

QUARTERLY FINANCIAL REPORT
AS OF SEPTEMBER 30, 2025

Q3/2025

KEY GROUP FIGURES (IFRS)

€ million / as reported	July 1-Sept. 30, 2025	July 1-Sept. 30, 2024	Change	Jan. 1-Sept. 30, 2025	Jan. 1-Sept. 30, 2024	Change
Revenue	24.7	22.6	9.3%	70.7	84.2	-16.0%
thereof GAMING & OFFICE PERIPHERALS	16.7	14.7	13.6%	50.3	56.4	-10.8%
thereof DIGITAL HEALTH & SOLUTIONS	6.5	6.4	1.6%	16.5	22.6	-27.0%
thereof COMPONENTS	1.5	1.6	-6.3%	3.9	5.2	-25.0%
Gross profit II	4.8	7.8	-38.5%	13.3	28.7	-53.7%
Gross profit II margin	19.4%	34.3%	-14.9 pp	18.8%	34.1%	-15.3 pp
EBITDA	-3.2	-4.1	22.0%	-9.7	-3.4	-185.3%
EBITDA (adjusted) ¹	-2.6	-3.1	16.1%	-4.9	-0.7	-600.0%
EBITDA margin	-13.2%	-18.1%	5.0 pp	-13.7%	-4.0%	-9.7 pp
EBITDA margin (adjusted) ¹	-10.6%	-13.7%	3.1 pp	-6.9%	-0.8%	-6.1 pp
EBIT	-5.5	-6.0	8.3%	-19.6	-9.3	-110.8%
EBIT (adjusted) ¹	-3.7	-5.1	27.5%	-8.3	-6.6	-25.8%
Group net loss	-6.0	-7.2	16.7%	-20.4	-13.8	-47.8%
Earnings per share (in €)	-0.26	-0.31	16.1%	-0.88	-0.60	-46.4%
Cash flows from operating activities	1.3	-2.6	150.0%	-12.4	-8.0	-55.0%
Cash flows from investing activities	-0.7	-3.3	78.8%	7.6	-6.0	226.7%
Free cash flow	0.6	-5.9	110.2%	-4.8	-14.0	65.7%

€ million / as reported	Sept. 30, 2025	Dec. 31, 2024	Change
Total assets	130.2	168.1	-22.5%
Cash and cash equivalents	7.5	16.4	-54.3%
Net working capital ²	31.8	40.2	-20.9%
Equity	56.3	77.5	-27.4%
Equity ratio	43.2%	46.1%	-2.9 pp
Interest bearing bank liabilities	25.7	26.4	-2.7%
Net cash I (+) / net debt I (-) ³	-18.2	-10.0	-82.0%
Net cash II (+) / net debt II (-) ⁴	-31.9	-27.1	-17.7%
Employees (FTEs)	364	372	-2.2%

¹ Adjusted for non-budgeted one-time and/or non-operating items.

² Balance of current assets (excluding cash and cash equivalents) and current liabilities (excluding financial debt).

³ Liabilities to banks less cash and cash equivalents.

⁴ Liabilities to banks, current and non-current lease liabilities and pension provisions less cash and cash equivalents.

Share

ISIN	DE000A3CRRN9
WKN	A3CRRN
Ticker (trading symbol)	C3RY
Share type	Ordinary bearer shares (no par value)
First quotation	June 29, 2021
Total number of outstanding shares	24,300,000
thereof: Number of own shares	1,110,284
Stock exchange and segment	Prime Standard / regulated market FWB
Designated sponsor	MWB Fairtrade Wertpapierhandelsbank AG
Xetra closing price as of September 30, 2025	€ 0.66
Market capitalization as of September 30, 2025	€ 15.3 million

BUSINESS PERFORMANCE

The performance of Cherry SE in Q3 2025 must be seen in the context of the macroeconomic environment it operates in, with Germany, China, and the USA as the key drivers.

In **Germany**, the economy largely stagnated until mid-2025, with the European Commission forecasting zero growth for 2025 compared to the previous year. Momentum remains weak, with slow growth in the first quarter followed by a contraction in the second quarter, reflecting the impact of the introduction of tariffs. Uncertainty remains, particularly given that German exports are vulnerable to disruptions in global trade. Estimates suggest that US import tariffs could reduce Germany's growth by 0.1 to 0.3 percentage points. Trade uncertainty, combined with stagnant private sector investment, can only be partially offset by domestic demand. The expected upturn from the German government's EUR 500 billion special fund has not materialized so far, meaning that Germany is lagging behind expectations compared to other G7 members and, after a slight decline in the second quarter and stagnation in the third quarter, is only just avoiding a so-called technical recession. Germany will most likely experience a recession for the third year in a row. This has never happened before in the history of the Federal Republic of Germany. The negative effects on the eurozone are a consequence of this.

