END OF THE PERIOD

- In July, Cherry Online Polska was granted a sports betting license for the Polish market. A new brand, PZBuk, was launched in October
- On 17 October, Cherry agreed to acquire the remaining 5 percent of the shares in the subsidiary Game Lounge.
- In September and October, Yggdrasil signed agreements with the largest gaming operators in Finland (Paf and Veikkaus) and in Sweden (Svenska Spel and ATG).

FINANCIAL KEY RATIOS

MSEK	Q3			Jan-Sep			Jan-Dec
	2018	2017	Δ%	2018	2017	Δ%	2017
Revenues	899	567	58%	2,332	1,644	42%	2,252
Organic growth, %*	46%	30%		32%	36%		27%
EBITDA	258	112	130%	615	288	114%	429
EBITDA-margin, %	29%	20%		26%	18%		19%
EBIT	271	78	247%	554	190	191%	295
EBIT-margin, %	30%	14%		24%	12%		13%
Profit	188	42	352%	367	93	296%	110
Earnings per share, SEK, before dilution	1.75	0.22	711%	3.31	0.49	576%	0.53
Earnings per share, SEK, after dilution	1.74	0.21	714%	3.30	0.49	579%	0.53
Equity/assets ratio	44%	38%		44%	38%		34%

*The calculation of organic growth has changed effective from the third quarter of 2018 and does not include currency effects. See page 26 for definitions of financial and alternative key performance indicators.



Comments by the CEO

Investments in marketing generate profitability

The second quarter of the year ended well and the positive trend in sales and gaming volumes continued throughout the third quarter. This is mainly explained by our high level of quality and innovation, which is appreciated by our customers and by all players.

As noted in our previous interim report, investments in marketing and operations strengthen the Group's development both short and long term. Cherry's strategy of maintaining proximity to all parts of the gaming market and end customers is crucial to our continued growth. This allows us to act quickly and invest resources where we see that such measures will provide the best return.

Consolidated net revenues rose from MSEK 567 to MSEK 899 compared with the corresponding period in 2017 - an increase of 58 percent. Organic growth was 46 percentages Corporate acquisitions contributed 1 percentage and currency by 12 percentages. EBITDA rose by 130 percent, from MSEK 112 to MSEK 258. Accordingly, the EBITDA margin for the third quarter increased to 29 percent (20).

There are several bright points in development in the third quarter, and I particularly want to highlight the favourable development in Online Gaming. ComeOn has succeeded very well with the broad plan of action that was brought into effect just over a year ago. All employees are making a tremendous effort and the company is now able to use more of its time and energy to establish even stronger positions in existing and new markets like in Poland, as well as with new brands such as Blitzino and PZBuk. ComeOn has shown itself able to launch innovations that are quickly appreciated by the market and brands that win over loyal customers. In our assessment, ComeOn has good opportunities to strengthen its position in the Swedish market following the re-regulation to be introduced next year. In line with our multi-brand strategy, ComeOn has applied for licenses for each of its brands in the Swedish market. A total of eight licence applications have been submitted to the Swedish Gambling Authority. The terms of a regulated market should be an advantage for our entire industry, and especially for ComeOn, which has several strong brands, established practices for responsible gaming, and a wide range of high-quality games offering good opportunities to win.

Game Development, with Yggdrasil and Highlight Games, also had a good quarter. The companies are run by strong entrepreneurs and skilled employees who understand what works in the market. Yggdrasil has progressed some way on its journey of growth, while Highlight recently launched its game product in test markets in Africa, and both companies are reporting success.

Yggdrasil's games are now ranked among those that gaming operators must include on their platforms and, in many cases, Yggdrasil's games are market leaders in terms of quality, resulting in agreements with several major gaming companies, including 888 Holdings and Tipsport and, in October, national operators Svenska Spel, ATG and Veikkaus. In September, Yggdrasil presented an agreement with XSG, a Taiwanese gaming operator. Through Cherry's established relationships, we see good opportunities to continue developing Yggdrasil with strategic partnerships in new geographic markets, and the company continues to strengthen its organization with additional employees and a presence in the UK.

Highlight Games' test launches in several African countries have gone well and the company reported initial revenues at the end of the reporting period. The focus is now on introducing the in-house developed game SOCCERBET™ in Italy and the coming months will be characterized by intensive efforts to launch the game together with major Italian game operator Eurobet.

Online Marketing continues its favourable development. Game Lounge has an exciting strategy and perceives good opportunities to grow in several geographic areas, including

+58%

Revenue in the second quarter of 2018 increased from MSEK 567 to MSEK 899.

29%

EBITDA margin, third quarter 2018.

EBITDA increased from MSEK 112 to MSEK 258.



ComeOn has succeeded very well with the broad plan of action that was brought into effect just over a year ago.

Gunnar Lind,
Acting CEO

PRESENTATION OF THE INTERIM REPORT

The company's Executive Chairman, Morten Klein, Acting President and CEO, Gunnar Lind, and CFO Christine Rankin, will present and comment on the report at a telephone conference at 10:00 a.m. CET on 31 October 2018. The presentation materials will be available approximately one hour earlier at www.cherry.se. The presentation can be followed via www.cherry.se and/or www.financialhearings.com. To participate by phone, call +46 8 566 426 97 (SE) or +44 203 008 9807 (UK).

the US and Latin America, and in new verticals. In our assessment, growth will also continue in Sweden. The regulations open up for new channels, allowing marketing to be broadened and updated, both of which are Game Lounge's strengths. The company is recruiting new employees in Sweden and other countries to meet anticipated increased activity among various market players.

Gaming Technology offers programs important to gaming operators in being able to run online casinos. Most sales are made to customers within the Group and operations are developing according to plan. XCaliber has renegotiated certain agreements with Cherry Group companies, negatively affecting the business area's earnings in the third quarter. Since July, XCaliber has allocated significant resources to assignments for the Cherry Group's gaming operators, and the assessment is that demand from these operators will maintain a high level.

In the early part of the fourth quarter, *Restaurant Casino* gained the permits necessary for operations at Swedish gaming venues. This is a gratifying development as the operations have been greatly affected by the delay in processing by the Swedish Gambling Authority. This means we are able to resume essential parts of our business and develop Cherry Spelglädje's offering. Another positive factor is that the maximum stake is being raised to SEK 232.50 effective from 2019. Both factors mean we now envisage more positive development in our oldest business area compared with the current year.

Our land-based gaming operations have extensive experience of compliance with gaming regulations in Sweden and we intend to build on Cherry Spelglädje's experience in the upcoming regulation of the remaining parts of the Swedish gaming market.

In many ways, Sweden is the most important market for us and for several European gaming companies, many of which have Swedish roots in the form of founders and entrepreneurs with abundant initiative. There is also an ecosystem here with competent employees and access to financing at different phases. The Swedish market remains highly important for Cherry, while we are also seeing significant growth in other markets and our strategy continues to be to expand into markets where we see opportunities for good returns.

Cherry has a long history and is one of the largest and most profitable companies with a broad presence in gaming, entertainment and media. This affords us an overview and understanding of events in our sector, enabling us to quickly optimize our resources in areas where we see opportunities for development. We will continue to strengthen our positions in markets approaching regulation, including Sweden and other major markets, such as states in the US. The clear regulations that such markets offer are of interest to Cherry and its subsidiaries as they provide opportunities for long-term commitment and stability. Unfortunately, we are noting that legislators, most recently in the UK, sometimes alter gaming rules at short notice, in our view this is counteracting the basic purpose of the regulations.

