Cinnober®
Straight-Through Passion

ANNUAL REPORT 2015

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Cover photo - Sydney, Australia

In February 2015, the Australian Securities Exchange (ASX), one of the world's ten largest exchanges, announced that it chose Cinnober as the supplier of a new trading system.

The deal means that Cinnober's technology will replace the exchange's two existing equity and derivative systems with a single solution for managing all traded asset classes and a number of different currencies. The project proceeded according to plan during the year and production is planned to begin in 2016.

The World Economic Forum ranks Australia fifth of the world-leading capital markets. The national stock market is the second largest and the derivatives market is the largest in the Asia Pacific region.

This annual report has been prepared in Swedish and translated into English. In the event of any discrepancies between the Swedish and the translation, the former shall have precedence.

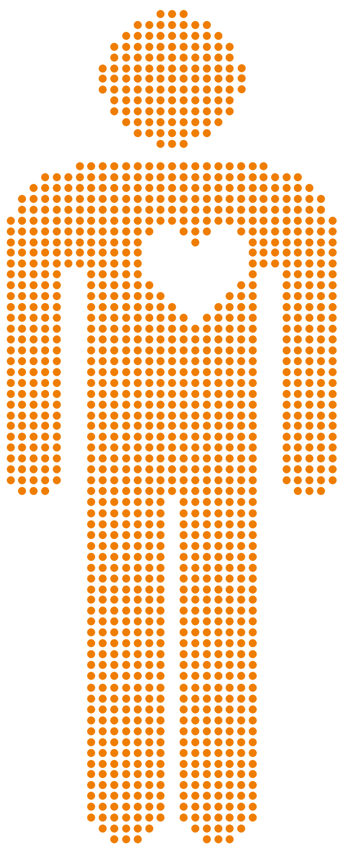

Euronext, Paris, France

CINNOBER AT A GLANCE

Cinnober is a world-leading independent supplier of financial technology. The company is active in a global market with customers representing some of the world's foremost financial players. This sets rigorous demands on quality and performance. The priorities include ensuring that the customers remain one step ahead of their competitors at all times, through constant innovation and development.

Cinnober's business concept is to offer business-critical and in some cases tailor-made system solutions and services for exchanges and clearinghouses, where the requirements on reliability and quality are high. The company is a leading player in the market and strives to continue being a market leader by developing innovative, competitive and high-quality solutions that facilitate the creation of new marketplaces and business opportunities for the company's customers.

The ambition is to broaden the customer base and offer banks and brokers niched service solutions, which are also based on the company's in-depth technical know-how. In addition to this, Cinnober also offers operations services to all target groups on a subscription basis. The product portfolio includes systems for price discovery, order matching, market data, index calculations, clearing, risk management and market surveillance.



Cinnober's ambition is to create shareholder value through growth, higher profitability and a stronger cash flow. The company's business cycle consists of three phases with long lead times. Profitability is highly dependent on the phase which customer projects have reached.

In phase one, the sales phase, customer relationships are cultivated in activities that generate costs charged to the income statement. In phase two, the project phase, the technology is customized and implemented. These kinds of project revenues accounted for 39% of sales in 2015. In phase three, the operating phase, Cinnober provides support and maintenance of the system solution. In addition, further development takes place based on customer-specific needs. This phase includes recurring license, operations and support revenues with generally higher margins.

Cinnober's recurring revenues continue to be high and accounted for 61% of sales in 2015. The company's profitability is affected by the business mix, but for Cinnober, project efficiency, product functionality as well as effective tools and scalability are also important elements for continued profitable growth. The company's operating profit amounted to SEK 17.7 million in 2015. The business is characterized by long sales processes and customer relationships. The company's invoicing model means that the cash flow from the business generally fluctuates between individual quarters. In 2015, cash flow from operating activities was SEK 6.2 million.

17 SUCCESSFUL YEARS IN AN EVER-CHANGING MARKET

FAST2MARKET

PRODUCT-BASED & CUSTOMIZED

TRADEXPRESS FOR BUSINESS-CRITICAL SOLUTIONS

EXTREMELY FAST SYSTEMS

DISRUPTIVE TECHNOLOGIES

REAL TIME SOLUTIONS

BLOCK CHAIN

NEW REGULATIONS GENERATE NEW OPPORTUNITIES

G20 MANDAT

DODD FRANK USA	MIFID II EU	EMIR EU	MIFIR EU	BASEL III EU

= TECHNOLOGY NEEDS
(MORE ON-EXCHANGE AND CLEARING)

QUALITY & **100%** UP-TIME

CINNOBER LIVES THROUGH DIVERSITY

+30 NATIONALITIES AT CINNOBER

OFTEN SUPPLIES THE HEART OF THE CUSTOMER'S OPERATIONS

WITHOUT SYSTEMS, NO EXCHANGE OR CLEARINGHOUSE

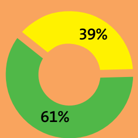
1 FROM DAY ONE, DEVELOPED FOR MULTI-ASSET AND CUSTOMIZATION

WORLD CLASS SWEDISH FINTECH COMPANY

DISTRIBUTION OF REVENUES IN 2015

PROJECT-RELATED

RECURRING



EXCHANGES AND CLEARINGHOUSES

- AUSTRALIAN SECURITIES EXCHANGE
- BM&FBOVESPA
- CRYEX
- DUBAI GOLD & COM. EXCHANGE
- EURONEXT
- JAPAN EXCHANGE GROUP
- JOHANNESBURG STOCK EXCHANGE
- LONDON METAL EXCHANGE
- NYSE
- STOCK EXCHANGE OF THAILAND

BANKS

- GOLDMAN SACHS
- BARCLAYS
- BNP PARIBAS

STOCKHOLM	UMEÅ	LONDON	NEW YORK
179	60	10	3
EST 1998	EST 2012	EST 2011	EST 2001

A WORD FROM THE CEO

The positive signals in the market have grown increasingly evident over the past year. As a leading player in the market for exchange technology, we are now seeing how the implementation of our solutions has again gained speed. Regulations, greater risk awareness and greater competition drove the customers' willingness to invest during the year.

The results of our commitment in developing competitive, innovative solutions and our leading position are again beginning to be apparent in the results. In 2015, net sales amounted to SEK 300.5 million, an increase of 11% compared with the 2014 calendar year. Growth in the second half of the year was significantly stronger than in the first, with an increase of 27% compared with the corresponding period in the previous year, which reflects the positive trend we see in the financial actors' willingness to invest. The foremost drivers of the year's growth were a good influx of new customers and projects, which in turn also results in stable recurring license and support revenues. In the second half of the year, especially the extensive trading project with the Australian exchange, ASX, contributed to the increase in sales. We achieved an operating profit of SEK 17.7 million, which corresponds to an operating margin of 5.9%. The improvement in earnings in the second half of the year reflects the flexibility that allows us to rapidly shift from self-driven product development to customer-driven projects depending on the business situation. We have continuous focus on long-term improvements to sales growth and profitability.

Cinnober has extensive experience and expertise in exchange and clearing technology. We use this to change and improve the finance industry, where new financial instruments and advanced electronic trading sets high requirements on the underlying systems. In 2015, we continued to strengthen our leading position in clearing solutions through competitive offerings that meet the market's high standards of reliability, quality and performance. A large design study was conducted at the end of the year on behalf of the Japan Exchange Group (JPX). A delivery agreement was signed in 2016. For us, this project is a large, key deal that strengthens our leading position in real-time clearing, where our technology will be used for the entire Japanese derivative market.

For several years, the implementation of new regulations for trading in the securities markets, especially in Europe, has progressed slowly. This uncertainty has negatively impacted the willingness to invest. In 2015, the regulations increasingly took shape and we noted clear signs that the willingness to invest thereby returned in Europe as well. The exchanges are facing a technical shift; it is a matter of future-proofing the systems and replacing the existing systems with more scalable solutions that can handle high transaction volumes and rapid business development. Our passion is further developing and modernizing the finance industry with technology. We do this by focusing on the customers, listening and offering solutions that can live up to both today's and tomorrow's requirements.

Besides investing in the existing target group, we expand our addressable market to also encompass banks and brokers. They have virtually the same technical needs as our traditional customers, and we offer the segment service deliveries in the areas of reporting and clearing.

In 2014, we invested in Boat, where we are correctly positioned with the MiFID II compatible reporting service when the new rules enter into effect on January 1, 2018. For us, it was an important decision when we chose to broaden our market towards banks and brokers with this platform, while maintaining a secure base in our existing product and service portfolios.

At the beginning of 2015, we also obtained partial financing of a development project in so-called client clearing. This project has the objective of adapting our risk and clearing system to the needs of European and international banks. The banks are facing challenges in this area, and we are convinced that our solution meets the new needs and provides major opportunities for efficiency gains, improved risk management and service development. Both reporting services and client clearing are assessed to have major potential, as the market is many times larger than our traditional market in exchange technology.

I am steadfast in my conviction that Cinnober's achievements in 2015 is the result of our technical expertise, our competitive offering and our curiosity and creativity. Cinnober is an agile knowledge company with innovation as a strong driving force. For me, it is important to hold on to our culture and our identity as Cinnober grows, and recruitment is therefore a strategic issue that I am investing time in. Our organization is driven by challenges – we are open-minded and do things our own way. An example of how we prioritize creativity and curiosity is our regularly recurring "ShipIt Days" where the employees have the opportunity to initiate and deliver projects all their own during a 24-hour hackathon. It is always inspiring to attend this event, when the office bubbles over even more than usual of curiosity and energy.

2016 has begun well and we see that there continues to be considerable interest in our solutions, along with a growing willingness to invest among the players in the financial ecoystem. I confidently look forward to yet another eventful year as the CEO of Cinnober.

April 2016

Veronica Augustsson
CEO

MARKET AND CUSTOMERS

Cinnober has the whole world as its field of operations. The company's innovative technical solutions for exchanges and clearinghouses have reaped considerable success for many years. With support of established specialist knowledge and technology, the goal is to broaden the company's customer base to include banks and major brokers.