China continues to show mixed developments: the annual GDP growth rate of around 4.8% in the third quarter, following around 5.2% in the previous quarter, shows that growth is losing momentum. Although growth in the third quarter of 2025 exceeded expectations at 1.1%, uncertainty surrounding the export tariffs imposed by the US is casting doubt on the sustainability of this growth. There is also a growing trend in the Chinese domestic market for consumers to favor local brands. For global brands, this means focusing consistently on technological innovation, high quality, and attractive design, while at the same time not having to accept price reductions..

In the third quarter of 2025, the **US** economy proved relatively resilient, albeit with mixed signals. Moderate GDP growth was supported by business investment and export gains, while consumer confidence and spending lagged behind. GDP growth of 2.3% in Q3 represents a slight slowdown from the first half of 2025, primarily due to weaker consumer spending and external factors affecting trade. However, the growth rate continues to point to a resilient economy supported by strong private investment and government spending. Inflation, particularly core inflation, remains a challenge for the Fed. Export growth benefited from a weaker dollar, which offset some of the trade pressure from high tariffs. Overall, the economy is expected to continue to grow at a moderate pace, striking a balance between inflation control and growth. As we reported in our trading update for the first half of the year, the United States has repeatedly increased or changed import tariffs on certain IT components and accessories, particularly for goods originating in China, in the first few months of the current fiscal year. This also extends to computer input devices and thus affects Cherry's core product portfolio.

Group Performance in the third quarter

The third quarter of 2025 presented a mixed picture for Cherry SE, but also contained some promising elements. The Group generated consolidated revenue of EUR 24.7 million (Q3/2024: EUR 22.6 million) and an adjusted EBITDA margin of -10.6% (Q3/2024: -13.7%). The Group improved its revenue and adjusted EBITDA figures, but fell short of its own internal expectations. At 37.9%, gross margin I (GPI margin) is below the previous year's level of 47.1%, which is primarily due to ongoing efforts to adjust inventories across the entire distribution channel, which are having a negative impact on margins. The lower margin is largely offset by significantly lower operating costs (EUR 10.5 million in the third quarter of 2025 compared to EUR 12.9 million in the same quarter of the previous year), underscoring the Group's efforts to reduce its cost base. While the Group's adjusted EBITDA margin of -10.6% was above the prior-year figure of -13.7%, the company had expected a low single-digit decline in EBITDA margin.

The company remains fully focused on liquidity management and proactive debt collection for the group. In the third quarter, inventories were successfully reduced to EUR 37.8 million, compared to EUR 43.1 million at the end of the second quarter and EUR 53.7 million at the beginning of 2025. Working capital decreased by EUR 6.2 million to EUR 31.8 million in the third quarter. As a result, the Group's cash position at the end of the third quarter was EUR 7.5 million, only EUR 0.3 million below the corresponding figure for the second quarter.

Segment Performance for the nine months ending September 30th, 2025

The **Gaming & Office Peripherals** segment is highly dependent on the economic environment of its home market in Germany. In addition, the segment is strongly affected by efforts to reduce inventories throughout the distribution chain in both Europe and the US. This has two effects on the segment: First, sales growth is hampered by high inventories and the resulting returns. Second, margins are reduced by the reduction of inventories at lower prices. Over the past nine months, a number of important changes have been implemented to achieve a successful turnaround in the Gaming & Office Peripherals segment and thus restore the segment's competitiveness. The following measures have been taken:

1. Focus shift from Sell-in to Sell-out: Even though revenue is generated through sales to Cherry's customers, the distributors, the focus is now primarily on selling our products to the distributors' customers. To achieve this, Cherry has fundamentally restructured its European sales landscape and has transitioned from a traditional, sell-in-oriented multi-partner model to a focused preferred distribution model. The number of direct sales partners will be reduced from 18 to two regional clusters:

- a preferred distributor for the DACH region (Germany, Switzerland, Austria) and the associated product portfolio, for which a distribution contract has been signed and
- a global broadband distributor that will cover the EU market and the associated product portfolio, with whom discussions are at an advanced stage.

Regional indirect value-add distribution partners will support this strategy to ensure specialization based on regional market needs. This transition enables end-to-end commercial and logistical control, creates clear responsibilities for sales, and aligns pricing and inventory management across all regions. The goal is for these distributors to assume full commercial responsibility for channel activities, order fulfillment, and inventory management for all Cherry layouts, thereby eliminating channel conflicts, simplifying supply chain processes, and enabling targeted market development through value-added resellers and retailers.

Cherry has initiated a gradual transition from a sell-in to a sell-through-oriented operating model with the aim of aligning incentives, KPIs, and reporting structures with actual market performance. While implementation is still ongoing, initial pilot projects are already showing improved transparency in sales channel inventory, investment control, product pricing, and forecasting alignment to better respond to actual market demand. Full rollout across Europe will take place as part of the next phase of transformation.

