



**KPGM Corporate Finance**  
P.O. Box 382  
SE-101 27 STOCKHOLM  
Sweden

Telephone +46 8 – 723 91 00  
Internet www.kpmg.se

*To: Independent members of the Board of Directors of Cherry AB (publ)*

2018-12-17

### **Fairness opinion regarding the takeover bid from Bridgepoint Europe VI Fund**

KPMG Corporate Finance, a business unit within KPMG AB, has been retained by the independent members of the Board of Directors of Cherry AB (publ) (“Cherry” or the “Company”) to opine on the fairness of the proposed bid from Bridgepoint Europe VI Fund (“Bridgepoint” or the “Buyer”) for the acquisition of Cherry, from a financial point of view.

In the proposed transaction presented to KPMG, Bridgepoint will acquire 100% of the outstanding shares in Cherry (the “Transaction”). Bridgepoint’s offers SEK 87 in cash per share in Cherry (the “Bid”).

We were not requested to, and did not, solicit third-party indications of interest in acquiring all or any part of the Company. Furthermore, at your request, we have not negotiated the Transaction or advised you with respect to potential alternatives.

In connection with this fairness opinion, we have made certain reviews, analyses and inquiries as we have deemed necessary and appropriate under the circumstances. Due to the fact that certain individuals in key positions at Cherry were not considered as independent we have only been able to carry out limited interviews. Among others, we have:

- Reviewed information from the Company: business descriptions, historical financials, budgets and forecasts, management presentation;
- Held interviews with management and board members in the Company: Gunnar Lind (board member and acting CEO) and Johan Moazed (board member in Cherry, Yggdrasil Gaming Sweden AB, Game Lounge and ComeOn);
- Held interviews with the Company’s financial advisor Carnegie;
- Reviewed publicly available information including, historical market prices and trading volume for the Company’s publicly traded securities, market data and competitor/peer financial information; and
- Conducted certain other studies, analyses and inquiries as we have deemed appropriate.

We have not been provided with, nor reviewed, the Buyer’s bid prospectus.

We have relied upon and assumed, without independent verification, the accuracy and completeness of the information presented and that upon which the opinion is based, including that available from public sources. Consequently, we take no responsibility for errors or omissions in information which has been presented to us or the implications such errors or omissions would have on our conclusions.

Our opinion is based on business, economic, market and other conditions as they exist and can be evaluated by us as of the date of this letter.



This fairness opinion from KPMG is only intended to serve as described in the context above, and may not be used for any other purposes.

The Bid corresponds to a bid premium of approximately 24% based on Cherry's three month volume-weighted average price and 20% based on the closing share price as of December 17, 2018.

Based upon the foregoing, and in reliance thereon, it is our opinion that the Bid of SEK 87 per Cherry share in connection with the Transaction, is fair to the public shareholders of Cherry from a financial point of view.

Stockholm December 17, 2018

A handwritten signature in blue ink, appearing to read 'Martin Ericsson', with a long horizontal flourish extending to the right.

Martin Ericsson, Partner  
KPMG Corporate Finance