On 17 October 2018, Cherry decided to complete the acquisition of Game Lounge by purchasing the remaining 5 percent of the shares in Game Lounge Ltd for a purchase consideration equivalent to at most MSEK 260. The initial purchase price of MSEK 100 is fixed, while the remaining two items are conditional on Game Lounge's earnings reaching certain levels for the remaining payment in cash or shares to occur. Game Lounge's operations have developed well, and Cherry's Board of Directors assesses that the company's market conditions will remain favourable. The sellers will continue in their senior positions, are shareholders in Cherry and participate in the Group's incentive programmes. The sellers are Game Lounge employees. Against this background, the acquisition constitutes a related party transaction and must therefore be approved by an extraordinary general meeting in Cherry AB, on 21 November 2018.

As we indicated in the report for the second quarter of 2018, Cherry continued to strengthen its operations on several fronts in the third quarter. The favourable performance generates the conditions we consider necessary to intensify efforts with the Group's long-term financing and, accordingly, with the flexibility that can strengthen Cherry and its profitability. We are conducting ongoing evaluations of various alternatives for replacing existing bond loan.

As Acting CEO, I am proud of all of the efforts being made within the Group and I look forward to summarizing Cherry's operations over 2018 as a whole.

Gunnar Lind
Acting CEO



Net financial income was affected negatively, primarily by interest expenses on the company's bond loans, amounting to MSEK 126 (89) for the interim period.

Depreciation and investments

For the interim period, the Group's investments in intangible and tangible fixed assets amounted to MSEK 250 (1,246). Depreciation and write-downs amounted to MSEK 117 (98).

Cash flow, liquidity and financial position

The Group's cash flow from operating activities in the quarter amounted to MSEK 289 (49). The change is mainly explained by the improvement in earnings compared with the preceding year.

Cash flow from investing activities was negative in the amount of MSEK 75 (-10), explained by the cash payment for the investment in Highlight Games Ltd and capitalized costs. Cash flow from financing activities was negative in the amount of MSEK 56 (-49). As per 30 September 2018, consolidated cash and cash equivalents amounted to MSEK 584 (MSEK 299 at 31 December 2017) and the Group's liquidity remains favourable. The Group has an overdraft facility of MSEK 35 of which MSEK 0 had been utilized at the end of the third quarter.

As per 30 September 2018, interest-bearing liabilities amounted to MSEK 1,740 (MSEK 1,743 as per 31 December 2017). The interest-bearing liabilities consist of the bond loan that was raised to finance the acquisition of ComeOn. The fact that liabilities have not decreased even though the bond loan has been paid off is attributable to negative currency rate effects. During 2018, MEUR 9.2 of the bond loan was amortized.

On 30 September 2018, player debt including provisions for accrued jackpots amounted to MSEK 186 (MSEK 101 as per 31 December 2017). Short-term receivables from payment providers amounted to MSEK 112 (MSEK 193 as per 31 December 2017). The net of these amounts, MSEK -74, may limit the use of the company's liquid funds as a result of the Maltese gaming authority's rules.

As per 30 September 2018, shareholders' equity amounted to MSEK 1,839 (MSEK 1,242 as per 31 December 2017). Shareholders' equity per share amounted to SEK 15.61 (SEK 11.27 as per 31 December 2017).

The equity/assets ratio was 44 percent (34 percent as per 31 December 2017).

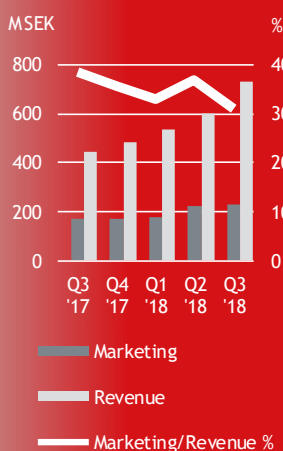
The Parent Company

The Company provides and sells internal services to other group companies, mainly in finance, accounting, business development, administration and management. Revenue for the interim period amounted to MSEK 8.9 (6.1) and the loss before tax amounted to MSEK 165 (-108). The lower earnings were mainly attributable to negative currency effects.

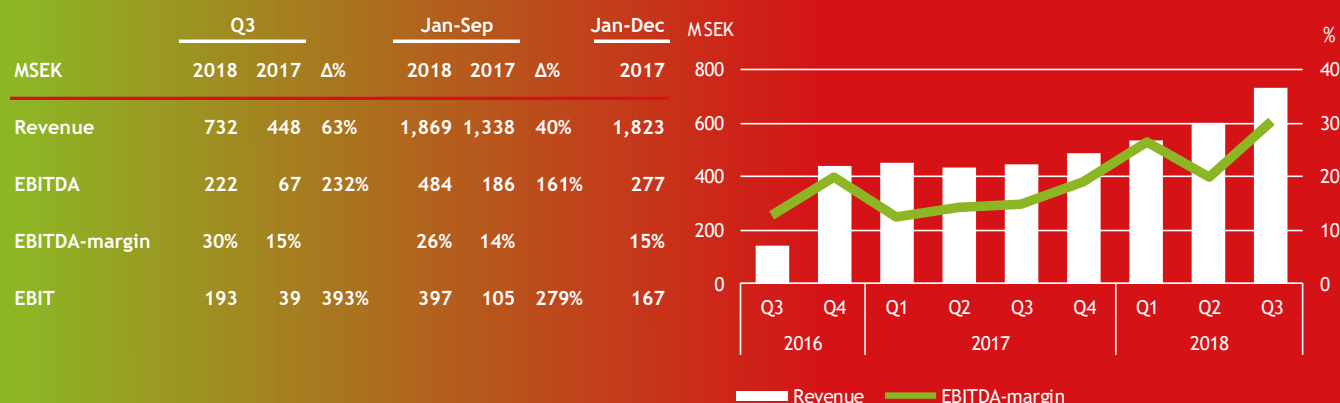
The Parent Company's investments in shares in subsidiaries amounted to MSEK 63 (0). Cash and cash equivalents amounted to MSEK 186 on the balance sheet date (MSEK 41 as per 31 December 2017).

31%

Marketing as a proportion of the Online Gaming business area's revenue



Online Gaming



COMEON

Cherry operates online gaming operations through its investment in the *Online Gaming* business area. The business area offers casino, sports betting and lottery on mobile phones, tablets and computers through brands including blitzino, casinostugan, cherrycasino comeon, folkeautomaten, hajper, mobilebet, nopeampi, norgesspill, pzbuk, snabbare, sunmaker, sunnyplayer and sveacasino. All brands are operated from the operating companies located in Malta through licenses issued by Malta, Schleswig-Holstein or the United Kingdom. Through innovation in products, technology and marketing, ComeOn shall offer world-leading gaming entertainment. Cherry has a 100-percent holding.

	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017
Number of registered customers at end of the period	5,243,162	4,913,138	4,615,012	4,332,429	4,069,102
Number of new registered customers during the period	330,024	298,126	282,583	263,327	283,329
Number of active players during the period	359,997	329,684	321,124	311,261	294,098
Deposit amount during the period (MSEK)	2,478	1,975	1,696	1,459	1,375

THIRD QUARTER OF 2018

In the third quarter, revenue increased by 63 percent to MSEK 731.7 (448.5). Organic growth was 51 percent, currency was 12 percentage points. Profit improved, and EBITDA increased by 232 percent to MSEK 222.5 (67.0). EBIT amounted to MSEK 193.3 (39.2). The EBITDA margin for the quarter increased to 30 percent (15).