2. Consequent reduction of inventory levels, both in-house and in the channels. As a positive result of this measure we see a significant upscale of our market prices, higher demand generation with our partners, market share gains according to GfK and a shift on our assortment towards mid-price and high-price product levels.
3. Lastly, the restructuring of the Company's Auerbach site is ongoing and, to date, delivered approximately EUR 4.8 million in savings.

In the 9 months ending September 30, 2025, the Gaming & Office Peripherals segment recorded revenues of EUR 50.3 million, a decline of 10.8% compared to 2024 (EUR 56.4 million). Due to the negative margin impacts described above, gross profit II margin (GP II margin), at 21.1%, is materially lower than in the same period in 2024 (30.3%). Benefitting from the fact that restructuring efforts are starting to bear fruit, operating expenses came in EUR 1.8 million lower than in the same period in 2024 (EUR 13.9 million vs. EUR 15.7 million). The impact of lower margins could only be partially offset by lower costs, resulting in an adjusted EBITDA margin of 0.4% compared to 6.7% in the first 9 months of 2024.

As to regional performance, the above-mentioned macro-economic circumstances were instrumental in driving growth in China to the tune of 4.5%, and declines of -17.1% in Europe and -16.1% in the Americas.

In the 9 months ending September 30, 2025, the **Digital Health & Solutions** segment achieved consolidated revenues of EUR 16.5 million, down EUR 6.1 million from the same period in 2024 (9M/2024: EUR 22.6 million). Adjusted EBITDA amounted to EUR 11.6 million (9M/2024: EUR 8.5 million), corresponding to an adjusted EBITDA margin of 70.3% (9M/2024: 37.7%).

However, these results cannot be regarded without taking into account the fact that the 2024 financials include the results of the Active Key business, which was sold to the Danish peripheral device manufacturer Contour Design Nordic A/S in the first half of 2025. On a like-for-like basis, Digital Health & Solutions recorded EUR 16.8 million of revenues, against EUR 17.8 million in the same period of 2024, representing a decline of 5.2%. This decline is largely attributable to supply constraints limiting the production of terminal units, which is expected to hit record levels in the course of the fourth quarter. Similarly, on a comparable basis, GP II margin declined from 52.6% a year earlier to 44.6% for the nine months ending September 30, 2025. This is largely due to an increase in material costs, and ramping up production capacity for terminals. Investments in, mainly, research & development costs drove the adjusted EBITDA margin to a level of 25.3%, down from 37.3% a year earlier.

As announced on August 12, 2025, Cherry Digital Health received Provider Approval for the TI Messenger, an important milestone. The Cherry TI Messenger enables secure, GDPR-compliant, Gematik-approved, and cross-sector communication in the healthcare sector. Medical professionals can now communicate in real time, exchange findings and ask questions about medications — all via a single, user-friendly platform that can be used on both computers and smartphones. This allows flexible, device-independent use, significantly simplifying communication in healthcare.

The Security Business developed very positively and grew year-on-year by EUR 0.9 million to EUR 4.7 million.

The **Components** segment continued to face challenges. Segment revenue amounted to EUR 6.5 million (9M/2024: EUR 9.1 million), of which, around EUR 2.6 million (9M/2024: EUR 3.9 million) was attributable to intra-group revenue. At EUR -4.0 million adjusted EBITDA was EUR 4.0 million below the previous year's level (9M/2024: EUR 0.0 million), corresponding to an adjusted EBITDA margin of -61.7% (9M/2024: 0.1%).

The decline in the Components segment is further testimony of the decision to discontinue manufacturing in Auerbach, outsourcing switch production to China, and reorganizing the Auerbach site to a logistics center. Restructuring costs and relocation costs, to a large extent, drive the negative EBITDA performance of the segment.

The columns listed in the following table refer to the period from January 1 to September 30 of the specified fiscal year.