The market for exchange technology is global in the true sense of the word and only consists of a few actors of which Cinnober is one. The company's customers include many of the world's largest exchanges and clearinghouses. Cinnober's technical solutions handle large amounts of transactions and market data in trading with various asset classes, such as equities, bonds, commodities and derivatives. The solutions the company offers cover the customers' primary needs, namely building secure and efficient marketplaces.

The customers are generally large established industry players, but also include smaller, specialized marketplaces. The competition between them, as well as new national regulations and authority requirements, require investments in new system solutions. Cinnober's solutions are often business-critical and themselves form the core of the customers' operations, which sets particularly high standards of performance, quality and functionality. With the base in the company's business know-how, Cinnober has built long-term relationships with the customers, enabling the development of adapted and value-creating solutions.

CUSTOMERS AROUND THE WORLD

Cinnober is the world leader in exchanges and clearinghouses, its traditional core segments.In a market geographically spread around the world, the company offers trading and clearing systems as well as supplementary solutions for e.g. market surveillance, the distribution of market data and index calculations.

The market for exchanges and clearinghouses comprises a hundred potential customers, where Cinnober primarily focuses on some 50 major players. The competitors in sales of exchange technology are primarily the exchange operator Nasdaq and MilleniumIT, which is a wholly-owned subsidiary of the London Stock Exchange.

For a few years, a decline in trading volumes on many exchanges contributed to negative growth and a consolidation of the market, which in turn also affected Cinnober. Thanks to Cinnober's competitive solutions, development has, however, remained positive. In recent years, the company has taken market shares, and there are signs of a generally greater willingness to invest among the market players.

INDEPENDENCE AND LONG-RANGE THINKING

In contrast to the company's largest competitors, Cinnober is an independent player without any ties to a specific exchange or other marketplace. This makes it easier for the customers to work with business development together with Cinnober. The company's strategy is based on long-term customer relationships and the perspective is significantly longer than the next quarter. Sales processes can take several years and relationships with customers often last for decades.

What Cinnober is associated with above all is the company's innovative ability and strength, however. New regulations, such as Dodd Frank in the U.S. and MiFID II in Europe, have arisen as a result of the deficiencies in the international financial markets and paved the way for interesting business opportunities for an agile player like Cinnober. The company has been a pioneer in terms of developing new and pioneering solutions based on changed needs in the market. Cinnober was affected favorably in the last wave of regulations and was able to expand strongly. The company is facing similar opportunities in the next few years when marketplaces and clearinghouses, as well as banks and brokers will need to invest in new technology.

CLEARING IN REAL TIME – A UNIQUE SERVICE

After the 2008 financial crisis, when the air ran out of the market and demands for tougher regulations were made, it was clear to Cinnober that the industry's existing clearing

technology was outdated and its time was past. The bearing idea when the company developed its successful offering in clearing was to enable real-time monitoring and management of risks, regardless of the instruments traded and regardless of whether they are traded within or outside regulated exchange operations.

Today, Cinnober is a globally leading system supplier of real-time clearing in an industry that is currently undergoing a paradigm shift. The company is very well positioned for this, as a key factor is future-proofing the systems and replacing the old with faster, more scalable solutions. Cinnober has carried out a number of large, successful production deployments at well-reputed industry actors, including British LME Clear, which launched Europe's most modern clearinghouse.

The Brazilian exchange BM&FBOVESPA, one of the customers that Cinnober has a long and close cooperation with, will integrate four clearinghouses to a joint technical platform. To date, Cinnober has delivered two of the four subsystems. The new scalable technical solution and the much more efficient handling of pledged collateral create major savings. Already after the first phase, more than SEK 90 billion is estimated to have been freed up in the Brazilian market.

The deal won with the Japan Exchange Group in 2016 to implement real-time clearing is another piece of evidence of the competitiveness of Cinnober's solutions and strengthens the company's leading position.

SEVERAL PRESTIGIOUS ASSIGNMENTS

An important prestigious order is the assignment with the Australian Security Exchange. The Australian exchange is one of the world's ten largest. The assignment is to replace the customer's two trading systems with planned production deployment in 2016.

Many of the company's existing customers have experienced impressive volume growth. Cinnober has a large trading and clearing assignment with the successful London Metal Exchange, owned by the world's largest exchange group Hong Kong Exchange. Other significant customers include the national exchange in Thailand and the Dubai Gold & Commodity Exchange, which have both had major success and grown with Cinnober's technology.

POTENTIAL IN BANKS AND BROKERS

Cinnober's strategy includes addressing more target groups and broadening the addressable market to include banks and brokers. The company does this by adapting and further developing its technology to the needs of the new segment.

With the acquisition of the reporting service Boat in 2014, another step was taken in this long-term strategic effort. Boat offers its customers – banks and brokers – to report OTC trades that take place outside the exchange, in accordance with the pan-European regulations MiFID I. Cinnober has provided the technology behind this service since the beginning of 2007, and through the acquisition it has created a solid foundation for cultivating this new segment.

In 2018, it will also be incumbent on the banks, under the new MiFID II regulations, to report all kinds of transactions made outside of exchanges. This includes trading in asset classes like derivatives, commodities and fixed income products. Cinnober's complete solution also takes this development into account and collaboration has been initiated with London Stock Exchange with the goal of building Europe's foremost one-stop-shop for reporting transactions.

Cinnober's long-term investment in the bank sector is benefited by the European Commission having chosen Cinnober to participate in a major financing program. The purpose is to promote innovation and the aim is to adapt Cinnober's real-time clearing technology to international banks' client clearing operations. The target group is banks that serve as intermediaries for players in the financial market and clearinghouses. They have a need to enhance the efficiency of the handling of risks and large flows of customer transactions in various asset classes, made on or off exchanges. Client clearing is expected to eventually become its own business area and the work of selling these services will be initiated in 2016.

The market for scalable and effective service solutions for banks and brokers is significantly larger than the market for exchanges and clearinghouses. The large business volumes that need to be reported and the new regulatory requirements create significant potential for Cinnober's technology.

STRATEGY

With a focus on growth, Cinnober's strategy is to increase the number of customers in existing markets and broaden the customer base in specific niche markets, where banks and brokers constitute key elements. The company's strategic priorities include improved profitability, where shorter lead times and more efficient processes are of central importance.

Cinnober is a software company whose assignment is to deliver solutions with world-class performance to demanding financial players. A strength in Cinnober's offering is that all products are based on the same technical platform, which forms the core of the business. The platform, called TRADExpress, is flexibly designed so that the delivery can be fully adapted to the customer's demands. This means that the company can offer solutions that support all kinds of trading, are cost-effective and create competitive advantages for the customer. Cinnober's technology handles all financial instruments traded in the same solution.

The company has three strategic priorities.

1. Developing the traditional market further
2. Broadening the customer base to new segments
3. Increasing the efficiency of the business

DEVELOPING THE TRADITIONAL MARKET FURTHER

The first of the company's strategic priorities is the further development of the customer base and customer relationships in the existing market, in other words trading and clearing. In this market, the strategy is to offer solutions that cover all or part of the customer's transaction chain. To be able to expand and develop the company's position, continued investments in the existing technology platform are necessary.

In both trading and clearing, there are considerable opportunities to broaden the business, to some extent geographically as well. Competition among the financial players in the market is growing, which among other things sets higher demands on more efficient, more reliable technology for transactions and risk management. The market is now undergoing a transformation where new technology is needed to meet the demand for performance and the handling of a large number of different kinds of financial instruments. Cinnober's ambition is to develop innovative, high-quality solutions that build on the customers' competitiveness and support them in this transformation.

FOCUS ON NEW CUSTOMER SEGMENTS

The second priority is to selectively offer existing technology to customers and markets that are new to the company. This strategy means that the company develops certain customer segments in certain specific markets. At present, relationships with banks and brokers are being cultivated, primarily with two kinds of offerings: reporting services and services for more efficient clearing and risk management. In these areas, Cinnober can offer unique solutions that meet the needs of the individual banks.

Through the subsidiary Boat, Cinnober is properly positioned in reporting services when the new MiFID II rules enter into effect on 1 January 2018. They will among other things force banks to also report OTC transactions for asset classes other than equities. New regulations are deemed to be positive for the offering to banks, and to meet future requirements, continuous investments are therefore being made in Boat's operations. Among other things, a partnership has been established with the London Stock Exchange regarding a comprehensive, shared reporting service based on the changed regulatory requirements.

INCREASING COMPETITIVENESS

The third strategic priority is to increase profitability and competitiveness by shortening lead times between order and delivery, increasing efficiency in the operations and optimizing the development work.

The company continuously evaluates the possibilities of more effectively using the tools and processes that exist to achieve scalability in them. This also includes continued development of staffing processes and project methodology for shortening the lead times.

Cinnober's operations consistently build on long-term customer relationships. The company's position among the existing customers is based on confidence created with the support of creativity, reliable solutions and customer focus. The technical platform has been gradually adapted to market demands and the company's strategic position in the market is strong, with only a few competitors.

To remain competitive, the company has adapted and developed its technology based on customer requirements, market trends, new regulations and its own innovative strength. The company has not capitalized the substantial expenses that have historically been incurred to develop the market-leading trading and real-time clearing systems that it currently offers to the market. In the past ten years, Cinnober has invested considerable resources in the development of the platform. This means that the technology is an important asset and a major competitive advantage. Cinnober owns all intellectual property rights to its proprietary systems. The extensive development work devoted to client clearing, which is planned to be ready soon for production deployment, is also a valuable asset.

Cinnober assesses that there are considerable barriers to entry in the market. New players face substantial initial investments in system development. Besides this, expertise, innovation, customer references and experience in delivering complex projects within given time frames are needed.

ENTERING A GROWTH PHASE

In 2015, Cinnober saw signs of greater market activity, at the same time that upcoming regulations of the financial sector affected the customers' need and demand for new technology. The assessment is that the need for advanced clearing and risk technology will also increase among banks and brokers and that this market is significantly larger than Cinnober's traditional market. Sales of these services will begin in 2016 and may eventually become a separate business area. The company is thereby expected to enter a growth phase with several exciting new cooperation projects under development. The ambition is to grow organically and the company currently sees no need for acquisitions.

