



HAMBURGER INVESTORENTAGE

7 February 2024

MARKET RELEVANCE BASED ON A STRONG LEGACY

Business development on the foundation of global mega trends



Gaming / E-Sports

- > 3bn gamers worldwide
- Individualization trend
- Mindset with start-up logic



Work from anywhere

- > 2/3 of Germans prefer hybrid workplaces
- Up to 80k daily keystrokes for creators
- Enormous sales potential via e-commerce

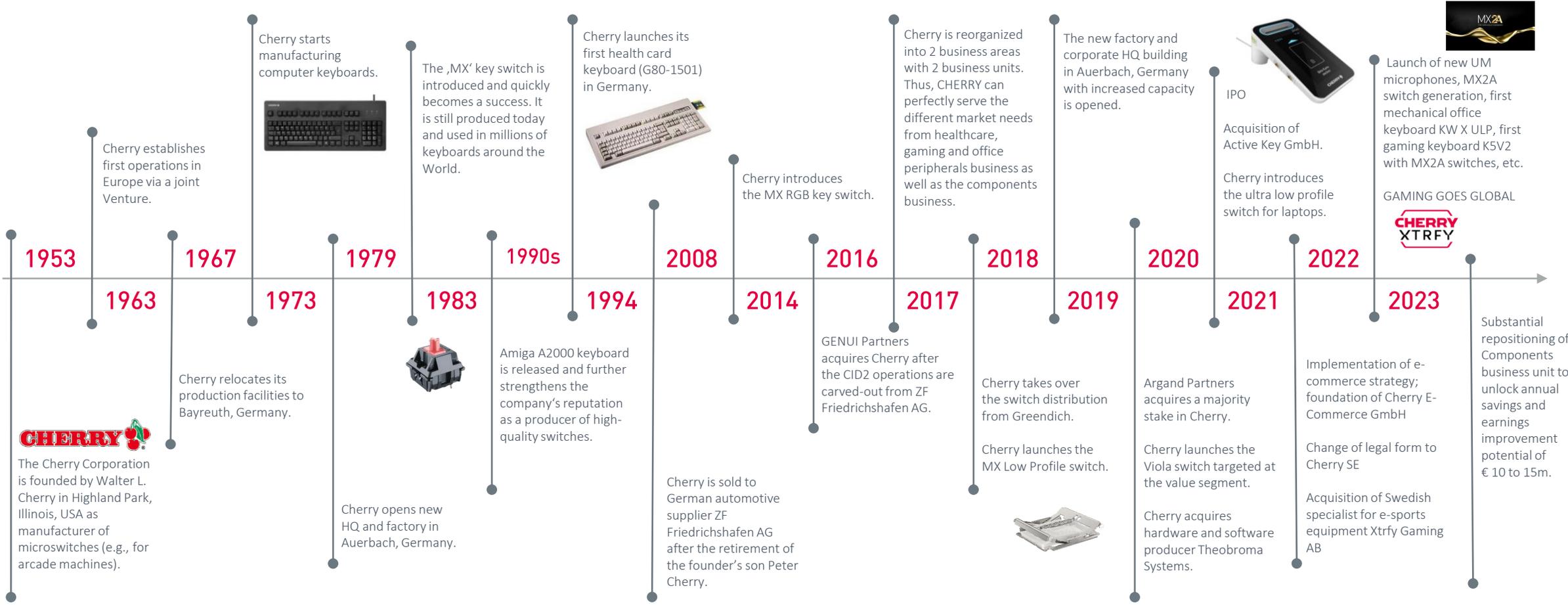


Digital Healthcare

- > 70% German market share in new HW sales
- E-Health PIN pad required in future
- Scalability via cloud-based SaaS-offering



CHERRY – 70 YEARS OF RELEVANCE, TRANSFORMATION & INNOVATION



MANAGEMENT BOARD



Oliver Kaltner, CEO

Experienced CEO with proven track record in IT, digital, consumer electronics and branded companies, both in large corporations and small/mid caps and start-ups.