€ million/ as reported	COMPONENTS			GAMING & OFFICE PERIPHERALS			DIGITAL HEALTH & SOLUTIONS			CORPORATE & CONSOLIDATIONS			GROUP		
	2025	2024	Change	2025	2024	Change	2025	2024	Change	2025	2024	Change	2025	2024	Change
Segment revenue	6.5	9.1	-28.6%	50.3	56.4	-10.8%	16.5	22.6	-27.0%	-2.6	-3.9	33.3%	70.7	84.2	-16.0%
External revenue	3.9	5.2	-25.0%	50.3	56.4	-10.8%	16.5	22.6	-27.0%	0.0	0.0	0.0%	70.7	84.2	-16.0%
Intragroup revenue	2.6	3.9	-33.3%	0.0	0.0	0.0%	0.0	0.0	0.0%	-2.6	-3.9	33.3%	0.0	0.0	0.0%
Gross profit I (GPI)	2.3	4.0	-43.0%	16.7	23.5	-28.9%	8.7	14.0	-37.8%	0.6	0.0	> 1000%	27.1	41.5	-34.8%
Gross profit I margin (GPI margin)	35.2%	44.5%	-9.3 pp	33.1%	41.7%	-8.6 pp	52.9%	61.8%	-8.9 pp	N/A	N/A	N/A	38.3%	49.3%	-11.0 pp
Gross profit II (GPII)	-3.2	-0.1	> -1000%	10.6	17.1	-38.0%	6.5	11.7	-44.4%	-0.6	0.0	> -1000%	13.3	28.7	-53.7%
Gross profit II margin (GPII margin)	-50.0%	-1.4%	-48.6 pp	21.1%	30.3%	-9.2 pp	39.6%	51.7%	-12.1 pp	N/A	N/A	N/A	18.8%	34.1%	-15.3 pp
EBITDA (adjusted) ¹	-4.0	0.0	> -1000%	0.2	3.8	-94.7%	11.6	8.5	36.5%	-12.7	-13.0	2.3%	-4.9	-0.7	-600.0%
EBITDA margin (adjusted) ¹	-61.7%	0.1%	-61.8 pp	0.4%	6.7%	-6.3 pp	70.3%	37.7%	32.6 pp	N/A	N/A	N/A	-6.9%	-0.8%	-6.1 pp
EBIT (adjusted) ¹	-4.1	-1.2	-241.7%	-1.2	1.4	-185.7%	10.2	6.8	50.0%	-13.3	-13.7	2.9%	-8.3	-6.6	-25.8%
EBIT margin (adjusted) ¹	-63.0%	-13.2%	-49.8 pp	-2.5%	2.5%	-5.0 pp	62.0%	30.2%	31.8 pp	N/A	N/A	N/A	-11.8%	-7.9%	-3.9 pp

¹ Adjusted for non-budgeted one-time and/or non-operating items.

Notes:

- Unless otherwise stated, the effects on the income statement and cash flow described below refer to the first nine months of the current fiscal year, while the comparative figures refer to the same period of the previous fiscal year (previous year).
- Unless otherwise stated, the effects on the balance sheet described below refer to the balance sheet date of September 30, 2025, or to the change in the first nine months of the current fiscal year. The comparative figures refer to the 2024 annual financial statements (previous year; balance sheet date December 31, 2024).
- Due to the different presentation of units in the report, minor rounding differences may occur when adding up individual values or when presenting deviations between the comparative figures.

EXPLANATORY NOTES TO THE INCOME STATEMENT

Consolidated revenue in the first 9 months of the current fiscal year amounted to EUR 70.7 million, down 16.0% on the previous year (9M/2024: EUR 84.2 million). This is attributable to declining sales in all segments.

Gross profit I (GPI) from sales amounted to EUR 27.1 million (9M/2024: EUR 41.5 million), corresponding to a GPI margin of 38.3% (9M/2024: 49.3%). The decline compared to the first nine months of 2024 is primarily due to ongoing efforts to reduce inventories across the distribution channel, which is having a negative impact on margins.

Gross profit II (GPII) from sales amounted to EUR 13.3 million (9M/2024: EUR 28.7 million), while the GPII margin was 18.8% (9M/2024: 34.1%). The main reasons for the disproportionate decline compared to the GPI margin are the creation of provisions for severance payments in connection with the complete relocation of production (EUR 1.5 million) and the existing fixed cost structure, which has a greater impact on the GPII margin when sales are lower. In addition, depreciation and amortization from impairment tests in the current fiscal year in the amount of EUR 0.6 million weighed on the result.

Research and development costs amounted to EUR 8.5 million, up 58.3% on the previous year (9M/2024: EUR 5.4 million). The increase is mainly driven by the full write-down of the "SmartLink" project in the amount of around EUR 2.7 million. The project was discontinued as a result of changes in regulatory requirements by the German legislature with regard to the technical implementation of the solution. In addition, other special effects amounting to EUR 1.3 million, which mainly relate to write-downs of capitalized development costs as part of the impairment tests carried out (EUR 1.0 million), led to a further cost burden (9M/2024: EUR 0.0 million). Adjusted for special items, research and development costs were EUR 0.9 million lower than in the previous year.

Marketing and sales expenses amounted to EUR 18.4 million, slightly below the previous year's level (9M/2024: EUR 18.7 million). In the same period of the previous year, expenses were incurred in connection with the relaunch of the Cherry brand (EUR 0.3 million) and the optimization of the sales strategy (EUR 0.3 million), the elimination of which led to a reduction in costs compared to the previous year. In the current fiscal year, write-downs of EUR 2.2 million of the brand due to the impairment tests performed during the current fiscal year had an impact. Adjusted for the respective special effects, marketing and sales costs fell by EUR 1.9 million compared to the previous year, mainly due to the implementation of cost-cutting measures.