EMPLOYEES AS A SUCCESS FACTOR

Cinnober is a knowledge center where people representing more than 30 different nationalities create innovation, entrepreneurship and curiosity in the financial industry's future challenges. It is strategically important to continue to be an attractive employer to keep and recruit the right talents demanded by the company's expected expansion.

BUSINESS MODEL

Cinnober's business model is characterized by a high degree of flexibility and interaction with the customers. The company's concept is a proprietary technical platform that can be adapted to the customers' requirements and shaped into a unique solution. Investments and customizations that are continuously made in the platform also provide positive leverage as they continuously improve the offering.

With almost two decades' experience as specialists in financial technology and suppliers to the finance industry, Cinnober has built up an extensive network in the industry. The company is active in a global market where the clients have good knowledge of various platform solutions and suppliers. Important factors for winning a new customer include the company's track record and customer references.

LONG CUSTOMER RELATIONSHIPS

Cinnober's business model is consistently based on long business relationships. The decision to invest in Cinnober's technology normally rests with the top management and the Board of the customers, since the systems procured are generally business-critical and long-term solutions that involve substantial investments. Major customers who purchase business-critical systems from Cinnober often demand that contracts include change-of-control clauses. At present, there are seven such clauses with different customers and with slightly varying wording. They are an indication of how important a partner Cinnober is considered to be.

The entire procurement process, including the selection of supplier, negotiations on software licenses and contracts on development, support and maintenance, can take more than a year. The long sales processes and the large projects lead to an initially costly process. The long-term revenue model, with recurring revenues, means that the margins are higher once projects have been delivered.

The project phase and subsequent deployment take place in close cooperation between Cinnober and the customer. A normal sized project phase lasts six to 12 months. Once the system has been approved by the customer, the cooperation enters an operational phase that generally lasts five or more years. In this operational phase, Cinnober is primarily responsible for support, maintenance and further development.

REVENUES FROM DIFFERENT SOURCES

Cinnober gets revenues from a number of different sources, such as system implementations, customizations, software licenses, support and maintenance, hosting, change requests and design studies. The size of the license fee varies depending on what applications are to be added to the platform, geographical coverage and expected transaction volumes.

In 2013, Cinnober changed its revenue model to enable a larger share of recurring revenues and a more stable revenue flow. This means that the license revenues are allocated to periods throughout the contract period instead of being recognized as income directly. In recent years, the company has thereby had a gradually increasing share of recurring license revenues, which creates good financial security and visibility.

The company's sales in 2015 consisted of recurring license, operations and support revenues (61%) and project-related revenues (39%). The revenues are relatively evenly distributed between clearing and trading. Clearing includes fewer internationally adopted standards and more complex projects and solutions, while trading is a more mature product area with lower development costs and a somewhat higher margin.

WORLD-CLASS TECHNICAL PLATFORM

Cinnober offers business-critical and, in many cases, tailor-made solutions and services where high demands are placed on reliability, security and performance.

In trading and clearing systems, Cinnober offers solutions that cover all significant needs to build secure and efficient marketplaces: pricing, order matching, clearing, risk management, market data, index calculation and market surveillance. The company's competitive concept is based on a proprietary technical platform called TRADExpress. The robust, scalable infrastructure provides positive leverage on the investments and customizations that are continuously made in the platform as they continuously improve the offering.

From the beginning, the platform's technical design is developed to be adapted to new needs and varying functionality. As an independent supplier, Cinnober has had the freedom to develop a technical platform that is flexible and adaptable, while many competitors originally built their systems based on a specific marketplace or a specific asset class. The fundamental flexibility in Cinnober's offering is a major strength in today's changing world and means that the company's solutions can quickly be adapted to new requirements from the market.

BANKS NEED NEW SOLUTIONS

Cinnober's product philosophy is also based on looking beyond the customers' current requirements and predicting the needs of tomorrow. An important future target group for Cinnober is the banks, which need new and more efficient systems to be able to meet demands from the new regulations being introduced in the global financial markets. Banks that act as intermediaries for players in the financial market will need to improve the efficiency of both the handling of risks and reporting of customer transactions made on or outside exchanges.

The basic analysis for the investment in broadening the target group to also include banks and brokers is that they have a growing need for the kind of technology and products that Cinnober traditionally offers. The banks, in contrast to the major marketplaces and clearinghouses, tend to prefer buying services rather than systems. This kind of deal generally provides better leverage for Cinnober and most often generates higher margins. The current offering directed at banks is primarily reporting services through the subsidiary Boat and client clearing through adaptation of the company's already established clearing technology.

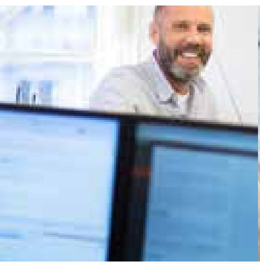
OUR EMPLOYEES

Cinnober is an innovative knowledge company that is active in a continuously changing sector. This brings opportunities and challenges alike and pervades the business culture to a considerable extent.

The customer list includes some of the international financial sector's largest and most demanding customers, which imposes rigorous demands on our organization's flexibility, transparency and innovativeness.

CUSTOMER-ORIENTED AND AGILE

Around 250 people in total work at the company's offices in Stockholm, Umeå, London and New York. The great majority work daily in projects close to the customers and according to agile project methods. A well-distributed division of responsibility with short decision pathways gives the company an agile organization with a great deal of commitment.



It is important that Cinnober constantly strives to be an attractive employer, both in relation to existing and potential employees. For the third consecutive year and in extensive competition, the company has been ranked on lists of both Sweden's 100 most attractive employers and Sweden's 100 best career companies.

Most of Cinnober's employees have a university education and many have extensive industry experience as well. In addition, there is a clear internal ambition to base work on a diversity perspective, which greatly benefits both Cinnober and its customers. The diversity perspective is characterized by a workforce representing over 30 different nationalities, a wide age span and a good gender distribution.

The employees' specialist knowledge, experience and driving forces are of the greatest importance. The company actively strives to offer a good working climate with challenging work. The objective is to recruit and retain top talents and offer good opportunities for continuous skills development.

HACKATHON OF AND BY EMPLOYEES

A greatly appreciated employee-driven initiative is he "ShipIt Days", which is arranged twice a year. ShipIt means that all employees, most often in small groups, during a 24-hour hackathon, are offered the opportunity to invent and deliver projects and ideas all their own.

The subject areas can range from exploring new technology, developing a business initiative and devoting time to solving a confirmed challenge within, for example, more effective product development. From experience, many new ideas that improve and develop Cinnober's and the customers' operations are realized by setting loose the employees' extensive commitment and creativity in completely optional areas in this way.

VÄSTERBOTTEN VENTURE

In Umeå, Cinnober joined up with the business community, the municipality and the university in a long-term venture to establish a financial IT cluster – an investment that is considered to be important for the company's future development and recruitment prospects. Cooperation with other local players has resulted in an internationally unique educational program in financial IT at Umeå University.

Several other future-oriented activities have been assigned to Cinnober's Umeå operations. The trainee program 'cinCube' has now entered its fourth year and the company has also participated in various cross-functional student activities, in partnership with the local university.

INTERNSHIPS AND RECRUITMENT

For many years now, the company has also been offering internships, in which outstanding university students in their final year are able to combine their studies with part-time work at Cinnober. This has further improved opportunities to recruit talent straight from college and university.

Over the financial year, recruitments were made with the intention of employing people with considerable relevant experience, as well as recently graduated engineers. The number of employees has remained stable over the year and at the end of the financial year, the Group had 252 employees.

BOARD OF DIRECTORS, AUDITOR AND SENIOR MANAGEMENT

Cinnober's Board of Directors currently comprises six individuals who were elected by the Annual General Meeting on May 11, 2015. The shareholdings reported below refer to December 31, 2015.

Nils-Robert Persson
Chairman of the Board, born 1956
Shareholdings: 1,213,898[1]
Options: -
Occupation: Employee of Cinnober Financial Technology AB
Other assignments: Board Member of Möllan Konsult AB.

Patrik Enblad
Board Member, born 1966
Shareholdings: 90 000[1]
Options: -
Occupation: Investor in public and private companies
Other assignments: Chairman of BJ8 Partner AB. Board Member of Confidence International AB, Degoo Backup AB, Patrik Enblad Konsult AB, Patrik Enblad Holding AB and Royal Swedish Yacht Club.

Cecilia Lager
Board Member, born 1963
Shareholdings: -
Options: 1 500
Occupation: Board appointments
Other assignments: Chairman of Navigera AB. Board Member of Altor Fund Manager AB, Eniro AB, Intellecta AB, Knowit AB, Oniva Online Group AB and Vardia Insurance Group ASA.

Peter Lenti
Board Member, born 1957
Shareholdings: 328 001[1]
Options: -
Occupation: Employee of Cinnober Financial Technology AB
Other assignments: -

Staffan Persson
Board Member, born 1956
Shareholdings: 475 698[1]
Options: -
Occupation: CEO of Swedia Capital AB
Other assignments: Chairman of Swedia Capital AB, Accelerator Nordic AB, Darkathlon AB, Sveab Holding AB, Synthetic MR AB (publ), Nortal Investments AB, Nortal Capital AB, Swedia HighP AB and Swedia Fastigheter AB. Board Member of Oscar Properties AB, Quizz Golf AB, The Lexington Company AB, Dooba Holdings Ltd, Land Promotions Ltd and Anglo Scandinavian Estates SA.

Helena Westin
Board Member, born 1961
Shareholdings: 400
Options: -
Occupation: CEO of Helena Westin AB
Other assignments: Board Member of Spoon Content Marketing AB, Spoon Publishing AB, Identity Works AB, Elk Entertainment, Elk Format AB, Elk Holding AB, Elk Production AB and RFSL förbundet.

[1] Including family and/or privately held company holdings.