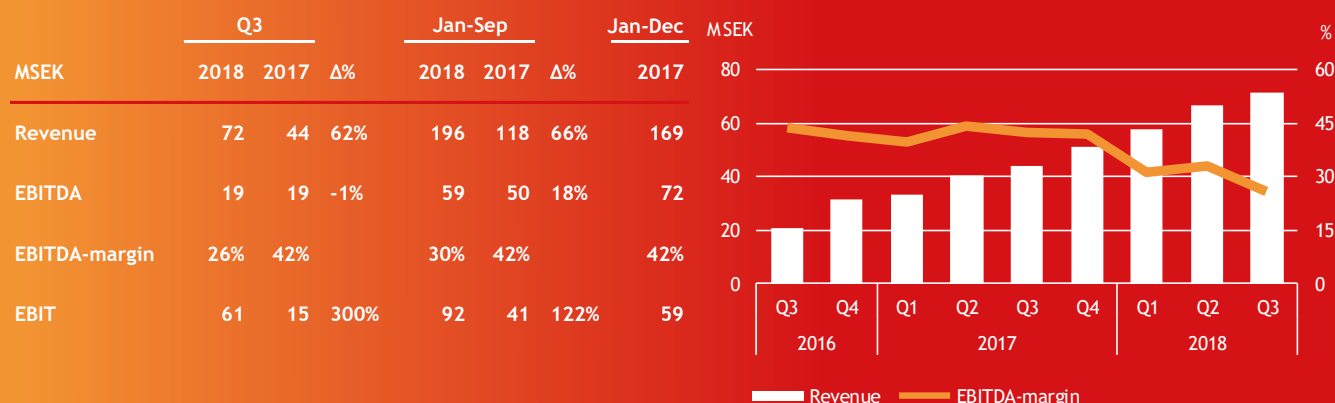
Online Gaming continued to grow and, in the third quarter, deposits from customers increased by 80 percent compared with the corresponding quarter last year, amounting to MSEK 2,478 (1,375). The mobile share of the business area's surplus from gaming amounted to 70 percent (58). The casino share was 83 percent (83). The sports book share of the business area's surplus from gaming amounted to 16 percent (17). Tax expenses in accordance with different local gaming legislation increased to MSEK 39.2 (23.3), due to higher sales.

Investments in marketing for the business area increased during the third quarter and amounted to MSEK 227.9 (172.3), which represented 31 percent (38) of revenue. Investments in marketing increased in the past quarter in preparation for, and during, the Football World Cup. This venture proved successful and the World Cup was a good opportunity to generate new customers. The business area is investing continuously in marketing and continue to grow responsibly. ComeOn's agility allowed it to achieve good results while the company expanded, adding two more brands.

IMPORTANT EVENTS

- During the quarter, *Online Gaming* applied for eight gaming licenses in Sweden, issued by the Swedish Gambling Authority.
- Launch of casino site Blitzino.com in the German speaking market.
- The betting site PZbok.pl was launched in the Polish market.

Game Development



The above information relates to Yggdrasil and Highlight Games. Highlight Games was consolidated as a subsidiary effective from August 2018. EBIT includes the revaluation of Highlight Games, reported as an item affecting comparability.



Yggdrasil

Yggdrasil develops games that it licenses to gaming operators who, in turn, provide the games via mobile phones, tablets and computers. Yggdrasil's offering is based on a proprietary technical platform and is provided through three product verticals; casino slots, table games and bingo. Yggdrasil is also active in three business verticals: Yggdrasil White Label Studios (development of games for gaming operators on an exclusive basis), YGS Masters (partnership with game studios for development and distribution of games), and Yggdrasil Dragons (investments in fast growing game developers). Cherry owns 84 percent of the shares in Yggdrasil.

Highlight Games

Highlight Games develops innovative products for the virtual sports gaming market both online and in real life, including content from league football. From 2018 and beyond, the company plans to launch sought after games in other sports to the virtual and sports betting markets. Cherry's holding amounted to 60.4 percent in the third quarter.

THIRD QUARTER 2018

Yggdrasil

During the third quarter, Yggdrasil's revenue increased by 62 percent and amounted to MSEK 71.5 (44.1), of which MSEK 4.8 (5.5) was internal revenue from Cherry's gaming sites. EBITDA for the third quarter amounted to MSEK 25.7 (18.7). The EBITDA margin for Yggdrasil was 36 percent (42). The number of player transactions (rounds) increased by 51 percent to 1,534 million (1,019). Mobile device gaming increased and accounted for 65 percent (59) of the estimated surplus from gaming.

The increase in revenue during the quarter is mainly explained by growth from existing customers, new customers, and launches of new games. During the quarter, 13 new customer agreements were signed (10). The increased operating expenses are primarily attributable to the company's ongoing expansion and an increased number of employees. At the end of the period, the number of full-time employees was 272 (170), including external consultants. During the quarter, Yggdrasil intensified its focus on further geographic expansion by signing an agreement with Tipsport to establish operation in the Czech Republic and certifying Yggdrasil's games for the Spanish market. During the third quarter, development costs for software were capitalized in the balance sheet at a value of MSEK 7.5 (4.2).

Highlight Games

In the third quarter, revenue for Highlight Games amounted to MSEK 0.1. EBITDA for the third quarter was negative in the amount of MSEK 7.2. Highlight Games was previously reported as an associated company, effective from the third quarter it was consolidated and reported as a subsidiary. At the beginning of the quarter, Cherry had a total holding of 37.5 percent. During the quarter, Cherry acquired additional shares, and its holding now amounts to a total of 60.4 percent.

The company is in a phase of building up its operations and has during the quarter worked intensively with development and preparations for the launch of products in several markets. Investments are being made in market activities and recruitment of key personnel. The focus is also on finding partners and obtaining rights to use the various sports leagues' photographic material. Highlight Games' SOCCERBET™ is now live with seven operators in 14 countries.

IMPORTANT EVENTS

- Yggdrasil launched three new games in the third quarter - Penguin City, Hanzo's Dojo and Wolf Hunters.
- Yggdrasil initiated a partnership with XSG, Taiwan's leading operator in social games.
- Yggdrasil Casino launched a fan site for Yggdrasil's casino games.
- Yggdrasil has established an office in the UK.
- During the quarter, Highlight Games recruited key personnel in preparation for its expansion.

Online Marketing



THIRD QUARTER 2018



In the third quarter, revenue increased by 54 percent to MSEK 68.7 (44.6), of which MSEK 4.9 (5.4) was internal revenue from Cherry. EBITDA for the quarter amounted to MSEK 36.7 (33.4), corresponding to a margin of 53 percent (75).

Compared with the corresponding quarter in 2017, both the number of visitors and the number of new deposit customers increased in all markets. New deposit players (NDP's) increased by 15 percent to 14,397 (12,525). Game Lounge is currently present in 15 markets (10).

Game Lounge

Cherry conducts operations within performance-based marketing through its investment in Game Lounge. Game Lounge is a fast-growing company in performance-based marketing and creation of customer contacts (leads) on the Internet. The offering is aimed primarily at network gaming operators and has been supplemented with additional verticals, such as loan comparison sites. The company attracts online players through various products and services and then forwards them to a number of online gaming operators such as Betsson, Unibet, and ComeOn!. The company's business model is based on revenue sharing with online gaming operators, where Game Lounge delivers high quality customers to operators through organic traffic. Cherry has a holding of 95 percent in the company with an option to acquire the remaining 5 percent.

In the third quarter, Game Lounge continued its efforts to build strong brands and its strategy to primarily grow organically remains. Improvements and development of newly-acquired Slottracker.com are in their final phase and the first marketing campaigns will be launched in the fourth quarter, starting with the UK, where the product has been licensed by Facebook, among others.

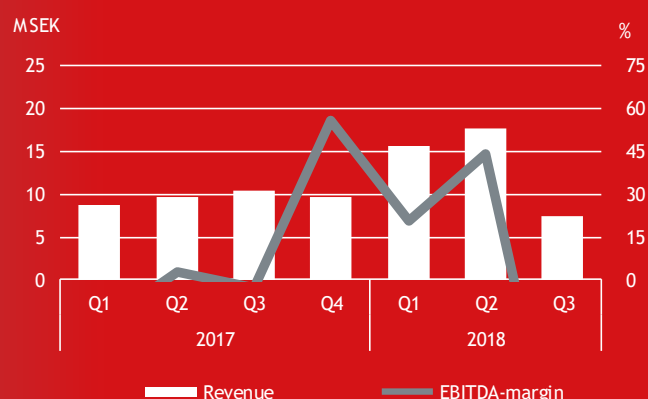
The operations in Japan are developing strongly and are contributing positively to earnings. In addition, the company is positioning itself in the US by acquiring a number of valuable domain names (incl BetNJ.com) and a license application has been filed with the Division of Gaming Enforcement (DGE) to conduct affiliation operations in New Jersey.