Administrative expenses decreased by 15.4% to EUR 11.5 million compared to the previous year (9M/2024: EUR 13.6 million). This includes non-operating special items amounting to around EUR 1.4 million (9M/2024: EUR 0.8 million), which mainly relate to consulting services in connection with the restructuring. Adjusted for the respective special effects, administrative expenses fell by EUR 2.7 million compared with the previous year, mainly due to active cost management and the positive effects of the restructuring program that has been initiated.

Other operating income amounted to EUR 5.5 million (9M/2024: EUR -0.3 million). The year-on-year increase is primarily attributable to the net income generated in May 2025 from the sale of the Active Key business, which had a positive impact on earnings of EUR 5.7 million.

EBITDA amounted to EUR -9.7 million (9M/2024: EUR -3.4 million). Adjusted EBITDA amounted to EUR -4.9 million (9M/2024: EUR -0.7 million).

The financial result, which was mainly driven by interest payments, amounted to EUR -1.9 million, which was in line with the same quarter of the previous year (9M/2024: EUR -1.9 million).

The net loss for the year as of September 30, 2025, amounted to EUR -20.4 million (9M/2024: EUR -13.8 million).

Impairment tests were performed on non-current intangible assets, property, plant, and equipment, and right-of-use assets on March 31, 2025, June 30, 2025, and September 30, 2025, as required. The reason for this was the business developments in the first 9 months of fiscal year 2025 and the planned restructuring measures. The impairment test as of March 31, 2025 resulted in impairments on intangible assets totaling EUR 1,349k, on property, plant, and equipment totaling EUR 20k, and on rights of use totaling EUR 10k. The impairment test as of June 30, 2025 resulted in impairment losses on intangible assets totaling EUR 1,064k, on property, plant and equipment totaling EUR 115k, and on rights of use totaling EUR 8k. The impairment test as of September 30, 2025 resulted in impairment losses on intangible assets totaling EUR 781k and on property, plant, and equipment totaling EUR 436k. As a result, impairment losses of EUR 3,784k were recognized in the current fiscal year 2025 as part of the impairment tests, of which EUR 1,696k relate to the cash-generating unit (CGU) Components and EUR 2,088k to the CGU Gaming Devices.

RECONCILIATION TO ALTERNATIVE PERFORMANCE MEASURES (ESMA)

The following table shows the reconciliation of EBIT, EBITDA, adjusted EBIT, and adjusted EBITDA to the company's consolidated profit/loss for the first 9 months of fiscal year 2025:

€ thousand	Jan. 1- Sept. 30, 2025	Jan. 1- Sept. 30, 2024
Group net loss	-20,371	-13,802
- Taxes	-1,169	2,573
- Financial result	1,917	1,916
EBIT	-19,623	-9,313
+/- Exceptional personnel expenses	-	92
+/- Impairment losses on inventories	-	544
+/- Other non-recurring exceptional items	4,796	2,061
+/- Impairment losses on intangible assets, property, plant and equipment and right-of-use assets	6,484	-
Adjusted EBIT¹	-8,343	-6,616
+ Depreciation and amortization ²	3,457	5,908
Adjusted EBITDA¹	-4,886	-708
EBIT	-19,623	-9,313
+ Depreciation, amortization and impairment losses ²	9,941	5,908
EBITDA	-9,682	-3,405

¹ Adjusted for non-budgeted one-time and/or non-operating items.

² Excluding write-downs on financial assets in the amount of EUR 91 thousand (2025) | Including write-ups on current assets in the amount of EUR 353 thousand (2024).

EXPLANATORY NOTES IN THE FINANCIAL POSITION AND CASH FLOWS

Total assets as of September 30, 2025 amounted to EUR 130.2 million, representing a decrease of 22.5% in the first 9 months of 2025 (December 31, 2024: EUR 168.1 million).

Current assets decreased by EUR 28.0 million to EUR 65.8 million (December 31, 2024: EUR 93.8 million). Bank balances decreased by EUR 8.9 million to EUR 7.5 million (December 31, 2024: EUR 16.4 million). Current trade receivables also decreased by EUR 4.2 million from EUR 20.1 million to EUR 15.8 million compared to December 31, 2024. The main reasons for this are lower sales in the reporting quarter and consistent working capital and receivables management as part of intensified liquidity management. Inventories were reduced by a total of EUR 15.8 million to EUR 37.8 million (December 31, 2024: EUR 53.7 million) through targeted inventory reduction measures and the disposal of inventories from the hygiene business in the course of the sale of this business segment in the amount of EUR 3.8 million. This was offset by an increase in financial assets to EUR 1.7 million (December 31, 2024: EUR 0.0 million), which is mainly attributable to the current portion of the outstanding purchase price receivables from Contour Design Nordic A/S in connection with the sale of the hygiene business.