Senior Management

Veronica Augustsson
Employed since 2002
born 1979 , CEO

Martin Adelsköld
Employed since 2006
born 1975, Head of Support & Operations

Ulf Axman
Employed since 2012
born 1955, Head of Sales

Fredrik Backlund
Employed since 2008
born 1971, Head of Marketing

Anna Märta Göransson
Employed since 2008
born 1975, CFO (föräldraledig)

Per-Anders Häll-Bedman
Employed since 2002
born 1961, Deputy CEO

Karin Johansson
Employed since 2008
born 1975, Head of People Management

Jamie Khurshid
Employed since 2014
born 1976, CEO Boat Services Ltd

Anna Larsson
Employed since 2007
born 1978, Head of Product Development

Peter Lenti
Employed since 1998
born 1957, CTO

Peter Nöjd
Employed since 2015
born 1957, Head of Customization

Johan Rönnestig
Employed since 2015
born 1982, Interim CFO

Revisor

Svante Forsberg
born 1952, Authorized Public Accountant, Deloitte AB.

Auditor in charge for Cinnober Financial Technology AB since 2004.

SHARE DATA

Since September 29, 2014, the company's shares have been traded on the Nasdaq First North exchange (CINN, ISIN code: SE0000778474). Shares were previously traded monthly on the Alternativa Aktiemarknaden (Alternative Stock Market).

As per December 31, 2015, the company's capital stock totaled SEK 6,549,120 (6,549,120), consisting of 6,549,120 shares (6,549,120). The average number of shares during the financial year amounted to 6,549,120 (3,638,400).

During the financial year, a total of 945,378 shares were traded and the latest price paid was SEK 100.0 on December 30, 2015.

First North

First North is an alternative marketplace for Nordic growth companies and is mainly designed for small and medium-sized companies. It does not have the same legal status as a regulated market and the regulations are slightly less in scope than those that apply to the stock market's major marketplaces.

All companies whose shares are traded on First North have a Certified Adviser who monitors the company's compliance with First North's regulations as regards the provision of information for the market and investors. Cinnober's appointed Certified Adviser is Avanza.

Outstanding share warrants

As part of its incentive program, Cinnober has always offered employees a stake in the company. The purpose of the incentive programs is to encourage employee interest in the Group's operations and highlight the link between employee benefits and the company's earnings trend. The Group does not incur any costs from the programs other than costs relating to administration.

The Annual General Meeting on October 31, 2013, adopted an options program comprising a maximum of 100,000 share warrants, giving entitlement to subscribe to a total of 300,000 shares at a strike price of SEK 86.67 per share. Each share warrant entitles the subscriber to subscribe to three new shares in Cinnober Financial Technology AB (publ) on the exercise date January 15, 2017.

A total of 99,800 share warrants were acquired by the company's employees at a commercial premium of SEK 1.65 per warrant. The premium was established in accordance with the Black-Scholes option pricing model. If all warrants are subscribed to, the company's capital stock will increase by SEK 299,400.

Ownership structure

As at December 31, 2015, Cinnober had a total of 374 shareholders, of which the largest shareholders listed with percentage of voting rights and equity were:

Shareholder	Number of shares	Votes %	Capital %
Nils-Robert Persson*	1 213 898	18.54	18.54
Gunnar Lindell*	580 974	8.87	8.87
Nortal Capital AB	475 698	7.26	7.26
Gunnar Mjöberg*	401 500	6.13	6.13
Peter Snellman*	334 875	5.11	5.11
Peter Lenti*	328 001	5.01	5.01
Avanza Pension	300 410	4.59	4.59
Unionen	260 000	3.97	3.97
Humle Småbolagsfond	215 000	3.28	3.28
Pär Bertilsson*	170 936	2.61	2.61

* Including family and/or privately held company holdings.

FINANCIAL INFORMATION

Cinnober's financial information is published in Swedish and English.
Interim and annual reports are available at www.cinnober.com/financial-reports.

ANNUAL GENERAL MEETING

Time

The Annual General Meeting of the shareholders in Cinnober Financial Technology AB (publ), corporate identity number 556548-9654, will be held on May 11, 2016, at 5.00 p.m.

Location

Cinnober Financial Technology AB,
Kungsgatan 36, Stockholm

Right to Participate

To have voting rights at the AGM, the shareholder must be registered in the share register on May 4, 2016.

Registration in the share register

To have the right to participate in the AGM, the shareholder must be registered in the share register that is maintained by Euroclear Sweden AB (formerly VPC AB).

Nominee shareholders who want to participate must therefore temporarily register the shares in their own names.

Registration must be completed no later than May 4, 2016, which means that shareholders must notify the nominee in good time before that date.

Notification

Shareholders wishing to participate in the AGM must submit notification of their intention to take part no later than Friday, May 6, 2016. Notification shall be submitted in writing to Cinnober Financial Technology AB (publ), Kungsgatan 36, 111 35 Stockholm, Sweden, or by email to ir@cinnober.com. When submitting notification, shareholders should supply their name, personal or corporate identity number, address, phone number and registered shareholding.

FINANCIAL CALENDAR

Interim report for January 1–March 31, 2016: **May 3, 2016.**

2016 Annual General Meeting: **May 11, 2016.**

Interim report for January 1–June 30, 2016: **August 25, 2016.**

Interim report for January 1–September 30, 2016: **November 10, 2016.**

Year-end report for January 1–December 31, 2016: **February 23, 2017.**

FINANCIAL DEFINITIONS

EBITDA	Operating profit before amortization, depreciation and impairment.
EBITDA margin	EBITDA as a percentage of net sales.
Equity per share	Equity divided by the number of shares before dilution at the end of the period.
Quick ratio	Current assets as a percentage of current liabilities.
Net margin	Profit after tax as a percentage of net sales.
Net debt/ Net cash	Cash and cash equivalents and interest-bearing current and non-current receivables less interest-bearing current and non-current liabilities, including pension liabilities.
Earnings per share	Profit after tax attributable to shareholders in the Parent Company divided by the average number of shares before and after dilution respectively.
Return on eqity	Profit after tax for the past 12 months as a percentage of average equity for the past 12 months.
Operating margin	Operating profit as a percentage of net sales.
Equity ratio	Equity as a percentage of total assets..

COMMERCIAL DEFINITIONS

Cinnober operates primarily in a global niche involving system deliveries to marketplaces and clearinghouses. The agreements signed generally involve software/systems, normally including a number of customized adaptations to the customer's existing systems, support and operative organization. Development projects and customer relationships within the niche span extended periods and there are almost always several phases involved depending on other factors, sub-orders and options for supplementary systems or additional services. It is therefore often difficult to estimate and specify a precise order value in connection with a contract being signed for a new deal.

To help the market to assess the value of the deals won by Cinnober, the following definitions have been established.

A major deal is one for which the order value over a period of five years is estimated to exceed SEK 100 million.

A smaller deal is one for which the order value over a period of five years is estimated to be less than SEK 30 million.

A medium-sized deal is one for which the order value over a period of five years is estimated to be in between that of a smaller deal and a major one.

MANAGEMENT REPORT

The Board of Directors and the Chief Executive Officer of Cinnober Financial Technology AB (publ), with registered offices in Stockholm and corporate identity number 556548-9654, hereby submit the annual report for the financial year January 1–December 31, 2015 for the Parent Company and the Group. Details of the financial result for the year, as well as the Parent Company and Group's position, are given in the management report and in the following income statements and balance sheets, cash flow statements and the supplementary disclosures and notes, which together make up the annual report.

Cinnober Financial Technology AB is an IT company that develops world-leading system solutions for exchange trading, clearing and risk management based on its proprietary TRADExpress platform.

The company is active in a global market with customers around the world. The target group encompasses major financial players – such as exchanges, clearinghouses, banks and brokers – located in both traditional financial centers and in newer emerging markets.

Cinnober offers technology solutions aimed at enhancing its customers' competitiveness and streamlining their operations. Cinnober's competitive advantages include products that can be rapidly and cost-effectively adapted to the specific needs of each customer.

The company's organization and working methods are primarily suited to large and business-critical projects, with sales processes that often extend over a long period of time. In recent years, Cinnober has supplemented its business with a more standardized and service-based offering aimed at a broader target group.

The company prioritizes long-term relationships and the continued development of its offering in dialogue with customers.

SIGNIFICANT EVENTS OVER THE YEAR

Over the past financial year, Cinnober continued the development of existing customer relations and established new partnerships. The company primarily targets its traditional customer base in the form of exchanges and clearinghouses, but it is also focusing on a newer target group comprising major banks and brokers.

The single most important deal during the year and within the traditional customer segment took place in February, when Australian Securities Exchange (ASX), one of the world's ten largest marketplaces, chose Cinnober as its supplier of new marketplace technology. This deal will involve replacing ASX's two existing trading systems for equities and derivatives with a joint solution based on Cinnober's technology.

As the world's only supplier of real-time clearing, Cinnober holds a unique position. Towards the end of the year, a major design study was carried out with Japan Exchange Group (JPX) regarding a potential investment in a large clearing solution for the Japanese derivatives market.

All ongoing customer projects, including major projects for Brazilian BM&FBOVESPA, British London Metal Exchange and South African Johannesburg Stock Exchange, have progressed according to plan during the year.

As part of the company's long-term strategy of addressing new target groups, the banking segment is being marketed via the subsidiary Boat Services Ltd. Boat's offering mainly consists of reporting services for OTC trades, in accordance with current pan-European regulations. New regulation will mean banks are obliged to report more trades within various niches, and in 2015 cooperation began with the London Stock Exchange to offer a combined and comprehensive service for the European banking market.

Furthermore, the company is working actively to adapt its established clearing technology based on the needs of major banks and brokers within client clearing. The work has been partly funded by the European Commission with over EUR 2 million over 18 months. The offering has the potential to form a new business area for Cinnober.

SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

Following the design study, it was announced in February 2016 that JPX, one of the largest marketplaces in the world, had appointed Cinnober as its new supplier of a major clearing solution. This means that existing clearing systems on the large derivatives exchange Osaka Exchange in 2016 will be replaced with a solution that is entirely based on Cinnober's technology.

EXPECTED FUTURE DEVELOPMENTS AND SIGNIFICANT RISKS AND UNCERTAINTIES

Cinnober's operations are affected by a number of factors, some of which are under the company's control while others are not. The following description of risk factors does not claim to be exhaustive, and the risks have not been ranked by degree of significance. Additional risks that are, as yet, unknown to the company may have a material impact on its business, financial position and/or earnings. Risk factors are not described in detail; a complete assessment must include all of the information provided in this annual report while also taking an evaluation of external influences into account. The factors described below are considered to be especially important to the company's future development.