Mathias Dähn, CFO

Extensive management experience in finance functions such as auditing and controlling and CFO positions at various listed companies.



Udo Streller, COO

> 20 years of management experience in operational excellence, including constructing and managing factories, R&D, product management, supply chain management procurement.



INTERNATIONALIZATION AND DIGITIZATION TO DRIVE GROWTH

Supported by constant cost control und inventory management

STRATEGIC FOCUS

- Combination of **profitable organic** & **strategic non-organic growth**
- Leverage **digitization** of German **healthcare sector** to introduce platform-based **SaaS business model** with **recurring revenues**
- **Expand and internationalize** CHERRY's **premium market position** with the rapid global spread of **e-sports** activities and the global **work-from-anywhere** trend
- Keep the CHERRY business model **asset-light** and regain above-average **profitability**



CORE TARGETS

- **Strict cost control**
- **Agile treasury management**
- **Implementation of margin growth strategy**
- **Constant inventory management**



INTRODUCTION OF OUR BUSINESS AND STRATEGIC OUTLOOK - B2B2C

Innovative and high-quality products & services that are specially developed for specific customer needs



Components
Keyboard Switches / Notebook Switches

GERMAN INNOVATION AWARD 22 NOMINEE

MX CHERRY

MX2A

Gaming and Office Peripherals
Keyboards / Mice / Headsets / Microphones

GERMAN DESIGN AWARD SPECIAL 2022

CHERRY XTRFY

GERMAN DESIGN AWARD WINNER 2022

reddot winner 2022

CHERRY

Digital Health & Solutions
E-Health terminals / encryption & disinfection devices

theobroma SYSTEMS
A CHERRY COMPANY

ACTIVE KEY
A CHERRY COMPANY

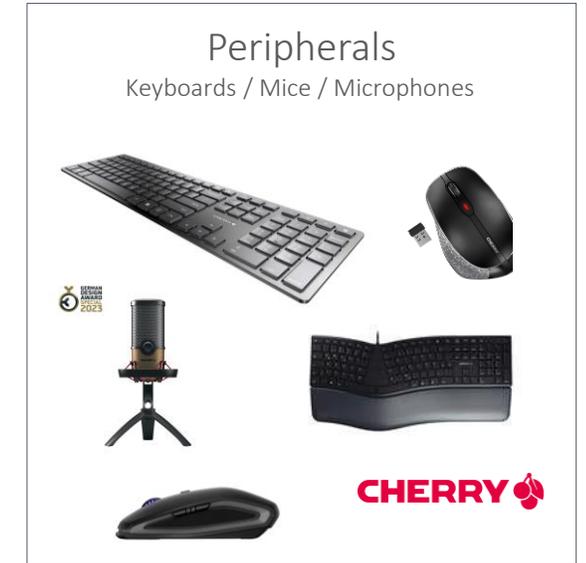
CHERRY

Successful positioning of business activities in core markets along major global trends



CHERRY LEGACY

TOUCH IT. FEEL IT. LOVE IT.



High-end peripherals for Gaming/ E-Sports, Creators and (hybrid) Office



INTERNATIONALIZATION TO SECURE FURTHER GROWTH

Country expansion, multi-channel approach and various partnerships leverage strong growth potential

Direct business on 3 continents with 30 countries covered

- Country expansion and deepening sales lines in the major markets outside of German-speaking markets, the United States and China.
- Broadening our sales lines in Central Europe with focus on France and the UK, Benelux, the Nordic countries, Italy, and Spain, as well as Korea and other Asian countries.

Multi-channel approach as a B2B and B2C company

- Further strengthening of multi-channel sales and targeted additions to our product portfolio.

B2B – Direct partnerships & Distribution partnerships

B2C – Direct retail & e-commerce & distribution partnerships & sub-distribution partnerships.