Game Lounge is in the process of establishing itself in Denmark, with television advertising being part of that initiative. This is the second market in which Game Lounge has undertaken TV initiatives.



Gaming Technology

MSEK	Q3			Jan-Sep			Jan-Dec
	2018	2017	Δ%	2018	2017	Δ%	2017
Revenue	7	10		41	29		39
EBITDA	-6	0		6	-2		4
EBITDA-margin	-76%	-3%		14%	-5%		10%
EBIT	-6	0		5	-2		4



XCaliber

Cherry develops gaming technology through its investment in XCaliber. XCaliber is a B2B technology company that provides innovative products and services to gaming operators, collaborative partners and others in the gaming industry. Customers get access to the market-leading gaming platform and several innovative tools, monitoring systems and an integrated payment solution. The company is head-quartered in Malta with a development team located in Poland. Operations started in November 2016, as a spin off from ComeOn! Cherry owns 100 percent of the shares in XCaliber.

THIRD QUARTER 2018

During the third quarter, XCaliber reported revenue of MSEK 7.4 (10.4), of which MSEK 6.4 (10.3) was internal revenue from Cherry's gaming sites. EBITDA for the quarter was negative in the amount of MSEK 5.6 (-0.3). An updated agreement with an internal customer within *Online Gaming* has led to lower sales and profit for XCaliber during the quarter.

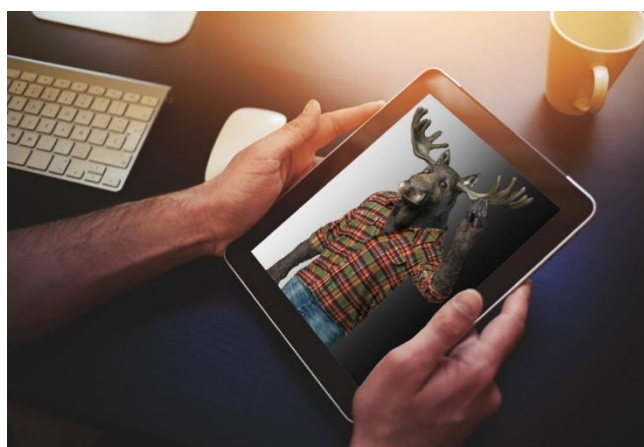
XCaliber currently has five platform customers and nine affiliate system customers.

XCaliber holds a strong position in terms of innovation in gaming platforms. Today, Cherry business area *Online Gaming* is XCaliber's largest customer, which also gives new customers the security that products and services from XCaliber are at the forefront of the industry and can handle high transaction volumes. XCaliber has allocated significant resources to assignments for the Cherry Group's gaming operators, and the assessment is that demand from these operators will maintain a high level.

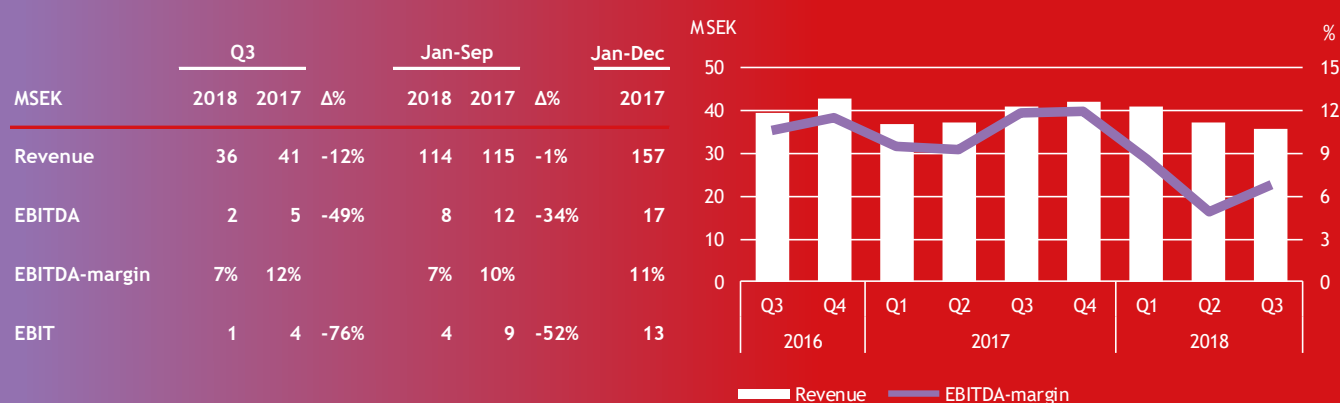
The company is ISO 27001 certified, which ensures a structured and methodical approach in XCaliber's internal control of data security.

IMPORTANT EVENTS

- Establishment of a new office in Portugal.
- XCaliber's website for its affiliate system, Omarsys, gained two new customers.
- XCaliber participated in iGB Live at the Amsterdam Affiliate Conference.



Restaurant Casino



Cherry Spelglädje

Cherry conducts restaurant casino activities through his investment in Cherry Spelglädje. Cherry Spelglädje conducts traditional casino games (Black Jack and roulette). In addition, event-casino is also offered to companies and private individuals. Cherry owns 100 percent of the shares in Cherry Spelglädje.

THIRD QUARTER 2018

Revenue for the third quarter amounted to MSEK 35.8 (40.9). EBITDA for the third quarter amounted to MSEK 2.4 (4.8) and the EBITDA margin to 7 percent (12).

The lower sales and earnings are an effect of increased costs and loss of income due to the Swedish Gambling Authority's decision in September 2017 regarding renewed licenses to conduct casino games at various restaurants, as well as costs related to the re-regulation of the gaming market. Despite the lower sales, average sales per shift have increased.

In the third quarter of the year, operations were characterized by continued activities to consolidate the company's market share, to safeguard opportunities for gaming licences for Restaurant Casino, as well as to ensure that the restaurant casino segment is included in an optimum manner in the forthcoming re-regulation of the Swedish gaming market.

IMPORTANT EVENTS

- Under the provisions of the new Gambling Act that was presented on 13 July, restaurant casino operations will be referred to as "Land-based commercial gaming". Land-based commercial gaming will be taxed at 18 percent on the gaming net. Bets will be adjusted to SEK 23 for roulette and dice games and SEK 232.5 for Black Jack and card games from the current SEK 7.5 for roulette and SEK 75 for Black Jack. There will also be an opportunity to apply for a licence for tournament card games.
- On 5 October, the Swedish Gambling Authority recommended granting gaming licences to Cherry Spelglädje.
- On 10 October, Cherry Spelglädje applied for a license for land-based commercial gaming.



Group-wide

THIRD QUARTER 2018

Group corporate costs relate primarily to the parent company's costs for corporate functions. The operating loss (EBIT) amounted to MSEK 12.3 (-11.5). The increase in the third quarter was primarily attributable to higher consultancy expenses.

Other information

CHANGES IN CHERRY AB'S BOARD OF DIRECTORS

On 24 August 2018, Anna Bergius and Claes Ruthberg informed Chairman of the Board Morten Klein of their decision to step down from their assignments as members of the Board of Directors of Cherry AB (publ) with immediate effect.

Following the resignations of Anna Bergius and Claes Ruthberg, the Board comprises four members. Under the Articles of Association, the Board of Directors shall comprise at least three and not more than nine members.