Non-current assets decreased by EUR 10.0 million to EUR 64.3 million (December 31, 2024: EUR 74.3 million). This decline is attributable, on the one hand, to impairments in the context of ad hoc impairment tests with a total effect of EUR 3.8 million. On the other hand, it resulted from impairments on discontinued development projects amounting to EUR 2.7 million, the derecognition of goodwill attributable to the original Active Key business amounting to EUR 3.1 million, and other non-current assets disposed of in this context as a result of the sale of the hygiene business in the first half of the current fiscal year. Conversely, this item includes the non-current portion of the outstanding purchase price receivable from the aforementioned sale in the amount of EUR 1.2 million (December 31, 2024: EUR 0.0 million). The remaining decrease is mainly attributable to scheduled depreciation.

Current liabilities decreased by EUR 10.6 million to EUR 33.0 million (December 31, 2024: EUR 43.7 million), driven primarily by a reduction in current trade payables of EUR 11.0 million to EUR 13.3 million (December 31, 2024: EUR 24.3 million) due to the settlement of supplier invoices due. In contrast, other current non-financial liabilities increased by EUR 1.6 million to EUR 4.8 million (December 31, 2024: EUR 3.2 million), mainly due to outstanding provisions for socially acceptable staff reductions as part of the ongoing restructuring in the amount of EUR 1.3 million.

Non-current liabilities decreased by approximately EUR 6.1 million to EUR 40.8 million (December 31, 2024: EUR 47.0 million), mainly due to a decline in non-current lease liabilities and deferred tax liabilities. In addition, the repayment of EUR 1.0 million to UniCredit Bank GmbH in June 2025 led to a decrease in non-current financial liabilities compared with December 31, 2024.

Balance sheet equity decreased by EUR 21.2 million to EUR 56.3 million (December 31, 2024: EUR 77.5 million). This was mainly due to the net loss for the year of EUR -20.4 million and currency effects of EUR -1.1 million recognized in other comprehensive income. This was slightly offset by the effect of share-based payments of EUR 0.3 million.

Cash flow from operating activities in the first 9 months of fiscal year 2025 amounted to EUR -12.4 million (9M/2024: EUR -8.0 million) and is mainly driven by negative EBITDA of EUR -9.7 million, which includes a cash-generating but non-operating gain on disposal of EUR 5.7 million. Excluding this effect, EBITDA amounted to EUR -15.4 million, which had a significant negative impact on cash flow from operating activities. Conversely, the decline in working capital of EUR 8.4 million had a positive effect on operating cash flow.

Cash flow from investing activities amounted to EUR 7.6 million, exceeding the previous year's level (Q9/2024: EUR -6.0 million). This development is mainly attributable to the purchase price payment of EUR 10.4 million already received by the reporting date for the sale of the hygiene peripheral equipment business to Contour Design Nordic A/S.

Cash flow from financing activities amounted to EUR -3.8 million, which was EUR 19.9 million above the previous year's level (9M/2024: EUR -23.7 million). This development is mainly attributable to the fact that a repayment of EUR 20.0 million was made to UniCredit Bank GmbH in the comparative period, while only EUR 1.0 million was repaid in the current year.

OUTLOOK REPORT

The group confirms its guidance for revenue for FY 2025 in the range of EUR 100 – 115 million, albeit towards the lower end of the range. Due to ongoing margin pressure, largely attributable to the continuous clearing of excess inventories and the competitive environment in the components segment, and lower sales in the Digital Health Segment, the group expects a negative adjusted EBITDA margin in the high single digits. While a material uncertainty regarding the company's ability to continue as a going concern continues to exist, the Management Board reiterates that the company's restructuring measures are proving effective, albeit slowly, and therefore assumes that the company will continue as a going concern.

EVENTS AFTER THE END OF THE REPORTING PERIOD

On October 23, 2025, Cherry SE, its US subsidiary Cherry Americas LLC, and Cherry Europe GmbH entered into agreements with Argand Partners, LP and certain of its affiliates (collectively, "Argand") to improve the Cherry Group's liquidity situation. Argand holds more than 30% of the share capital of Cherry SE and, due to the significant influence associated with this, was a related party to the company within the meaning of Section 111a of the German Stock Corporation Act (AktG).

Specifically, Cherry SE and Argand have entered into the following agreements:

Under a receivables purchase agreement, Argand is acquiring two intra-group loan receivables of Cherry SE from Cherry Americas LLC and Cherry Europe GmbH at a total nominal value of EUR 1.5 million. The associated repayment agreement stipulates that a first tranche of EUR 0.5 million will be due no later than the end of March 2026 and the remaining loan amount at the end of 2027.