At CHERRY, we invest in the successive expansion of our e-commerce activities. Platforms such as Amazon in the USA and Europe are supplemented by online social media platforms such as TikTok, JD and others in China and Asia.



RECENT PRODUCT RELEASE HIGHLIGHTS – PORTFOLIO OPTIMIZATION

New product innovations in peripherals serve as ambassadors for latest CHERRY switch technology



CHERRY KW 7100 MINI BT keyboard – ready for use anywhere

- Multi-device function without a dongle, featuring our precise CHERRY SX scissor mechanism
- Comes with a carrying case made of environmentally friendly recycled plastic

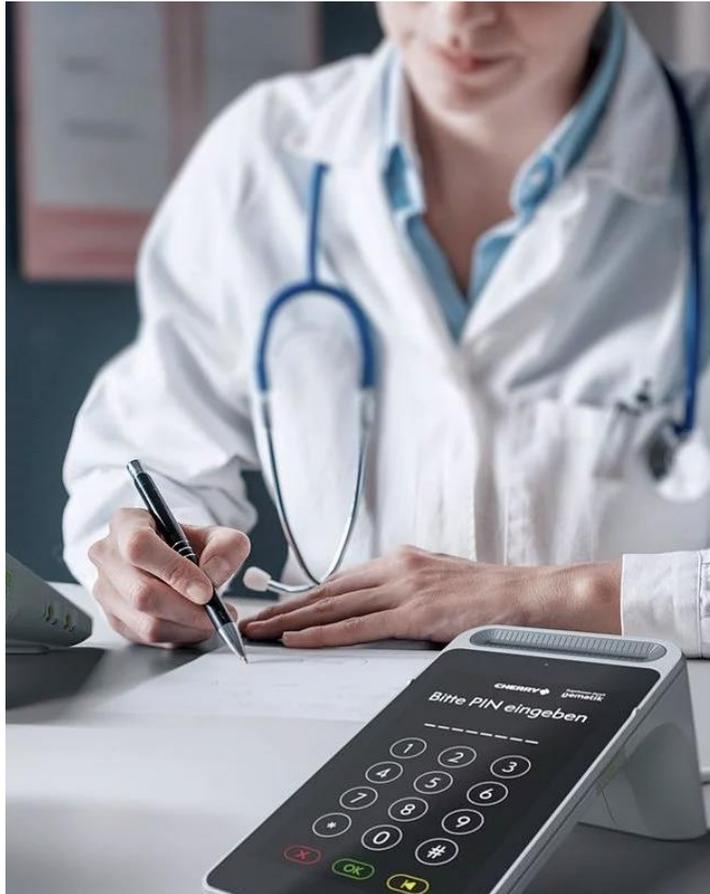
CHERRY XTRFY K5V2 - first gaming keyboard with CHERRY MX2A

- Global market introduction of one of the most customizable 65% mechanical gaming keyboards in the world in August at Gamescom 2023 (ETA: Q1 2024).
- Based on the popular K5 keyboard, it will feature hot-swappable CHERRY MX2A Red switches, pre-lubed PCB-mounted stabilizers as well as double layers of sound-dampening foam and super-scan technology for instant response.



CHERRY LEGACY

TOUCH IT. FEEL IT. LOVE IT.



Driver & enabler for
healthcare digitalization



5 PILLAR STRATEGY OF CHERRY DIGITAL HEALTH & SOLUTIONS

Expanding portfolio, revenue sources, and geographic footprint – enabling digital transformation by M&A



Transformation towards platform of HW, SW & Cloud Services

Core Services TI 2.0

- Cloud-based access services for TI in Germany
- HW as a Service
- App-based authentication service
- Recurring revenues

Value added services TI

- Extended SW-based services in Healthcare
- Expansion of geographic footprint

New business

- Business development in telemedicine, patient/asset tracking, ambient assisted living, security, etc.
- Inorganic growth via selective M&A