Anticipated development

The anticipated development depends on various external factors, such as the global economic situation and customers' development and investment needs.

Cinnober's strengths include a strong position as a leading supplier of innovative technology for exchanges and clearinghouses around the world. The global distribution of customers also means that the company does not risk becoming dependent on recessions or weak currencies in individual countries.

In addition, factors such as regulatory changes drive the speed of investments, for example in clearing technology. Many of the expected regulations are now about to come into force, which will gradually reduce the level of uncertainty among market players.

Cinnober is implementing a strategic investment in broadening the target group to include international banks and brokers. This investment received an additional injection with the acquisition of the Boat reporting service, as well as the European Commission's partial funding of the further adaptation of Cinnober's risk management technology and real-time clearing for the specific needs of international banks within client clearing.

Accordingly, Cinnober's ambition is to establish a strong position in a new market, which in the long term makes the company less sensitive to downturns within individual segments. This entails initial investments in technology, extended support and the sales organization.

The above, in combination with a well-positioned product and service portfolio in the company's traditional market, where an increased willingness to invest can be perceived, contributes to a positive view of the coming year.

Risk factors

As with all business operations, Cinnober's operations entail risks. The approach to risk management is of fundamental importance for the Group's success. The management of these risks therefore constitutes a natural and integral part of the Group's strategic efforts. For an IT company like Cinnober, operations are mainly affected by operational risks, market-related risks and financial risks.

Operational risks

Operational risks constitute part of day-to-day work and can often be influenced. For Cinnober, operational risks include project risks, recruitment, competition, the performance of major clients and customer losses.

In the case of fixed-price projects, the company is exposed to a risk that the project cannot be completed within the set budget and/or within the given timeframe. At the same time, major projects also provide opportunities to improve profitability through efficiency gains. Cinnober's future is highly dependent on the ability to recruit, retain and develop skilled employees and key individuals. The Group also works continuously to broaden its customer base to reduce its dependency on individual customers.

Market-related risks

Market-related risks relate to events and changes in the markets where Cinnober operates, which may affect the conditions for meeting set objectives. Market-related risks are governed by external factors and include events that are difficult for Cinnober to influence but which the company must relate to, such as business cycle risks. Cinnober's operations risk being negatively affected if there is a decline in the volumes traded on the world's exchanges and willingness to invest among market players therefore falls. Dependence on exchanges and clearinghouses is expected to decrease as the company is working according to a long-term strategy to broaden the customer base within new segments, primarily banks and brokers.

Financial risks

For Cinnober, financial risks chiefly constitute exchange rate risks. Cinnober operates in an international market, and a considerable portion of Cinnober's sales emanate from sales outside Sweden and in foreign currencies, which means that exchange rate fluctuations affect the Group's income statement and balance sheet. At the same time, most of the Parent Company's costs are in SEK. Exchange risk exposure arises in connection with the sale and purchase of foreign currencies (transaction exposure) and when the income statements and balance sheets of foreign subsidiaries are translated into SEK (translation exposure). Most transaction exposure arises through customer contracts in foreign currencies.

RESEARCH AND DEVELOPMENT

Cinnober is a market-leading supplier to exchanges and clearinghouses. To safeguard a long-term leading position, resources are continuously invested in the ongoing development of the product and service portfolio. Cinnober has not capitalized the substantial expenses that have historically been incurred to develop the market-leading trading and real-time clearing systems that the company currently offers to the market. The same applies to the comprehensive initiative undertaken to develop the client clearing technology, which is planned to be ready to enter production within the next six months. Cinnober owns the intellectual property rights to all these systems.

ORGANIZATION

The Board of Directors, which was elected by the Annual General Meeting in May 2015, consists of Nils-Robert Persson, Helena Westin, Peter Lenti, Staffan Persson, Cecilia Lager and Patrik Enblad. Nils-Robert Persson is the Chairman of the Board. Further information about the Board can be found on the company's website at www.cinnober.com/board and on page 16.

Cinnober has its head office in Stockholm and also conducts operations in Umeå, London and New York.

EMPLOYEES

Cinnober has an explicit ambition to work based on a diversity perspective, which greatly benefits both the company and its customers. The diversity perspective is characterized by a workforce representing over 30 different nationalities, a wide age span and a good gender distribution.

The average number of employees in the Group amounted to 242 (243) during the financial year. At the end of the financial year, the Group had 252 (249) employees and 7 (6) contracted consultants.

EARNINGS

Consolidated sales for the financial year January 1–December 31, 2015, comprising 12 months (18 months), amounted to SEK 300.5 million (408.4) and loss before tax for the year was SEK 22.0 million (profit: 1.8).

Operating expenses include personnel costs, which amounted to SEK 201.6 million (291.6) during the financial year. Other external costs totaled SEK 99.3 million (124.8).

The Group's profit was charged during the financial year with non-recurring costs of SEK 36.8 million due to the impairment of shares in the companies Binary Event Networks Inc. and Quadriserv Inc. Neither consolidated operating profit/loss nor cash flow have been affected by the impairments.

Cinnober invests continuously in the TRADExpress product family. Since most of the development is an integral part of major customer projects, the company charges all development costs against earnings on an ongoing basis. Investment in product development over the year amounted to SEK 55.6 million (62.0).

Depreciation/amortization according to plan for the year amounted to SEK 2.3 million (2.8). The net effect of changes in exchange rates is recognized in net financial items and amounted to a loss of SEK 2.7 million (profit: 4.7).

CURRENCY EXPOSURE

Cinnober's revenue during the year is allocated between the following currencies: EUR 37% (34%), USD 31% (27%), GBP 20% (30%) and SEK 12% (9%). The company hedges parts of its flow exposure from non-recurring revenues in foreign currencies over a horizon of up to 12 months.

Disclosures regarding the company's financial instruments, targets and principles applied for financial risk control, along with a description of the application of hedge accounting can be found under Note 4. Note 4 also contains details and a description of financial risks.

INVESTMENTS AND NON-CURRENT ASSETS

FIVE-YEAR SUMMARY – 12 MONTHS

Group	12-31-2015[1]	12-31-2014[1, 2]	12-31-2013[1, 2]	12-31-2012[1, 2]	12-31-2011[1, 2]
Net sales (SEK million)	300.5	270.1	293.3	282.9	212.6
Operating profit (SEK million)	17.7	-3.4[4]	4.5[5]	21.7	9.7
Profit before tax (SEK million)	-22.0[3]	0.6[4]	3.0[5]	28.8[6]	11.7
Profit for the period (SEK million)	-27.9[3]	1.4[4]	3.5[5]	23.8[6]	8.1
Operating margin (%)	5.9	-1.2[4]	1.5[5]	7.7[6]	4.6
Net margin (%)	-9.3[3]	0.5[4]	1.2[5]	8.4[6]	3.8
Earnings per share before/after dilution* (SEK)	-4.26/-4.07[2]	0.21/0.20	0.54/0.50	3.64/3.14	1.24/1.07
Equity (MSEK)	91.0[3]	118.4	116.6	127.8	131.4
Equity per share* (SEK)	13.89[3]	18.07	17.81	19.51	20.07
Equity ratio (%)	43.2[3]	48.8	54.1	58.8	66.8
Quick ratio (%)	169.4	160.6	175.7	208.7	216.0
Net cash (+)/net debt (-) (SEK million)	57.7	54.1	8.3	32.7	32.2

[1] As of January 1, 2015, the Group's accounts are prepared in accordance with BFNAR 2012:1 "Annual reporting and consolidated financial statements (K3)". The comparative figures for 2013/2014 have been recalculated according to K3. Prior years have not been recalculated. Cinnober previously applied the Swedish Annual Accounts Act and the Swedish Accounting Standards Board's recommendations, except BFNAR 2008:1 (K2) and 2012:1 (K3).
[2] Cinnober previously had a broken financial year (July-June) but decided in 2014 to switch to the calendar year. For comparability between years, this period refers to calendar year.
[3] Profit for the period was charged with non-recurring costs of SEK 36.8 million due to the impairment of shares in the companies Binary Event Networks Inc and Quadriserv Inc. Neither consolidated operating results nor cash and cash equivalents have been affected by the impairments.
[4] Operating profit for the period January 1, 2014 – December 31, 2014 includes a reversal of negative goodwill, affecting operating profit favorably by SEK 1.0 million.
[5] Operating profit for the period January 1, 2013 – December 31, 2013 includes a reversal of negative goodwill, affecting operating profit favorably by SEK 4.9 million.
[6] Operating profit for the period January 1, 2012 – December 31, 2012 includes a reversal of negative goodwill, affecting operating profit favorably by SEK 9.4 million.
* Recalculated following a bonus issue of 2:1

Besides the investments in product development described above, the company has invested SEK 2.5 million (2.6) in equipment.

For several years, Cinnober has held shares in US companies Binary Event Networks Inc. and Quadriserv Inc. Both companies are still in early phases of development and, although their prospects are still deemed to be favorable, in the third quarter of the year a decision was taken to write down their book values in their entirety. Cinnober owns 176,471 shares in Binary Event Networks Inc., corresponding to 8.1% of equity. The book value amounts to SEK 0.0 million (26.7). Cinnober owns 86,685,224 shares in Quadriserv Inc., corresponding to 2.1% of equity. The book value amounts to SEK 0.0 million (10.0).

Cinnober's holding in Scila AB is recorded as an associated company and amounts to 41,000 shares on the balance sheet date, corresponding to 27.9% (27.9%) of equity. The book value in the Parent Company's balance sheet amounts to SEK 2.6 million (2.6).

FINANCIAL POSITION

On December 31, 2015, the Group's equity amounted to SEK 91.0 million (118.4), and the equity ratio was 43.2% (48.8%). The company reported a net cash position of SEK 57.7 million (54.1) and a positive cash flow of SEK 3.6 million (16.4) for the financial year. On December 31, 2015, the Group's current assets totaled SEK 202.3 million (199.2), of which accounts receivable were SEK 40.3 million (51.9). As of March 31, 2016, 86% of the accounts receivable that were recorded on the closing date had been paid.