Cherry SE is also selling its 1,100,284 treasury shares to Argand at the current market price. Based on the 10-day volume-weighted average price (VWAP), this will result in a further cash inflow of around EUR 680,000 for Cherry SE.

As part of a financing commitment, Argand also undertakes to provide the company with additional funds amounting to EUR 3.5 million. If Cherry makes use of these funds, Cherry Americas LLC and Argand will conclude a purchase agreement for certain inventory of the US subsidiary at a purchase price of EUR 3.5 million, which corresponds to the market value of that inventory. Under the purchase agreement, Cherry Americas LLC will continue to store the inventory for a period of 15 months and market it as a selling agent on behalf of Argand.

On November 6, 2025, the German Bundestag decided to postpone the TI connection deadline for around 90,000 healthcare service providers and medical device manufacturers from January 2026 to October 2027. This has a direct impact on Cherry Digital Health and all companies that have met the legal requirements, developed the relevant products, and already started production for market launch in fall 2025. We are currently reviewing the consequences of this decision in order to partially offset the expected losses through additional promotional measures and, in the best case, to compensate for them. Our forecasts for the fourth quarter of 2025 included significant growth for Cherry Digital Health, which is now undoubtedly at risk.

After the end of the reporting period, the auditor appointed by the Annual General Meeting declined to accept the engagement for the audit of the 2025 annual and consolidated financial statements. The Supervisory Board has initiated the process for appointing a new auditor. The potential effects on the timing and process of preparing the 2025 annual and consolidated financial statements are currently being analyzed.

Furthermore, no events of particular significance to the net assets, financial position, and results of operations occurred after the end of the third quarter of 2025.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the period from January 1, 2025 to September 30, 2025 (IFRS/unaudited)

€ thousand	July 1 to Sept. 30, 2025	July 1 to Sept. 30, 2024	Jan. 1 to Sept. 30, 2025	Jan. 1 to Sept. 30, 2024
Revenue	24,660	22,636	70,658	84,196
Cost of sales	-19,877	-14,869	-57,381	-55,510
Gross profit	4,783	7,767	13,277	28,686
Marketing and selling expenses	-5,483	-6,342	-18,413	-18,727
Research and development expenses	-1,753	-1,715	-8,517	-5,381
Administrative expenses	-3,297	-4,904	-11,460	-13,554
Other operating income	441	104	6,921	760
Other operating expenses	-195	-904	-1,431	-1,097
Operating result before interest and taxes (EBIT)	-5,503	-5,996	-19,623	-9,313
Financial result	-639	-632	-1,917	-1,916
Earnings before taxes (EBT)	-6,142	-6,628	-21,540	-11,229
Income taxes	188	-573	1,169	-2,573
Group net loss	-5,954	-7,201	-20,371	-13,802
Undiluted (basic) earnings per share (in EUR)	-0.26	-0.31	-0.88	-0.60
Diluted earnings per share (in EUR)	-0.26	-0.31	-0.88	-0.60

Income and expenses not recognized through profit or loss

€ thousand	July 1 to Sept. 30, 2025	July 1 to Sept. 30, 2024	Jan. 1 to Sept. 30, 2025	Jan. 1 to Sept. 30, 2024
Other comprehensive income that will be reclassified subsequently to profit or loss	-132	-293	-1,121	-50
Foreign currency translation of financial statements of foreign entities	-132	-293	-1,121	-50
Other comprehensive income that will not be reclassified subsequently to profit or loss	-	-	-	-
Actuarial gains and losses	-	-	-	-
Other changes	-	-	-	-
Income and expenses not recognized through profit or loss	-132	-293	-1,121	-50
Total comprehensive income for year	-6,086	-7,494	-21,492	-13,852

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of September 30, 2025 (IFRS/unaudited)

ASSETS

€ thousand	Sept.30, 2025	Dec. 31, 2024
NON-CURRENT ASSETS		
Intangible assets	53,262	62,641
Property, plant and equipment	3,207	3,944
Right-of-use assets	3,312	4,072
Financial assets	1,185	87
Other non-financial assets	47	31
Deferred taxes	3,316	3,523
Total non-current assets	64,329	74,298
CURRENT ASSETS		
Inventories	37,849	53,689
Trade receivables	15,843	20,059
Current income tax receivables	535	399
Financial assets	1,714	-
Other non-financial assets	2,367	3,325
Cash and cash equivalents	7,533	16,370
Total current assets	65,841	93,842
Total assets	130,170	168,140