Specialized peripherals

- Expanding protected peripherals business activities on international scale
- Cross- and upselling
- Optimization of product portfolio

Embedded Solutions

- Expanding business activities on international scale
- new Cherry device and board development
- Cross- and upselling

“Cherry is ideally positioned for growing momentum in the digitalization of healthcare systems and security applications” Oliver Kaltner, CEO of Cherry SE



CHERRY AT THE SWEET SPOT OF FUTURE DIGITAL HEALTHCARE MARKET

Digitization of German healthcare system unlocks potential for additional recurring revenues via SaaS

Momentum of digitization of the German healthcare system is picking – driven by TI key applications

- **Strong political momentum** to accelerate digitization of healthcare in Germany
- **E-prescription** is set to be made mandatory from 2024 and thus established as a fully digital standard in the provision of medicines
- New digital health applications brought closer to the point of care; **statuary electronic health record** on opt-out basis as of January 2025
- The move will create a **huge demand for diverse cloud-based** application software combined with certified hardware in future

Cherry Digital Health preparing to expand business model

=> Capitalize on technical advancements of current devices, driven by

- Roll-out of additional applications
- Deployment to new user groups
- Synergies with connector replacement efforts
- Strong partnerships, i.e.

Future-proof expansion of the value chain



eHealth Terminal ST-1506
(Since Q1/2021)



eHealth PIN-Pad PP-1516
(Since Q3/2023)



Future Cloud-based Services...



CHERRY LEGACY

TOUCH IT. FEEL IT. LOVE IT.



Components
Keyboard Switches / Notebook Switches

World leading switch technology



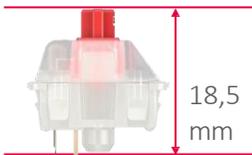
INVENTOR & INNOVATION LEADER FOR MECHANICAL SWITCHES

The CHERRY legacy: the first snap-action switches were produced in 1953

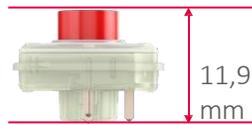
Driving innovator for mechanical switches for 70 years



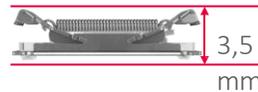
MX1



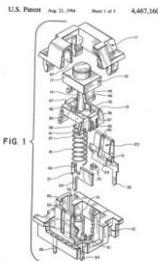
MX LOW PROFILE



MX ULP



U.S. Patent 1984

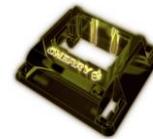


Maximum precision, durability and perfect function

Highly precise and extremely reliable gold crosspoint contact system

Special choice of materials and environment-friendly packaging

MX2A – the new Gold Standard for mechanical keyboards



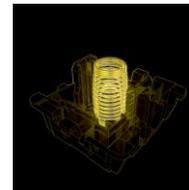
MX2A



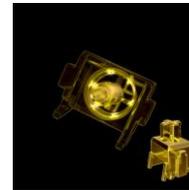
Improved smoothness, ping, and stem wobble by the next gold standard MX2



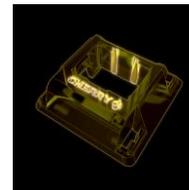
Ring Lubrication on Socket Dome: The Silent Revolution