THE GROUP

In addition to the Parent Company Cinnober Financial Technology AB (publ), the Group comprises the wholly-owned foreign subsidiaries Cinnober Americas Inc. and Boat Services Ltd (domiciled in New York and London respectively), as well as the Swedish subsidiaries Cinnober Financial Technology North AB (domiciled in Umeå), Cinnober Products AB, Cinetics AB and Binary Events Systems Sweden AB (all three domiciled in Stockholm).

SHARE DATA

As per December 31, 2015, the company's capital stock totaled SEK 6,549,120 (6,549,120), consisting of 6,549,120 shares (6,549,120).

The average number of shares during the financial year amounted to 6,549,120 (3,638,400).

Since September 29, 2014, the company's shares have been traded on the Nasdaq First North exchange (CINN, ISIN code: SE0000778474). Shares were previously traded monthly on the Alternativa Aktiemarknaden (Alternative Stock Market). During the financial year, a total of 945,378 shares were traded and the latest price paid was SEK 100.0 on December 30, 2015.

PROPOSED DISPOSITION OF EARNINGS

The following unappropriated earnings are at the disposal of the Annual General Meeting:

Share premium reserve	15,275,815
Profit brought forward	76,618,186
Loss for the year	-18,277,473
Total	**73,616,528**

The Board of Directors proposes that the unappropriated earnings at the disposal of the AGM, SEK 73,616,528, are to be allocated as follows:

Dividend to shareholders (6,549,120 shares of SEK 2 each)	13,098,240
Funds to be carried forward	60,518,288
Total	**73,616,528**

The Board proposes that the AGM set the record day for dividends as May 13.

For information regarding the earnings and position in general of the Parent Company and the Group, please refer to the income statements, balance sheets and notes below. All amounts are expressed in SEK thousands, unless otherwise stated.

BOARD'S STATEMENT ON THE PROPOSED DISTRIBUTION OF EARNINGS

It is the opinion of the Board and the CEO that the proposed dividend is justifiable with reference to the demands and the nature, scope and risk that the operations place on the size of the company's equity and the company's consolidation needs, liquidity and position in general.

Consideration has also been made with regard to the demands and nature, scope and risks that the Group's operations place on the size of the Group's equity and the Group's consolidation needs, liquidity and position in general.

FINANCIAL OVERVIEW

CONSOLIDATED INCOME STATEMENT

Amounts in thousands of SEK	Note	01-01-2015- 12-31-2015 (12 months)	07-01-2013- 06-30-2014 (18 months)
Operating income			
Net sales	5	300 536	408 437
Other operating income	7	20 131	7 666
		320 667	**416 103**
Operating expenses			
Other external expenses	8, 16	-99 299	-124 847
Personnel expenses	9	-201 629	-291 617
Profit from participations in associated companies		266	255
Operating profit before depreciation/amortization		**20 005**	**-106**
Depreciation/amortization and impairment of equipment and intangible assets		-2 302	-2 754
Operating profit		**17 703**	**-2 860**
Profit from financial items			
Impairment of financial assets and short-term investments	10	36 759	-
Interest income and similar income items	11	50	5 082
Interest expenses and similar expense items	12	-2 957	-415
Profit after financial items		**-21 963**	**1 807**
Profit before tax		**-21 963**	**1 807**
Tax on profit for the year	13	-5 933	665
Net profit for the year		**-27 896**	**2 472**
Attributable to the Parent Company's shareholders		**-27 896**	**2 472**

CONSOLIDATED BALANCE SHEET

Amounts in thousands of SEK	Note	12-31-2015	12-31-2014
ASSETS			
Non-current assets			
Intangible assets			
Capitalized expenditures for research and development and similar*	14	283	492
		283	**492**
Property, plant and equipment			
Equipment, tools, fixtures and fittings	15	5 528	4 998
		5 528	**4 998**
Financial assets			
Participations in associated companies	18	1 354	1 088
Other securities held as non-current assets	19	-	36 759
Deferred tax asset	20	748	-
Other long-term receivables		376	79
		2 478	**37 926**
Total non-current assets		**8 289**	**43 416**
Current assets			
Current receivables			
Accounts receivable - trade		40 333	51 866
Current tax receivables**		27 650	27 991
Other receivables		7 255	9 289
Prepaid expenses and accrued income	21	68 977	55 888
		144 215	**145 034**
Short-term investments		**366**	**-**
Cash and bank balances		**57 746**	**54 135**
Total current assets		**202 327**	**199 169**
TOTAL ASSETS		**210 616**	**242 585**

* Comparative figures have been reclassified from tangible to intangible assets.
** Of which, SEK 30 896 (23 664) pertains to taxes deducted at source outside Sweden and that may be deducted against future Swedish corporation tax.

CONSOLIDATED BALANCE SHEET

Amounts in thousands of SEK	Note	12-31-2015	12-31-2014
EQUITY AND LIABILITIES			
Equity			
Share capital (6 549 120 shares)		6 549	6 549
Other contributed capital		18 567	18 567
Other equity, including profit/loss for the year		65 847	93 258
Equity attributable to the Parent Company's shareholders		**90 963**	**118 374**
Total equity		**90 963**	**118 374**
Provisions			
Deferred tax liability	20	212	212
		212	**212**
Current liabilities			
Accounts payable - trade		17 594	16 087
Other liabilities		7 366	6 633
Accrued expenses and deferred income	22	94 481	101 279
		119 441	**123 999**
TOTAL EQUITY AND LIABILITIES		**210 616**	**242 585**

Pledged assets and contingent liabilities

Pledged assets		None	None
Contingent liabilities	23	26	525

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in thousands of SEK	Share capital	Other contri-buted capital	Other equity, including profit/loss for the period	Total equity attributable to the Parent Company's shareholders	Total equity
	Equity attributable to the Parent Company's shareholders				
Opening balance on July 1, 2013 before transition to new accounting standards	**2 183**	**23 627**	**104 980**	**130 790**	**130 790**
Effect of transition to K3		-722	722	-	-
Opening balance on July 1, 2013	**2 183**	**22 905**	**105 702**	**130 790**	**130 790**
Profit for the year			2 472	2 472	2 472
Changes in the carrying amount of assets and liabilities:					
Translation difference		28	200	228	228
Employee share-option program			165	165	165
Total changes in value	**-**	**28**	**365**	**393**	**393**
Transactions with shareholders:					
Bonus issue	4 366	-4 366			
Dividend to shareholders			-15 281	-15 281	-15 281
Total transactions with shareholders	**4 366**	**-4 366**	**-15 281**	**-15 281**	**-15 281**
Closing balance on December 31, 2014	**6 549**	**18 567**	**93 258**	**118 374**	**118 374**

Share capital 6 549 140 shares with a quota value of SEK 1.

Amounts in thousands of SEK	Share capital	Other contri-buted capital	Other equity, including profit/loss for the period	Total equity attributable to the Parent Company's shareholders	Total equity
	Equity attributable to the Parent Company's shareholders				
Opening balance on January 1, 2015	**6 549**	**18 567**	**93 258**	**118 374**	**118 374**
Profit for the year			-27 896	-27 896	-27 896
Changes in the carrying amount of assets and liabilities:					
Translation difference			485	485	485
Total changes in value	**-**	**-**	**485**	**485**	**485**
Closing balance on December 31, 2015	**6 549**	**18 567**	**65 847**	**90 963**	**90 963**

Share capital 6 549 140 shares with a quota value of SEK 1.

CONSOLIDATED CASH FLOW STATEMENT

Amounts in thousands of SEK	Note	01-01-2015-12-31-2015 (12 months)	07-01-2013-12-31-2014 (18 months)
Operating activities			
Profit after financial items		-21 963	1 807
Adjustments for non-cash items	24	42 965	-5 155
		21 002	**-3 348**
Income tax paid		763	1 351
Cash flow from operating activities before working capital changes		**21 765**	**-1 997**
Cash flow from working capital changes			
Increase (-)/Decrease (+) in current receivables		-10 989	4 101
Increase (+)/Decrease (-) in current liabilities		-4 558	23 160
Cash flow from operating activities		**6 218**	**25 264**
Investing activities			
Purchase of subsidiaries		-	8 839
Purchase of intangible assets		-154	-
Purchase of equipment		-2 453	-2 562
Cash flow from investing activities		**-2 607**	**6 277**
Financing activities			
Received warrant premiums		-	165
Dividend paid to Parent Company's shareholders		-	-15 281
Cash flow from financing activities		**-**	**-15 116**
Cash flow for the year		**3 611**	**16 425**
Cash and cash equivalents at the beginning of the year		**54 135**	**37 710**
Cash and cash equivalents at the end of the year	25	**57 746**	**54 135**

PARENT COMPANY INCOME STATEMENT

Amounts in thousands of SEK	Note	01-01-2015- 12-31-2015 (12 months)	07-01-2013- 12-31-2014 (18 months)
Operating income			
Net sales	5, 6	293 135	403 041
Other operating income	7	20 131	-
		313 266	**403 041**
Operating expenses			
Other external expenses	8, 16	-132 879	-172 599
Personnel expenses	9	-152 436	-231 372
Operating profit before depreciation/amortization		**27 951**	**-930**
Depreciation/amortization and impairment of equipment and intangible assets		-1 264	-1 975
Operating profit		**26 687**	**-2 905**
Profit from financial items			
Impairment of financial assets and short-term investments	10	-36 759	-
Interest income and similar income	11	37	4 873
Interest expenses and similar expenses	12	-2 526	-344
Profit after financial items		**-12 561**	**1 624**
Profit before tax		**-12 561**	**1 624**
Tax on profit for the year	13	-5 716	865
Profit for the year		**-18 277**	**2 489**

PARENT COMPANY BALANCE SHEET

Amounts in thousands of SEK	Note	12-31-2015	12-31-2014
ASSETS			
Non-current assets			
Intangible assets			
Capitalized expenditures for research and development and similar*	14	283	492
		283	**492**
Property, plant and equipment			
Equipment, tools, fixtures and fittings	15	1 991	2 670
		1 991	**2 670**
Financial assets			
Participations in Group companies	17	21 196	21 196
Participations in associated companies	18	2 610	2 610
Other securities held as non-current assets	19	-	36 759
Deferred tax	20	748	-
Other long-term receivables		79	79
		24 633	**60 644**
Total non-current assets		**26 907**	**63 806**
Current assets			
Current receivables			
Accounts receivable - trade		36 921	44 843
Receivables from group companies		8 361	15 054
Current tax receivables**		27 256	27 350
Other receivables		6 672	7 693
Prepaid expenses and accrued income	21	65 190	53 072
		144 400	**148 012**
Short-term investments		**366**	**-**
Cash and bank balances		**54 423**	**35 256**
Total current assets		**199 189**	**183 268**
TOTAL ASSETS		**226 096**	**247 074**

* Comparative figures have been reclassified from tangible to intangible assets.
** Of which, SEK 30 896 (23 664) pertains to taxes deducted at source outside Sweden and that may be deducted against future Swedish corporation tax.

