

January 21, 2019

Subject: Origo Quest 1 accepting the cash offer for Cherry by EE Intressenter

To the investors in Origo Quest 1,

The fund Origo Quest 1 is close to reaching its 6th anniversary. Our investment philosophy is based on a long-term investment horizon, active ownership and value creation in the portfolio companies we invest in. Back in November 2013, one of our early investments in the fund was Cherry. During the time we've been shareholders, Cherry's growth trajectory has been phenomenal. At the time we made our initial investment, Cherry had an average of 650 full-time employees and approximately SEK 300m in revenues with a negative EBIT on 12-month trailing figures. Today, Cherry has grown to an average of 865 full-time employees and approximately SEK 3 billion in revenues with over SEK 650m in EBIT on 12-month trailing figures.

On December 18 2018, Cherry announced it has received a takeover offer from EE Intressenter (a consortium comprising of Bridgepoint Europe, Prunius Avium, Morten Klein along with other individuals associated with Cherry). The offer is for SEK 87 in cash per share, which values Cherry at SEK 9.2bn. We note the offer represents a premium of 20% compared to the last closing price before the announcement of the offer. On a volume-weighted average share price for the last 90 trading days the offer corresponds to a premium of 28%, and 59.6% compared to the closing price on October 15 2018, the day before the Board of Directors received the non-binding offer.

The Board's independent bid committee, which was formed on October 16 2018, recommends the shareholders to accept the public offer and outlines its rationale behind this recommendation. From our perspective, this recommendation has little to no bearing on our analysis and decision towards the offer. We are skeptical towards the true independence of this committee, and we would also have preferred to see a press release immediately after the initial non-binding indication of interest was received.

Throughout the years, we have had a frequent and constructive dialogue with Cherry's management team, its Board, as well as other shareholders. Most of these meetings have taken place in a private setting except our letter to Cherry's Board dated September 26 2018. In our letter we highlighted issues we viewed as damaging to Cherry and which has historically kept its valuation subdued. Furthermore, we addressed concrete measures for Cherry to take to unlock and increase shareholder value, such as separately list its B2B supplier, Yggdrasil. Based on the details in the offer memorandum from EE Intressenter, we are convinced our thesis regarding these value enhancing measures are the right steps for Cherry, and in vast contrast to what

Cherry's Chairman (and member of the consortium) publicly communicated prior to submitting the non-binding offer.

With this in mind, we feel the offer itself presents us with bittersweet feelings. On the one hand we have taken an active role as minority shareholder to identify and suggest value enhancing measures to be addressed in order to improve Cherry's valuation and competitive situation going forward. On the other hand, we do see both an operational and a valuation risk with a failed bid given the number of insiders involved in the consortium, leading to risk/reward dynamics that are no longer asymmetrically skewed in our favor. Since the offer was made public, we have held several discussions with other shareholders of Cherry and we have analyzed our available options thoroughly. It is with these fundamental reasons that we have decided to accept the offer for SEK 87 per share from EE Intressenter.

In closing, we are very satisfied with the immense returns gained from the investment in Cherry. Initially our Cherry-stake corresponded to around 5% in our fund Quest. The last 4 years Cherry has been a top position with an average portfolio size of 10,4%. Should the offer be accepted to such extent that EE Intressenter becomes the owner of more than 90% of the outstanding shares in Cherry, and we subsequently receive SEK 87 per share, our total return would equal around 1,700% or an IRR of 74.9% of our initial investment.

Sincerely,

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