EXTRAORDINARY GENERAL MEETING 2018

An Extraordinary General Meeting of Cherry AB (publ) will be held on 21 November 2018, at 10:00 a.m. CET, at Scandic Anglais, Stockholm. The notice to attend the EGM is available on www.cherry.se

ANNUAL GENERAL MEETING 2019

The Annual General Meeting of Cherry AB (publ) will be held on 9 May 2019 in Stockholm (time and location to be announced later).

NOMINATION COMMITTEE

In accordance with a resolution by Cherry's Annual General Meeting on 16 May 2017, the members of the nomination committee in preparation for the 2019 Annual General Meeting have been appointed.

The following nomination committee has been formed, based on ownership as per 30 September 2018: *Jeremy Xuereb* (appointed by Prunus Avium Ltd), *Arild Karlsen* (appointed by Klein Group AS) and *Pontus Lindvall* (appointed by Per Hamberg) and *Morten Klein* (Chairman of the Board of Cherry AB), who is also the convenor of the Nomination Committee. Together, the members of the nomination committee represent 41 percent of the votes in Cherry AB.

The nomination committee is tasked with submitting proposals for the number of Board members to be elected by the Annual General Meeting, fees for Board members, the composition of the Board, the Chairman of the Board, and, where relevant, auditor(s), fees for auditor(s), a Chairman for the Annual General Meeting and any changes to the principles for appointing members of the nomination committee. The nomination committee shall motivate its chosen proposals for Board members in light of the ambition of ensuring a balanced gender distribution, and it should account for the diversity policy applied.

Shareholders seeking to contact the nomination committee can suitably do so by e-mailing ebba.ahlgren@cherry.se or writing to Cherry AB, nomination committee, Stureplan 19, SE-111 45 Stockholm, Sweden.



60.4%

Cherry has acquired additional shares in game developer Highlight Games and, as per August 2018, holds 60.4 percent of the shares outstanding in the company.

RISKS AND UNCERTAINTIES

For a description of risks and uncertainties, refer to the Annual Report for 2017, which is available on the company's website, cherry.se, and to the prospectus prepared as part of the listing on the Nasdaq Stockholm exchange in October 2017. In the fourth quarter of 2017, the Group's goodwill was tested for potential impairment. No needs for impairment were identified.

EMPLOYEES

The average number of employees in the Group (calculated as full-time positions) during the third quarter was 865 (686), of whom 512 (407) were men. The total number of employees at the end of the quarter was 1,290 (1,233), of whom 564 (517) were men.

SHARE CAPITAL DEVELOPMENT

Year	Event	Change in shares		Number of shares			Share capital	Quota-value
		Class A	Class B	Class A	Class B	Total		
2016	Share issue		309,302	997,600	13,299,514	14,297,114	7,863,413	0.55
2016	Share issue		2,901,461	997,600	16,200,975	17,198,575	9,459,216	0.55
2016	Share issue		62,500	997,600	16,263,475	17,261,075	9,493,591	0.55
2016	Share issue		3,341,657	997,600	19,605,132	20,602,732	11,331,503	0.55
2016	Share issue		38,169	997,600	19,643,301	20,640,901	11,352,496	0.55
2017	Share split	3,990,400	78,573,204	4,988,000	98,216,505	103,204,505	11,352,496	0.11
2017	Incentive program		610,000	4,988,000	98,826,505	103,814,505	11,419,596	0.11
2018	Share issue		299,504	4,988,000	99,126,009	104,114,009	11,452,541	0.11
2018	Share issue		1,554,017	4,988,000	#####	105,668,026	11,623,483	0.11

Complete table is available at www.cherry.se -> Investors

TEN LARGEST SHAREHOLDERS AT 30 SEPTEMBER 2018 (VOTES)

Name	Class A-shares	Class B-shares	Share capital	Share of votes
Prunus Avium Ltd	0	25,903,835	24.5%	17.2%
Klein Group AS	500,000	14,431,035	14.1%	12.9%
Hamberg family	1,478,105	2,139,665	3.4%	11.2%
Kling family*	1,478,105	1,877,600	3.2%	11.1%
Lundström family	522,000	722,625	1.2%	3.9%
Försäkringsaktiebolaget Avanza	0	5,549,076	5.3%	3.7%
Handelsbanken Luxembourg	280,495	2,603,130	2.7%	3.6%
Lindwall family	448,805	807,050	1.2%	3.5%
Credit Agricole Indosuez Luxembourg	280,490	1,803,480	2.0%	3.0%
Björn Grene	0	3,750,000	3.5%	2.5%
10 largest shareholders	4,988,000	59,587,496	61.1%	72.7%
Other	-	41,092,530	38.9%	27.3%
Total	4,988,000	100,680,026	100.0%	100.0%

* No single individual holds shares exceeding 10 percent of the votes.

The largest shareholder in Cherry AB is Prunus Avium Ltd, formerly the principal owner of ComeOn. Cherry AB had 9,322 (6,839) shareholders as per 30 September 2018. The total number of shares amounts to 105,668,026 and the number of votes amounts to 150,560,026. Cherry AB holds no treasury shares. Data on shareholdings have been compiled by Cherry based on data from Euroclear and Modular Finance.

SEASONAL FLUCTUATIONS

In the first and second quarters, operations are not generally pervaded by significant seasonal variations. The third quarter is normally affected adversely by the vacation period. Historically, the fourth quarter has higher revenue volumes. Major sporting events can entail a certain shift in revenue and result between quarters. Cherry is exposed to different currencies and changes in exchange rates affect the Group's earnings.

RELATED-PARTY TRANSACTIONS

Disclosures of transactions between the Group and related parties are presented in Note 5 and Note 7 of the Annual Report for 2017. Related-party transactions are normally attributed as acquisitions and disposals of different brands and domains. The purpose is primarily to generate more business. Remuneration for Board work approved by the Annual General Meeting is not reported as a related-party transaction. All transactions take place on market terms.

Related-party transactions January to September 2018

- In the first quarter of 2018: ComeOn acquired the domain group Betboss from Klein Group AS for EUR 75,000.

PLEGGED ASSETS AND CONTINGENT LIABILITIES

Cherry AB has made certain pledges relating to the bond issued for financing the acquisition of ComeOn Malta Ltd. The pledges primarily relate to the shares in Cherry's subsidiaries for a value of MSEK 3,103, as stipulated in the bond terms.

MARKET OUTLOOK

The gaming market is currently growing strongly and Cherry estimates that demand in the Group's largest geographic markets will continue to develop favourably. The Group is continuously reviewing the prerequisites for new business opportunities in related operations and geographic markets in Europe, as well as outside.

The Group's focus is to create shareholder value by being an active part in developing new and existing companies within gaming, media and entertainment. The goal is for the companies to become market leaders in their respective areas by building their operation on the core values, entrepreneurship, responsibility and commitment. These are important fundamentals for the Group to be able to achieve its financial targets and to continue its successful profitable growth, through both organic growth and acquisitions, in existing and new verticals and geographic markets.

OTHER

All amounts in this report are stated in SEK millions (MSEK) unless otherwise stated. Amounts within brackets relate to the equivalent period last year, if not otherwise stated. Amounts in tables and other compilations have been rounded independently for each respective table. Minor rounding differences may therefore occur.

DISCLOSURE

This information is such that Cherry AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. This information was submitted for publication on 31 October 2018, at 7:30 a.m. CET.

Cherry AB (publ)

Stockholm, 31 October 2018

Gunnar Lind

Member of the Board and Acting CEO



Auditor's report *(Translation of the Swedish original)*

Cherry AB (publ) reg. no 556210-9909.