Updated Spring Geometry: Precision in Every Press



Updated Stem Geometry: Stability Meets Precision

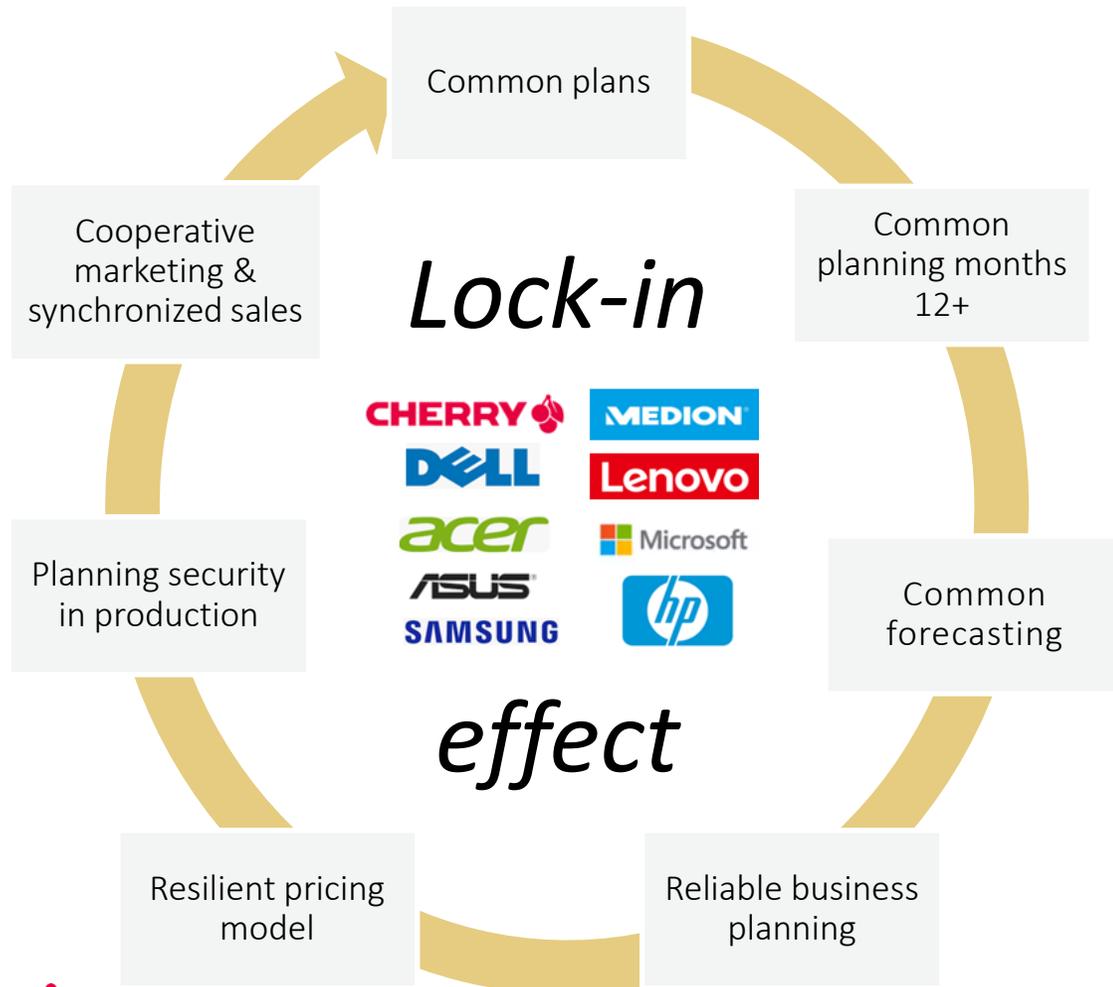


Socket Dome Geometry: Elegance Meets Efficiency



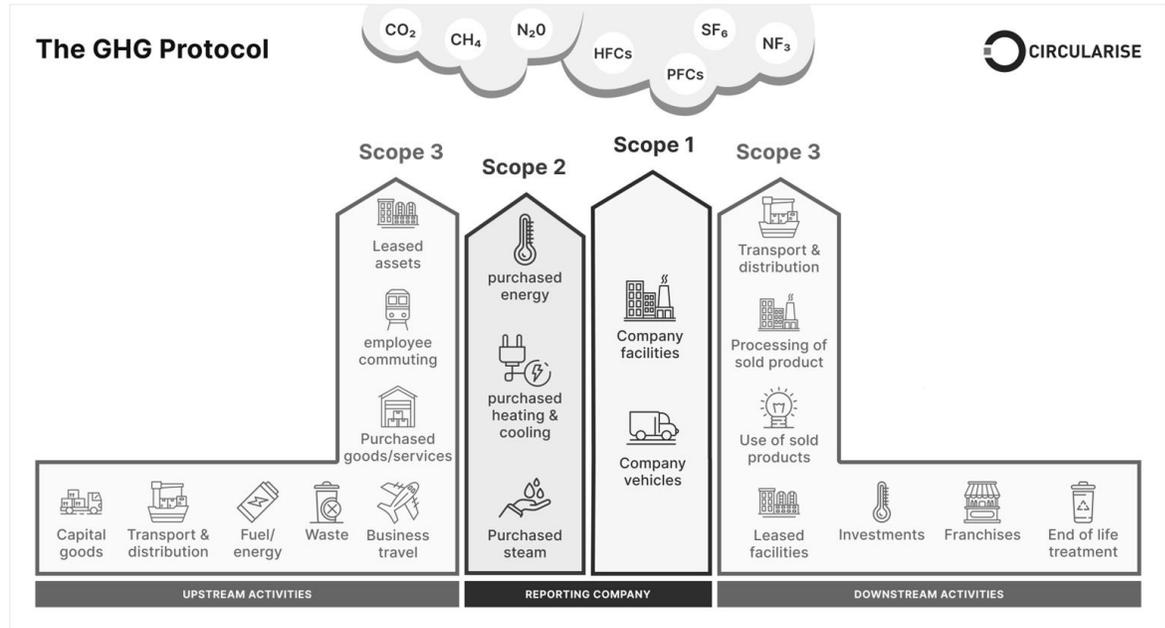
COMPONENTS – SWITCHES GO OEM AND MULTI-COUNTRY-PRODUCTION

From indirect business to direct business



Cherry's extra opportunity

OEM brands are trying to reduce their dependence on China for sourcing and production and are looking for production sites in Europe to reduce Scope 3 emissions



OVERVIEW REALIGNMENT OF COMPONENTS BUSINESS UNIT

Market relevance, innovation leadership, product quality, volume solutions, price expertise and profitability

Location Auerbach, Germany (Cherry owned)

- Development and production of MX2 switches for use in own products in international markets
- Development and production of ULP switches in the international market
- Innovation developments for the MX and ULP product lines

Location Zhuhai, China (Cherry owned)

- Production of office and gaming hardware for the international market
- Development and production of office and gaming hardware especially for the Chinese and other Asian markets
- Control and quality assurance of MX2 switch production for use in Cherry partner products in international markets in cooperation with a new external production partner
- Product innovation and engineering competence for innovative gaming products in China with local development teams and start-ups

Collaboration partner in China

- Production of MX2 switches for use in CHERRY partner products in the international market (expected to commence in H2/24 and to provide potential for profitable growth again)