PARENT COMPANY BALANCE SHEET

Amounts in thousands of SEK	Note	12-31-2015	12-31-2014
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital (6 549 120 shares)		6 549	6 549
Statutory reserve		18 009	18 009
		24 558	**24 558**
Non-restricted equity			
Capital surplus		15 276	15 276
Profit brought forward		76 618	74 129
Profit for the year		-18 277	2 489
		73 617	**91 894**
Total equity		**98 175**	**116 452**
Untaxed reserves			
Accumulated excess depreciation		745	745
		745	**745**
Current liabilities			
Accounts payable -trade		15 960	13 276
Liabilities to Group companies		26 944	25 639
Other liabilities		2 414	2 474
Accrued expenses and deferred income	22	81 858	88 488
		127 176	**129 877**
TOTAL EQUITY AND LIABILITIES		**226 096**	**247 074**

Pledged assets and contingent liabilities

Pledged assets		None	None
Contingent liabilities	23	26	525

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

Amounts in thousands of SEK	*Restricted equity* Share capital	*Restricted equity* Statutory reserve	*Non-restricted equity* Capital surplus	*Non-restricted equity* Profit brought forward	*Non-restricted equity* Profit of the year	**Total equity**
Opening balance on July 1, 2013 before transition to new accounting standards	**2 183**	**22 375**	**15 111**	**80 265**	**9 145**	**129 079**
Effect of transition to K3	-	-	-	-	-	-
Opening balance on July 1, 2013	**2 183**	**22 375**	**15 111**	**80 265**	**9 145**	**129 079**
Allocation of the previous year´s result				9 145	-9 145	-
Profit for the year					2 489	2 489
Changes in the carrying amount of assets and liabilities:						
Employee share-option program	-	-	165	-	-	165
Total changes in value	**-**	**-**	**165**	**-**	**-**	**165**
Transactions with shareholders:						
Bonus issue	4 366	-4 366				-
Dividend to shareholders				-15 281		-15 281
Total transactions with shareholders	**4 366**	**-4 366**	**-**	**-15 281**	**-**	**-15 281**
Closing balance on December 31, 2014	**6 549**	**18 009**	**15 276**	**74 129**	**2 489**	**116 452**

Share capital 6 549 140 shares with a quota value of SEK 1.

Amounts in thousands of SEK	*Restricted equity* Share capital	*Restricted equity* Statutory reserve	*Non-restricted equity* Capital surplus	*Non-restricted equity* Profit brought forward	*Non-restricted equity* Profit of the year	**Total equity**
Opening balance on January 1, 2015	**6 549**	**18 009**	**15 276**	**74 129**	**2 489**	**116 452**
Allocation of the previous year´s result				2 489	-2 489	-
Profit for the year					-18 277	-18 277
Closing balance on December 31, 2015	**6 549**	**18 009**	**15 276**	**76 618**	**-18 277**	**98 175**

Share capital 6 549 140 shares with a quota value of SEK 1.

PARENT COMPANY CASH FLOW STATEMENT

Amounts in thousands of SEK	Note	01-01-2015- 12-31-2015 (12 months)	07-01-2013- 12-31-2014 (18 months)
Operating activities			
Profit after financial items		-12 561	1 624
Adjustments for non-cash items	24	41 425	2 845
		28 864	**4 469**
Income tax paid		734	2 676
Cash flow from operating activties before working capital changes		**29 598**	**7 145**
Cash flow from working capital changes			
Increase(-)/Decrease (+) in current receivables		-7 354	-1 323
Increase(+)/Decrease (-) in current liabilities		-2 701	13 584
Cash flow from operating activities		**19 543**	**19 406**
Investing activities			
Purchase of subsidiaries		-	-4 969
Purchase of intangible assets		-154	-
Purchase of equipment		-222	-798
Cash flow from investing activities		**-376**	**-5 767**
Financing activities			
Received warrant premiums		-	165
Dividend paid to Parent Company's shareholders		-	-15 281
Cash flow from financing activities		**-**	**- 15 116**
Cash flow for the year		**19 167**	**-1 477**
Cash and cash equivalents at the beginning of the year		**35 256**	**36 733**
Cash and cash equivalents at the end of the year	25	**54 423**	**35 256**

NOTES

Amounts are stated in thousands of SEK, unless otherwise indicated.

Note 1 General information

Cinnober Financial Technology AB, corporate identity number 556548-9654, is a limited liability company registered in Sweden and domiciled in Stockholm. The address of its registered office is Kungsgatan 36, SE-111 35 Stockholm, Sweden. The company and its subsidiaries (the "Group") is an IT company that develops world-leading system solutions primarily for exchange trading, clearing and risk management.

Note 2 Accounting and valuation policies

Transition to K3

Cinnober Financial Technology AB previously applied the Annual Accounts Act and the Swedish Accounting Standards Board's general guidelines except BFNAR 2008:1 (K2) and BFNAR 2012:1 (K3). As of January 1, 2015 Cinnober Financial Technology AB prepares its consolidated financial statements in accordance with BFNAR 2012:1 Annual reports and consolidated financial statements ("K3").

In the transition to K3, the provisions in Chapter 35 "First-time adoption of this general guideline" were applied, which require companies to apply K3 retroactively. This means that the comparative figures for 2013/2014 must be recalculated according to K3. However, there are a number of voluntary and mandatory exceptions from this general rule, aimed at facilitating the transition to K3. The transition to K3 has impacted the consolidated balance sheet in that the equity component in untaxed reserves is recognized as non-restricted equity instead of restricted equity. The consolidated income statement has not been affected.

Consolidated financial statements

The consolidated financial statements include the Parent Company, Cinnober Financial Technology AB, and the companies in which the Parent Company, directly or indirectly, has a controlling interest (subsidiaries). A controlling interest entails a right to formulate a company's financial and operational strategies with the aim of obtaining financial advantages. The assessment of whether there is a controlling interest must take into account holdings of financial instruments that potentially provide entitlement to vote and which can be used or converted immediately to equity instruments providing entitlement to vote. Consideration must also be taken to whether the company is able to govern the business through an agent. A controlling interest normally exists where the Parent Company directly or indirectly holds shares representing more than 50% of the votes.

The revenues and expenses of a subsidiary are included in the consolidated financial statements from the time of acquisition up to the point at which the Parent Company no longer has a controlling interest in the subsidiary. Refer to the "Business combinations" section below for a presentation of acquisitions and divestments of subsidiaries.

The accounting principles for subsidiaries agree with the Group's accounting principles. All intra-Group transactions, dealings and unrealized gains and losses relating to intra-Group transactions have been eliminated in the preparation of the consolidated financial statements.

Business combinations

Business combinations are reported according to the purchase method.

The purchase price of the business combination is valued at fair value at the time of acquisition, which is calculated as the total fair value at the time of acquisition of the assets acquired, liabilities arising or assumed, as well as equity instruments issued and expenses directly attributable to the business combination. Examples of such expenses are transaction costs. The purchase price includes contingent consideration on condition that it is likely at the time of acquisition that the purchase price will be adjusted at a later time and that the amount can be reliably estimated. The acquisition value (cost) of the acquired unit is adjusted on the closing date and when the final purchase price is determined, although not later than one year after the acquisition date.

The identifiable acquired assets and assumed liabilities are recognized at fair value at the time of acquisition with the following exceptions:

- pension commitments are determined according to K3 Chapter 28 Payments to employees,
- deferred tax assets and deferred tax liabilities are determined according to K3 Chapter 29 Income tax,
- liabilities for share-based payments are determined according to K3 Chapter 29 Share-based payments,
- intangible assets without an active market, and
- contingent liabilities valued according to K3 Chapter 21 Provisions, contingent liabilities and contingent assets.

A provision that pertains to expenses for the restructuring of the acquired entity's operations is only included in the acquisition analysis insofar as the acquired entity meets the conditions for recognizing a provision before the time of acquisition.

Valuation of a minority share of assets and liabilities at the time of acquisition

In the acquisition of less than all participations of the acquired entity, the value of the minority interest is set at cost. The minority share of the acquired entity's assets and liabilities, including goodwill or negative goodwill, is valued at fair value.

Goodwill and negative goodwill

For business combinations where the total of the purchase price, the fair value of the minority interest and the fair value at the time of acquisition of earlier shareholdings exceeds fair value at the time of acquisition of identifiable acquired net assets, the difference is recognized as goodwill in the consolidated balance sheet. If the difference is negative, the value of identifiable assets and liabilities shall be reviewed. Negative goodwill that corresponds to anticipated future losses is recognized as income as the losses arise. Negative goodwill that corresponds to fair value of non-monetary assets is dissolved in the income statement during the assets' remaining weighted average useful life. The part of negative goodwill that exceeds the identifiable non-monetary assets' fair value is directly recognized in the income statement.

Changes in the holding

Acquisitions and divestments of participations in companies that are subsidiaries both before and after the change are considered to be a transaction between owners and the effect of the transaction is recognized directly in equity.

If further participations in a company that is not a subsidiary are acquired so that a controlling influence arises, the original participations in the consolidated financial statements are considered to be divested. The gain or loss, calculated as the difference between fair value and the consolidated carrying amount, is recognized in the consolidated income statement.