Introduction

We have reviewed the condensed interim financial information (interim report) of Cherry AB (publ) as of 30 September 2018 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, 31 October 2018

PricewaterhouseCoopers AB

Aleksander Lyckow
Authorized Public Accountant

Consolidated statement of comprehensive income

Consolidated income statement (MSEK)	Q3 2018	Q3 2017	Jan-Sep 2018	Jan-Sep 2017	Full-year 2017
Revenues	899	567	2,332	1,644	2,251
Total operating revenues	899	567	2,332	1,644	2,252
Capitalized work for own account	12	4	32	12	19
Cost of sales	-177	-138	-504	-406	-548
Gross profit	733	434	1,861	1,250	1,722
Marketing expenses	-245	-177	-679	-568	-742
Personnel expenses	-115	-98	-340	-269	-367
Other expenses	-115	-47	-227	-126	-183
Operating income (EBITDA)	258	112	615	288	429
Depreciation and amortisation	-43	-34	-117	-98	-134
Items affecting comparability **	57	0	57	0	0
Operating profit/loss (EBIT)	271	78	554	190	295
Results fr participations in associated companies	0	0	-5	-1	-2
Financial items	-64	-38	-174	-87	-171
Profit before tax	207	40	376	102	122
Tax	-20	2	-8	-10	-12
Profit after tax	188	42	367	93	110
Attributable to:					
Parent company shareholders	184	22	346	46	51
Minority interest	3	19	21	47	59
Profit after tax	188	42	367	93	110
Earnings per share before dilution (SEK)*	1.75	0.22	3.31	0.49	0.53
Earnings per share after dilution (SEK)*	1.74	0.21	3.30	0.49	0.53

Statement of total income (MSEK)	Q3 2018	Q3 2017	Jan-Sep 2018	Jan-Sep 2017	Full-year 2017
Profit/loss for the period	188	42	367	93	110
Items that may be reclassified to the statement of income	0	0	0	0	0
Translation gains/losses on consolidation	-30	-28	33	8	97
Total income for the period	157	13	400	101	207

* Earnings per share are calculated based on the profit for the period excluding the minority share.
See page 26 for definitions of financial and alternative key performance indicators.

** Items affecting comparability relate to the valuation of the shareholding in Highlight Games acquired in 2017 (37.5 percent). This item does not affect cash flow.

Consolidated balance sheet

Consolidated balance sheet (MSEK)	30/09/2018	31/12/2017
Intangible assets	3,077	2,749
Property, plant and equipment	55	51
Other long-term receivables	23	2
Uppskjutna skattefordringar	58	27
Current receivables	426	500
Cash and liquid assets	584	299
Total assets	4,223	3,646
Shareholders' equity	1,839	1,242
Long-term interest bearing liabilities	1,652	1,654
Other long-term liabilities	21	1
Deferred tax payables	34	24
Current interest bearing liabilities	88	89
Other current liabilities	589	637
Total equity and liabilities	4,223	3,646

Consolidated statement of cash flows

Consolidated cash flow statement (MSEK)	Q3 2018	Q3 2017	Jan-Sep 2018	Jan-Sep 2017	Full-year 2017
Profit after financial items	207	40	376	102	122
Adjustments for non-cash items	46	39	114	116	232
Taxes paid	0	-26	0	-35	-39
Cash flow from operating activities before changes in working capital	253	52	490	183	315
Changes in working capital	36	-4	154	-118	-250
Cash flow from operating activities	289	49	644	65	65
Investments in fixed assets	-12	-10	-72	-45	-79
Investments in subsidiaries/associated companies	-63	0	-178	-1,200	-1,228
Change in long-term receivables	0	0	0	0	0
Sales of shares and property, plant and equipment	0	0	0	0	0
Cash flow from investing activities	-75	-10	-250	-1,246	-1,307
Payments from minority	0	0	0	2	0
New issue and call option payments	0	6	0	14	8
Dividend	-9	-8	-28	-8	-6
Change in long-term liabilities	-47	-46	-92	1,226	1,226
Cash flows from financing activities	-56	-49	-120	1,234	1,228
Change in cash and cash equivalents	159	-10	274	53	-13
Cash and liquid assets at beginning of period	431	369	299	306	306
Exchange rate differences	-6	0	11	0	6
Cash and liquid assets at end of period	584	359	584	359	299
* Liquid assets	584	362	584	362	299
Overdraft facility	0	-3	0	-3	0

Consolidated statement of changes in equity

Changes in Group equity (MSEK)	Jan-Sep 2018	Full-year 2017
Opening balance	1,242	477
New issue	121	1,044
Transactions with interests without controlling influence	111	-219
Revaluation of liability pertaining to interests without controlling influence	-6	-262
Dividend to minority	-28	-6
Total profit/loss	400	207
Equity, end of period	1,839	1,242
Attributable to:		
Parent company shareholders	1,649	1,169
Minority interest	190	73
Total equity	1,839	1,242

Notes

Not 1. Accounting principles

This Interim Report has been prepared in accordance with IAS 34, Interim Financial Reporting. The Interim Report has been prepared in accordance with International Financial Reporting Standards (IFRS), as well as interpretations of current International Financial Reporting Interpretations Committee (IFRIC) standards as adopted by the EU.

The Parent Company's reports have been prepared in compliance with the Annual Accounts Act and the Financial Reporting Board's recommendation RFR 2, Accounting for Legal Entities. New standards and interpretations have not had any material impact on the consolidated accounts.

Effective from 1 January 2018, Cherry applies IFRS 15 Revenue from contracts with customers and IFRS 9 Financial Instruments.

Cherry has previously decided that the application of IFRS 15 will be retroactive with adjustment of the opening balance of capitalized profits, but only for contracts not completed on the first date of application.

The effects of the transition to IFRS 15 and IFRS 9, respectively, are immaterial.

Effective from 1 January 2018, Cherry has chosen to designate certain external loans as net investment hedging instruments. This means that currency effects recognized in the Parent Company with regard to external loans, are adjusted at Group level against the translation difference in shareholders equity.

Effective from 2018, Cherry has reduced the number of business areas. The Development Projects business area has been removed.

From 2019, IFRS 16 Leases apply. IFRS 16 requires that assets and liabilities attributable to all leases, with some exceptions, should be reported in the consolidated balance sheet.

The standard is applicable to financial years commencing 1 January 2019, or later. The company will not apply the standard earlier than this. The standard has been approved

by the EU. The standard will primarily affect the reporting of the Groups operational leases.

Ahead of the third quarter of 2018, a study was conducted of all business areas and the Parent Company to determine the effects of the new standard on the consolidated balance sheet and income statement. Based on the Group's currently contracts, the assessment is that the balance sheet will increase by approximately SEK 100 in Lease assets and by SEK 100 in Lease liabilities. Since the Lease assets will be amortized according to plan, effective from 2019, leasing expenses within operating profit (EBITDA) will be reported partly as amortization within EBIT, and partly as financial items in the fictive interest expenses calculated.

The sum amounts presented in running text, tables and financial statements do not always agree with the calculated sum of the separate subcomponents due to differences in rounding. The ambition is for each subcomponent to agree with its source and rounding differences may therefore affect the totals when all of the subcomponents are added together.

Beyond what is described above, this report has been prepared in accordance with the same accounting and valuation principles as in the 2017 Annual Report, published on 18 April 2018, and is available on the company website www.cherry.se

ALTERNATIVE KEY PERFORMANCE INDICATORS

This interim report refers to certain key performance indicators which Cherry and others use when evaluating the performance of Cherry, KPIs which are not defined according to IFRS. These figures give management and investors important information to fully analyze the Cherry business and trends. These KPIs are not meant to replace but to complement those KPIs which are defined in IFRS. These alternative key performance indicators can be calculated using the definitions presented on page 2. Please refer to the section Definitions of key figures on page 6 for more information on the KPIs applied by Cherry.

Not 2. Financial assets and liabilities at fair value

Financial assets and financial liabilities measured at fair value in the balance sheet are classified according to one of three levels based on the information used to establish the fair value. No transfers have been made between the levels during the periods. A more detailed description of the levels can be found in Note 2 and 30 of the 2017 Annual Report.