Global innovation centers for gaming

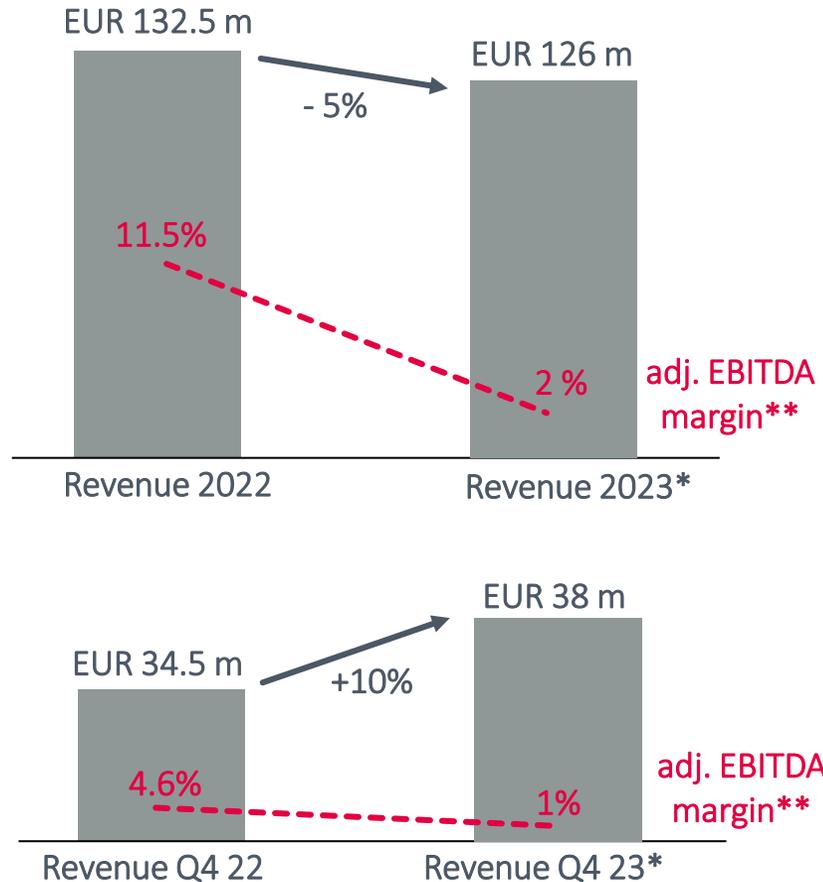


WE MISSED OUR FY SALES AND EARNINGS FORECAST



Profitability burden of switch business and weaker than expected sales momentum in peripherals

YOY REVENUE AND MARGIN DEVELOPMENT



FORECAST MISS DRIVEN BY SEVERAL FACTORS

- Demand growth in computer peripherals fell short of Cherry's own expectation, esp. in B2B in USA, France, and UK.
- Sales forecast accuracy in H2 significantly behind H1 in Gaming and Office Peripherals
- Cost cutting compensated only for a part of it
- Stop selling components due to negative profit effects
- Delay in Digital Health and Solutions sale of terminals and pin pads
- Top line miss led to drag on margin and EBITDA



* unaudited preliminary data ** schematic



CHALLENGES ARE ADDRESSED AND CORRECTIVE MEASURES IMPLEMENTED

Q4 wake-up call fosters even faster execution of personnel and process solutions

Management Action Plan

Senior Management Changes to further professionalize Distribution and Finance

Jan 2024:

- ✓ Nicole Schillinger - SVP Investor Relations
- ✓ Thomas Ziegelbauer – Interim Controlling

Feb 2024:

- ✓ Volker Christ - Interim CFO
- ✓ Josh Phillips - MD of Cherry Americas LLC
- ✓ Tbd – MD Cherry France

Management Team in China/APAC

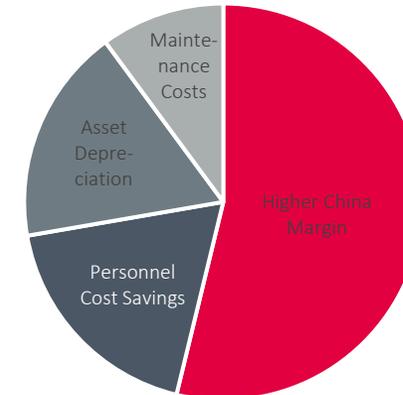
- ✓ Polly Fu – General Management
- ✓ Henry Zhang - Operations
- ✓ Apple Ou - Finance
- ✓ Kenya Liu – People & Culture

Streamlining of processes

- ✓ Forecast Planning
- ✓ Deal pipeline management
- ✓ Margin management
- ✓ Accruals management
- ✓ Net working capital management
- ✓ Cost control management