EQUITY AND LIABILITIES

€ thousand	Sept.30, 2025	Dec. 31, 2024
EQUITY		
Subscribed capital	23,190	23,190
Capital reserves	257,829	257,557
Accumulated deficit	-226,718	-206,347
Accumulated other comprehensive income	1,995	3,116
Total equity	56,296	77,516
NON-CURRENT LIABILITIES		
Pension provisions	178	178
Other provisions	666	784
Financial debt	23,788	24,975
Lease liabilities	9,158	11,917
Other non-financial liabilities	78	85
Deferred tax liabilities	6,977	9,034
Total non-current liabilities	40,845	46,973
CURRENT LIABILITIES		
Other provisions	429	789
Financial debt	1,924	1,377
Lease liabilities	4,341	5,053
Trade payables	13,274	24,339
Current income tax liabilities	626	822
Other financial liabilities	7,632	8,058
Other non-financial liabilities	4,803	3,213
Total current liabilities	33,029	43,651
Total equities and liabilities	130,170	168,140

CONSOLIDATED STATEMENT OF CASH FLOWS

For the period from January 1, 2025 to September 30, 2025 (IFRS/unaudited)

€ thousand	July 1 - Sept. 30, 2025	July 1 - Sept. 30, 2024	Jan. 1 - Sept. 30, 2025	Jan. 1 - Sept. 30, 2024
Net loss for the year	-5,954	-7,201	-20,371	-13,802
Depreciation, amortization and impairment losses (+) / reversals thereof (-) on fixed assets	2,257	2,193	10,032	6,261
Increase (+) / decrease (-) in provisions	28	65	-479	181
Other non-cash expenses (+) / income (-)	186	231	-6,186	820
Gains (-) / losses (+) on disposal of fixed assets	-388	7	-387	5
Increase (-) / decrease (+) in inventories, trade receivables and other assets	4,671	170	18,696	-203
Increase (+) decrease (-) in trade payables and other liabilities	754	2,186	-11,531	-3,332
Interest expenses (+) / interest income (-)	639	632	1,826	1,916
Interest paid (-)	-377	-1,289	-1,753	-1,911
Interest received (+)	-	6	1	390
Tax expense (+) / tax income (-)	-188	574	-1,169	2,573
Income tax paid (+/-)	-352	-196	-1,033	-866
Cash flows from operating activities	1,277	-2,622	-12,354	-7,968
Cash received (+) from disposals of property, plant and equipment	399	3	399	6
Cash paid (-) for investments in property, plant and equipment	-399	-951	-853	-1,869
Cash paid (-) for investments in intangible assets	-726	-1,623	-2,339	-3,433
Cash paid (-) for the purchase of consolidated companies	-	-729	-	-729
Cash received (+) from sale of an operational unit	-	-	10,350	-
Cash flows from investing activities	-726	-3,300	7,558	-6,025
Cash paid (-) for other non-current financial debt (IFRS 16 Leases)	-1,000	-1,106	-3,235	-3,476
Cash paid (-) for repayment of (financial) debt	-28	-106	-1,382	-20,229
Cash received (+) from (financial) debt raised	146	-	784	-
Cash flows from financing activities	-882	-1,212	-3,833	-23,705
Cash-relevant change in cash funds	-331	-7,134	-8,628	-37,698
Changes in cash and cash equivalents due to changes in exchange rates, scope of consolidation, and valuation	6	-76	-208	-28
Cash funds at beginning of year	7,857	15,567	16,370	46,083
Cash funds at end of year	7,533	8,357	7,533	8,357

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period from January 1, 2025 to September 30, 2025 (IFRS/unaudited)

€ thousand	Subscribed capital	Capital reserves	Accumulated deficit / unappropriated profit	Accumulated other comprehensive income Foreign currency translation of financial statements of foreign entities	Accumulated other comprehensive income Actuarial gains and losses	Total equity
January 1, 2024	23,190	257,324	-160,894	2,391	98	122,109
Group net loss	-	-	-13,802	-	-	-13,802
Foreign currency translation of financial statements of foreign entities	-	-	-	-50	-	-50
Other comprehensive income	-	-	-	-50	-	-50
Total comprehensive income	-	-	-13,802	-50	-	-13,852
Impact of share-based payments	-	571	-	-	-	571
September 30, 2024	23,190	257,895	-174,695	2,342	98	108,829
January 1, 2025	23,190	257,557	-206,347	3,015	101	77,516
Group net loss	-	-	-20,371	-	-	-20,371
Foreign currency translation of financial statements of foreign entities	-	-	-	-1,121	-	-1,121
Other comprehensive income	-	-	-	-1,121	-	-1,121
Total comprehensive income	-	-	-20,371	-1,121	-	-21,492
Impact of share-based payments	-	272	-	-	-	272
September 30, 2025	23,190	257,829	-226,718	1,894	101	56,296

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