Level 1 - Valuation is made according to prices in active markets for identical instruments.

Level 2 - Financial instruments for which the fair value is established based on valuation models that are based on observable third-party data for the asset or liability other than quoted prices included in Level 1.

Level 3 - Financial instruments for which fair value is established based on valuation models where significant inputs are based on non-observable data.

The fair value of the bond loan according to valuation level 1 is MSEK 1,836.

For the Group's other financial assets and financial liabilities, the reported values are assessed as corresponding to the actual values. No significant changes in valuation models, assumptions or inputs were made during the period.

Group MSEK	30/09/2018			31/12/2017		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets	324	-	-	471	-	-
Total financial assets	324	-	-	471	-	-
Financial liabilities						
Interest-bearing liabilities	1,740	-	-	1,743	-	-
Other financial liabilities	584	-	-	529	-	-
Additional purchase considerations						
Total financial liabilities	2,324	-	-	2,271	-	-

Not 3. Earnings per share

Profit attributable to the parent company shareholders, net after tax, SEK

	Q3		Jan-Sep		Jan-Dec
	2018	2017	2018	2017	2017
Average number of shares outstanding	105,668,026	103,734,940	104,554,556	93,477,065	96,061,425
Earnings per share before dilution (SEK)	1.75	0.22	3.31	0.49	0.53
Earnings per share after dilution (SEK)	1.74	0.21	3.30	0.49	0.53

The total number of shares in the company amounts to 105,668,026 with a quota value of SEK 0.11.

Earnings per share are calculated based on the profit for the period excluding the minority share.

Not 4. Acquisitions

HIGHLIGHT GAMES LTD

On 7 August 2018, Cherry AB acquired a further 22.9 percent of the shares in Highlight Games Ltd through cash payment, and following the acquisition, holds 60.4 percent of the shares in the company. The company was then consolidated as a wholly owned subsidiary with a minority interest.

REPORTING OF HIGHLIGHT GAMES

Cherry's share of Highlight Games' earnings for the period 1 January-6 August amounted to a negative MSEK 4.5 and is reported under Results from participations in associated companies. Effective from 7 August 2018, Highlight Games is consolidated within the Cherry Group. As a consequence of the consolidation, Highlight Games is reported under the business area *Game Development*.

Preliminary acquisition analysis of Highlight Games

Purchase price per Aug 7, 2018 (MSEK)

MSEK

Liquid assets	118
Purchase price per 7 August 2018 (MSEK)	118
Fair value of holding in ComeOn before Aug 7	57
Estimated purchase price, accounting-wise	175

MSEK

Fair Value

Intangible fixed assets	77
Tangible fixed assets	0
Other receivables	2
Liquid assets	40
Other liabilities	-1
Identified net assets	118
Goodwill	168
Total	286
Less minority	-111
Total less minority	175

As per the date of consolidation, the previous holding of 37.5 per cent of the shares in Highlight Games was revalued at fair value, based on the price for the remaining 22.9 percent of the shares in Highlight Games. This led to a positive revaluation effect of MSEK 57 in the third quarter, which is recognized on a separate line in the income statement. The total purchase price for accounting purposes is therefore calculated at MSEK 175.

Among other things, goodwill refers to human capital, synergies, geographic expansion and economies of scale and is not considered to be tax-deductible. Intangible assets include acquired technology to be amortized over five years.

Note 5. Business area reporting

Group operations are divided into operating segments on the basis of which parts of the operations the company's highest executive decision-makers follow up, known as the management approach or senior management perspective. This corresponds with the Group's operational structure and the internal reporting to the CEO and the Board.

Cherry's business areas are divided into *Online Gaming* via ComeOn, *Game Development* via Yggdrasil and Highlight Games, *Online Marketing* via Game Lounge, *Gaming Technology* via XCaliber and *Restaurant Casino* via Cherry Spelglädje.

Group per business area (MSEK)	Q3 2018	Q3 2017	Jan-Sep 2018	Jan-Sep 2017	Full-year 2017
Revenues					
Online Gaming	731.7	448.5	1,868.7	1,338.2	1,823.4
<i>Elimination, Online Gaming revenues from Cherry</i>	-0.7	0.0	-4.1	0.0	0.0
Game Development	71.6	44.1	195.9	117.9	169.1
<i>Elimination, Game Development revenues from Cherry</i>	-4.8	-5.5	-14.4	-17.6	-22.7
Online Marketing	68.7	44.6	182.3	107.2	145.9
<i>Elimination, Online Marketing revenues from Cherry</i>	-4.9	-5.4	-13.3	-16.6	-21.5
Gaming Technology	7.4	10.4	40.6	28.9	38.6
<i>Elimination, Gaming Technology revenues from Cherry</i>	-6.4	-10.3	-37.9	-28.7	-38.2
Restaurant Casino	35.8	40.9	114.2	115.1	157.1
The Group	898.5	567.3	2,332.2	1,644.4	2,251.8
Operating profit/loss before depreciation and amortization (EBITDA)					
Online Gaming	222.5	67.0	484.2	185.7	277.2
Game Development	18.6	18.7	58.7	49.9	71.5
Online Marketing	36.7	33.4	98.1	68.4	95.7
Gaming Technology	-5.6	-0.3	5.5	-1.5	4.0
Restaurant Casino	2.4	4.8	7.8	11.8	16.7
Group-wide*	-16.7	-11.4	-39.5	-26.3	-35.7
The Group	257.9	112.3	614.9	288.0	429.4
Operating profit/loss (EBIT)					
Online Gaming	193.3	39.2	397.0	104.9	167.3
Game Development	61.2	15.3	91.6	41.2	58.8
Online Marketing	34.0	31.8	91.4	63.4	88.7
Gaming Technology	-5.8	-0.4	5.0	-1.6	3.6
Restaurant Casino	0.9	3.8	4.1	8.7	12.6
Group-wide*	-12.3	-11.5	-35.1	-26.3	-35.7
The Group	271.4	78.2	554.0	190.3	295.1
Results fr participations in associated companies	0.0	0.1	-4.5	-0.9	-2.1
Financial items	-64.1	-38.4	-174.0	-87.1	-170.7
Profit before tax	207.3	40.0	375.5	102.2	122.4

* Development projects were previously specified on a separate line in EBITDA and EBIT, which is now included in "Group-wide" and has been adjusted for all periods.

Note 5. Continued

External Revenues (Mkr) Q3 2018	Online Gaming	Game Development	Online Marketing	Gaming Technology	Restaurant Casino	Total
Primary geographical markets						
Nordic	516	-	0	-	36	552
Europe	203	42	48	1	-	294
World other	11	25	16	0	-	52
Total	731	67	64	1	36	899
Major services						
Casino	587	-	-	-	-	587
Sportsbook	139	-	-	-	-	139
Game Development	-	67	-	-	-	67
Online Marketing	-	-	64	-	-	64
Gaming Technology	-	-	-	1	-	1
Land-based Casino	-	-	-	-	36	36
Other	4	-	-	-	-	4
Total	731	67	64	1	36	899
Timing of revenue recognition						
Services transferred at a point in time	731	67	-	1	36	834
Services transferred over time	-	-	64	-	-	64
Total	731	67	64	1	36	899
External Revenues (Mkr) Jan-Sep 2018						
External Revenues (Mkr) Jan-Sep 2018	Online Gaming	Game Development	Online Marketing	Gaming Technology	Restaurant Casino	Total
Primary geographical markets						
Nordic	1,219	-	2	-	114	1,335
Europe	599	116	106	3	-	823
World other	46	65	61	0	-	173
Total	1,865	181	169	3	114	2,332
Major services						
Casino	1,482	-	-	-	-	1,482
Sportsbook	348	-	-	-	-	348
Game Development	-	181	-	-	-	181
Online Marketing	-	-	169	-	-	169
Gaming Technology	-	-	-	3	-	3
Land-based Casino	-	-	-	-	114	114
Other	34	-	-	-	-	34
Total	1,865	181	169	3	114	2,332
Timing of revenue recognition						
Services transferred at a point in time	1,865	181	-	3	114	2,163
Services transferred over time	-	-	169	-	-	169
Total	1,865	181	169	3	114	2,332