Components Restructuring Measures and Impact

Split of earnings improvement potential



Restructuring measures

- ✓ Relocation of MX2 partner related production to China
- ✓ FTE reduction from 455 to c. 350 targeted (c. -25%), process closed
- ✓ Associated costs of EUR 20m in 2023, thereof EUR 11m provisions and EUR 9m impairment
- ✓ Earnings improvement potential >EUR 10 m from 2024

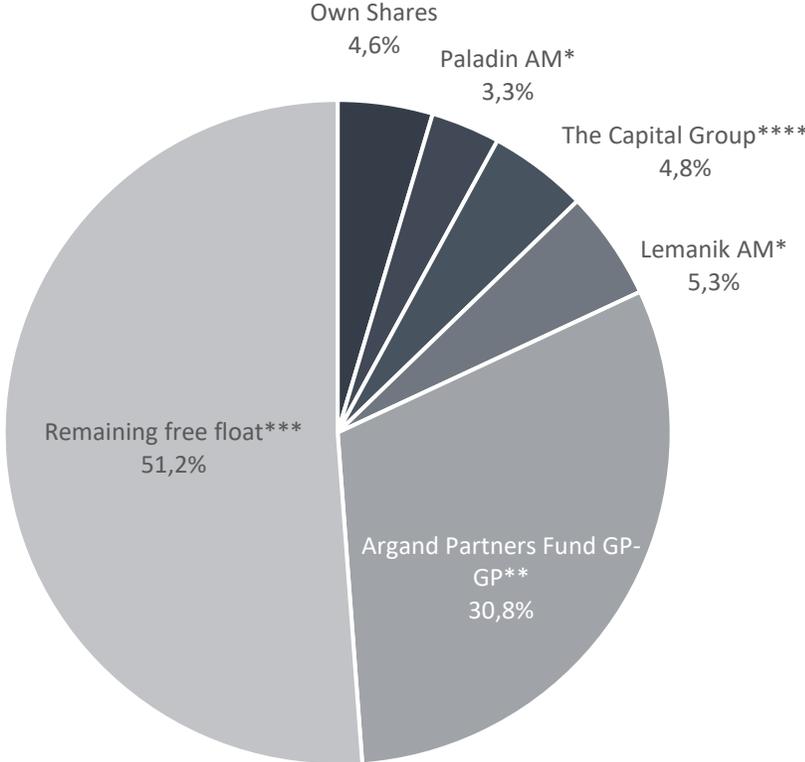




APPENDIX



CHERRY SHAREHOLDER STRUCTURE



* Information is based on voting rights notifications pursuant to Art. 40, Para. 1 of the German Securities Trading Act (WpHG).

** Based on internal investor reporting to Cherry, not subject to disclosure.

*** Includes 0.3% held directly and indirectly by the members of the Management Board.

**** Includes 0.3% Rights to recall lent shares of Common Stocks.



FINANCIAL CALENDAR 2024

DATE	EVENT
February 7	Hamburger Investorentag
March 28	Annual Report 2023
April 9/10	Virtual US Roadshow (ABN Amro ODDO BHF)
April 23	Metzler Small Cap Days
May 8	Interim Report Q1 2024
May 13-15	German Spring Conference (Equity Forum)
June 14	AGM (virtual)
August 14	Half-year Report 2024
September 2/3	German Fall Conference (Equity Forum)
November 14	Interim Report Q3 2024
November 18/19	Winter 1on1-Summit (Equity Forum)



FORWARD LOOKING STATEMENTS

Disclaimer

This presentation contains forward-looking statements. These statements are based on the current views, expectations and assumptions of the management of Cherry SE and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those described herein due to factors affecting Cherry SE such as, among other things, changes in the general economic and competitive environment, capital market risks, currency exchange rate fluctuations and competition from other companies, and changes in international and national laws and regulations, in particular with respect to tax laws and regulations. Cherry SE does not assume any obligation to update any forward-looking statements.

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General remark

Figures may not add up due to rounding.



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