Key performance indicators and growth

Group key performance indicators	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017
Financial measures defined by IFRS:					
Total operating revenues (MSEK)	899	753	681	607	567
Organic growth (percent)	46	39	25	16	30
Cash and liquid assets (MSEK)	584	459	392	299	362
Number of outstanding shares at the end of the period (thousands)	105,668	105,668	103,815	103,815	103,815
Average number of outstanding shares during the period (thousands)	105,668	104,181	103,815	103,815	103,735
Average number of shares outstanding after dilution (thousands)	106,003	104,516	104,150	104,510	104,430
Earnings per share before dilution (SEK)*	1.75	0.77	0.79	0.05	0.22
Earnings per share after dilution (SEK)*	1.74	0.76	0.79	0.05	0.21
Alternative Performance Measures:					
Operating profit (EBITDA)	258	165	192	141	112
Operating margin (EBITDA, %)	28.7	21.9	28.2	23.3	19.8
Operating profit (EBIT)	271	126	156	105	78
Operating margin (EBIT, %)	30.2	16.8	22.9	17.3	13.8
Return on equity, rolling 12 months (%)	24	14	15	6	12
Operating cash flow per share (SEK)	2.74	1.55	1.86	-0.04	0.47
Equity per share (SEK)	15.61	14.34	12.17	11.27	11.99
Equity/assets ratio (%)	44	40	35	34	38
Investments in fixed assets (MSEK)	-12	-14	-46	33	10
Average number of employees (yearly full-time equivalents)	865	899	839	751	686
Number of employees at end of period	1,290	1,347	1,407	1,383	1,233
Number of registered shareholders	9,322	9,258	6,540	6,657	6,839
Share price at the end of the period (SEK)	56.90	60.50	63.00	49.30	53.75

* Earnings per share are calculated based on the profit for the period excluding the minority share. See page 26 for definitions of financial and alternative key performance indicators.

Organic and real growth	Q3		Jan-Sep		Jan-Dec
	2018	2017	2018	2017	2017
SEK m					
Previous years revenue	567	214	1,644	583	1,102
Organic growth	258	62	528	211	294
Aquired revenue	7	288	19	817	820
Divestments	-	-	-	-	-
Real growth	832	564	2,191	1,611	2,216
Change in foreign currency	66	2	142	33	36
Revenue for the period	899	567	2,332	1,644	2,252

Financial definitions and alternative key performance indicators

DEFINITIONS OF IFRS KEY PERFORMANCE INDICATORS

Key Performance Indicator	Definition
Revenue	Revenue from sales less VAT, sales bonuses and elimination of intra-Group sales
Earnings per share	Profit/loss for the period in relation to the total number of outstanding shares

KEY PERFORMANCE INDICATORS NOT DEFINED IN ACCORDANCE WITH IFRS

In the income statement	Definition	Reason for use of key performance indicator
Revenue growth	Percentage change in net sales between two periods.	The measure is important in connection with the continuous assessment of the company's total revenue change, including acquisitions.
Organic growth	The increase in revenue for the period, adjusted for acquisitions/divestments and exchange rate fluctuations. Revenue from acquisitions is included in organic growth after 12 months.	The measure gives a clear picture of the growth generated by the Group itself.
Currency-adjusted growth	The increase in revenue for the period, adjusted for exchange rate fluctuations.	The measure gives a clear picture of the Group's growth, excluding exchange rate changes.
EBITDA (Earnings before depreciation, amortization and impairment, financial items and taxes)	Calculated as operating profit before depreciation, amortization and impairment, financial items and taxes.	The measure is essential in understanding the Group's operating profit, regardless of financing and amortization.
EBITDA margin	EBITDA as a percentage of revenues.	The measure is essential in continuously monitoring the Group's operational profitability, regardless of financing and amortization. The key performance indicator is of interest for investors and other stakeholders in assessing the Group on an ongoing basis.
EBIT	Operating profit/loss before financial items and taxes.	Operating profit/loss provides a comprehensive picture of the company's earnings generation and is of relevance to investors, analysts and the company's management in evaluating the company's earnings trend.
EBIT margin	EBIT as a percentage of revenue.	The measure is useful for investors and other stakeholders in monitoring the company's ongoing earnings performance.
Items affecting comparability	Items not attributable to underlying operations and not of a recurrent nature. In connection with incremental acquisitions, the gains/losses arising on revaluation of previously reported shares of equity at fair value and significant transaction expenses.	The measure provides a clear indication of values that are not part of the operating activities, that are not of a recurrent nature and that do not affect consolidated cash flow. The measure is of interest to investors and other stakeholders from a comparability perspective.
Financial measures	Definition	Reason for use of key performance indicator
Net debt	Interest-bearing liabilities less cash and cash equivalents.	The key figures are useful for investors and other stakeholders in providing an indication of the company's indebtedness and financial risk.
Equity per share	Total equity excluding minority interest in relation to total number of outstanding shares.	The company reports this key figure as it can be used in evaluating the company's financial position.
Cash flow per share	Cash flow from operating activities in relation to the total number of outstanding shares.	This key performance indicator is useful for investors and other stakeholders in evaluating the company's financial position and its ability to generate free cash flow.
Equity/assets ratio	Shareholders' equity in relation to total assets.	The company reports this key performance indicator as it illustrates the financial risk expressed in terms of what proportion of the balance sheet is financed by the company's shareholders relative to debt.
Balance sheet total	Sum of the assets side in the company's balance sheet or the sum of liabilities and shareholders' equity.	Used as component when calculating certain key performance indicators.
Return measures	Definition	Reason for use of key performance indicator
Return on equity	Profit/loss after tax in relation to average equity.	This key performance indicator is reported as it shows the return that the company provides on shareholders' capital in the company, which is relevant to investors and other stakeholders in assessing the company.

Cherry in brief

Cherry is an innovative and fast-growing gaming company with operations in gaming, entertainment and media. The company was founded in 1963 and today, Cherry operates through five diversified business areas: *Online Gaming, Game Development, Online Marketing, Gaming Technology and Restaurant Casino.*

The objective is to grow organically in combination with strategic acquisitions of fast-growing companies. Cherry employs some 1,300 people and has about 9,325 shareholders. The company's class B-share has been listed on the Nasdaq Stockholm exchange, Mid Cap segment since 18 October 2017.

Read more about the Group at www.cherry.se



For further information, please contact

Gunnar Lind, Acting CEO
gunnar.lind@cherry.se

Christine Rankin, CFO
Telephone +46 76 539 94 92
christine.rankin@cherry.se

Anders Antonsson,
IR & Communications
Telephone +46 709 994 970
anders.antonsson@cherry.se

Cherry AB (publ)

Corp. ID No. 556210-9909, Registered office: Stockholm, Stureplan 19, SE-111 45 Stockholm.
Tel.: +46 8 514 969 40, www.cherry.se

This interim report has been prepared in both Swedish and English. In the event of discrepancies between the language versions the Swedish wording shall apply in all instances.

Financial calendar 2018/2019

Extraordinary General Meeting 2018,
Wednesday, 21 November 2018

Year-end report 2018,
Wednesday, 13 February 2019

Annual Report 2018,
In the week commencing 8 April 2019

Interim report January-March 2019,
Tuesday, 7 May 2019

Annual General Meeting 2019,
Thursday, 9 May 2019

Interim report January-June 2019,
Wednesday, 14 August 2019

comeon!

YGGDRASIL

HIGHLIGHT
GAMES

GameLounge

xcaliber

Cherry
Gaming