When the Parent Company loses a controlling influence over a subsidiary, all participations are considered to be divested and the gain or loss that arises in the divestment is recognized in the consolidated income statement. If participations remain after the divestment, they are recognized according to Chapter 11 Financial instruments valued based on cost, Chapter 14 Associated companies with the fair value at the time of sale as cost.

Participations in associated companies

An associated company is a company in which the Group exercises a significant, but not controlling influence; normally, this covers companies where the Group holds 20%–50% of the votes. Participations in associated companies are accounted for using the equity method.

In the application of the equity method, an investment in an associated company is initially recognized at the assets' cost. The recognized value is thereafter increased or decreased to observe the Group's share of the associated company's profit or loss after the time of acquisition. Dividends received from the associated company reduce the carrying amount of the investment. The carrying amount is also adjusted to reflect other changes in the associated company's equity.

If the Group's share of an associated company's losses amount to or exceed the carrying amount of the participations in the associated company, the carrying amount is reduced until it is zero. Further losses are recognized as a provision only insofar as the owner company has a legal or constructive obligation to cover the losses or if the owner company made payments on behalf of the associated company. If the associated company recognizes a profit in future financial years, the owner company shall recognize its share of profits only when they exceed the share of the losses that have not been recognized by the owner company.

A share in the associated company's profit or loss after tax is recognized as "Profit/loss from participations in associated companies" in the consolidated income statement.

Changes in the holding

If additional participations are acquired in a company that both before and after the acquisition is an associated company, the participations owned before the acquisition are not revalued. If participations in associated companies are divested so that controlling influence no longer exists, all participations are considered to be divested and gains or losses on the divestment are recognized in the consolidated income statement. If participations remain after the divestment, they are recognized according to Chapter 11 Financial instruments valued based on cost with the fair value at the time of sale as cost.

Revenue

Revenues are recognized at the fair value of the compensation that has been received or will be received, less value added tax, discounts, returns and similar deductions.

The Group's revenues primarily consist of project, license and support revenues.

Sales of services

Revenues from sales of services on current account are recognized as revenue in the period in which the work is done and materials are delivered or consumed.

Revenues from sales of services at fixed price are recognized applying the so-called percentage of completion method. This means that revenues and expenses are recognized in relation to the assignment's degree of completion on the closing date. The degree of completion is determined through a calculation of the relationship between assignment expenditures paid for work done as of the closing date and the estimated total assignment expenditures. A feared loss for an assignment is recognized immediately as an expense. In the event that the outcome of an assignment cannot be measured reliably, revenue is recognized only in an amount corresponding to assignment expenditures incurred that will likely be reimbursed by the client. Assignment expenditures are recognized as expenses in the period in which they arise.

Support and license revenues are allocated to periods over the duration of the assignment.

Dividend

Dividend revenues are recognized when the shareholder's right to receive payment has been established.

Leases

Leasing fees in operating leases are expensed straight-line over the term of the lease unless another systematic approach better reflects the user's financial benefit over time.

Foreign currency

The reporting currency of the Parent Company is Swedish kronor (SEK).

Translation of items in foreign currencies

At every closing date, monetary items in foreign currencies are translated at the closing day rate. Non-monetary items, which are valued at historical cost in a foreign currency, are not translated. Exchange-rate differences are recognized in operating profit or as a financial item based on the underlying business event, in the period in which they arise, except for transactions that constitute hedging and meet the conditions for hedge accounting of cash flows or of net investments.

Net investment in foreign operations

A monetary item that is a receivable or liability on a foreign operation, where settlement is not planned or likely within the foreseeable future, is considered to be a part of the Group's net investment in foreign operations. Exchange rate differences pertaining to monetary items that constitute a part of the company's net investments in foreign operations and are valued based on cost are recognized in the consolidated translation reserve in equity. Upon a divestment of a net investment in foreign operations, the exchange rate difference is recognized in the income statement.

Translation of subsidiaries and foreign operations

When preparing consolidated financial statements, the assets and liabilities of foreign subsidiaries are translated to SEK at the closing day rate. Income and expense items are translated at the average exchange rate of the period unless the exchange rate fluctuated significantly during the period, in which case the transaction date's exchange rate is used instead. Any translation differences that arise are recognized directly against equity. In the divestment of a foreign subsidiary, such translation differences are recognized in the income statement as a part of capital gains.

Goodwill and fair value adjustments that arise in the acquisition of a foreign operation are treated as assets and liabilities of the operation and translated at the closing day rate.

Public grants

Revenues from public grants that are linked to requirements on future performance are recognized as income when the performance is done and the financial benefits associated with the transaction will likely accrue to the company and the income can be calculated reliably. Public grants have been valued at the fair value of the asset that the company is expected to receive. Grants received before the conditions to recognize them as income have been met are recognized as a liability.

Remuneration of employees

Remuneration of employees in the form of salaries, bonuses, paid holiday, paid sick leave, etc., as well as pensions, are recognized as they are earned. Pensions and other remuneration after concluded employment are classified as defined-contribution or defined-benefit pension plans. The Group only has defined-contribution pension plans. No other long-term remuneration is paid to employees.

Share-based payments settled with equity instruments

Share-based payments settled with equity instruments are valued at the fair value of the allocated equity instruments as of the allocation date. Share-based payments comprise conditional personnel option programs where employees have been offered part ownership through warrants. Amounts paid in by employees have been recognized against equity. The options were acquired by employees through the payment of a market-based premium for the value of the shares, as established in accordance with the Black-Scholes option valuation model.

Defined-contribution plans

With defined-contribution plans, the Group pays fixed contributions to a separate, independent legal entity and has no obligation to pay any further contributions. Costs are charged to the consolidated profit or loss when the benefits are earned, which is normally when the premiums are paid.

Income tax

Tax expenses comprise the sum of current and deferred tax.

Current tax

Current tax is calculated on the taxable profit for the period. Taxable profit differs from the reported profit in the income statement as it has been adjusted for non-taxable income and non-deductible expenses as well as income and expenses that are taxable or deductible in other periods. The Group's current tax liability is calculated according to the tax rates that apply on the closing date.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amount of assets and liabilities in the financial statements and the taxable value used in the calculation of taxable profit. Deferred tax is recognized in accordance with the balance sheet method. Deferred tax liabilities are recognized for essentially all taxable temporary differences, and deferred tax assets are recognized for virtually all deductible temporary differences to the extent that it is likely that the amounts can be applied against future taxable surpluses. Deferred tax liabilities and tax assets are not recognized if the temporary difference is attributable to goodwill.

Deferred tax liabilities are recognized for taxable temporary differences attributable to investments in subsidiaries, except the cases where the Group can determine the time for the reversal of the temporary differences and it is not obvious that the temporary difference will be restored in the foreseeable future.

The carrying amount of deferred tax assets is reviewed on every closing date and reduced insofar as it is no longer likely that adequate taxable profit will be available to be utilized in part or in whole against the deferred tax asset.

The valuation of deferred tax is based on how the company, at the closing date, expects to regain the carrying amount for a corresponding asset or settle the carrying amount of a corresponding liability. Deferred tax is estimated based on the tax rates and tax rules enacted before the closing date.

Deferred tax assets and tax liabilities are offset when they are related to income tax that is charged by the same authority and when the Group has the intention of settling the tax with a net amount.

Current and deferred tax for the period

Current and deferred tax is recognized as income or expenses in the income statement, except when the tax is attributable to transactions recognized directly against equity. In such cases, the tax is also recognized directly against equity. For current and deferred tax that arises at the recognition of business combinations, the tax effect is recognized in the acquisition estimate.

Property, plant and equipment

Property, plant and equipment is recognized at cost less accumulated depreciation and any impairment.

Cost comprises the purchase price, expenses directly attributable to the acquisition to put it into place and condition to be used and estimated expenses for the dismantling and removal of the asset and restoration of the site it is at. Additional expenses are included in the asset or recognized as a separate asset only when it is probable that future financial benefits associated with the item will accrue to the Group and that the cost of the same can be measured reliably. All other expenses for repairs and maintenance and additional expenses are recognized in the income statement in the period in which they arise.

When the difference in consumption of the components of an asset in property, plant and equipment is significant, the asset is divided up into its components.

Depreciation of property, plant and equipment is expensed so that the asset's cost, less any estimated residual value at the end of the useful life, is depreciated straight-line over its estimated useful life. If an asset has been divided up into different components, the respective component is depreciated separately over its useful life. Depreciation commences when the asset can be put into use. The useful lives of property, plant and equipment are estimated at:

Equipment	5 years
Tools	5 years
Installations	5 years

Estimated useful lives and depreciation methods are reviewed if there is an indication that anticipated consumption has changed compared with the estimate at the previous closing date. When the company changes an assessment of useful lives, the asset's possible residual value is also reviewed. The effect of these changes is recognized prospectively.

Removal from the balance sheet

The carrying amount of property, plant and equipment is removed from the balance sheet when it is disposed of or divested or when no future economic benefits are expected from the use or disposal/divestment of the asset or component. The gain or loss that arises when an asset of property, plant and equipment is removed from the balance sheet is the difference between what is potentially received, less direct selling expenses, and the asset's carrying amount. The capital gain or loss that arises when an asset or component of property, plant and equipment is removed from the balance sheet is recognized in the income statement as other operating income or other operating expense.

Intangible assets

Acquisition through separate acquisitions

Intangible assets acquired separately are recognized at cost less accumulated amortization and any accumulated impairments. Straight-line amortization is applied over the asset's estimated useful life, which is estimated at three years. Assessed useful lives and amortization methods are reviewed if there is an indication that they have changed compared with the estimate at the previous closing date. The effect of potential changes in estimates and assessments is recognized prospectively. Amortization begins when the asset can be used.

Removal from the balance sheet

An intangible asset is removed from the balance sheet upon disposal or divestment or when no future financial benefits are expected from the asset's use or disposal/divestment. The gain or loss that arises when an intangible asset is removed from the balance sheet is the difference between what is potentially received, less direct selling expenses, and the asset's carrying amount. This is recognized in the income statement as other operating income or other operating expense.

Acquisition through internal processing

The company applies the capitalization model, which means that the work on preparing internally processed intangible assets is divided up into a research phase and a development phase. All expenditures originating from the company's research phase are recognized as expenses when they arise. All expenditures for development of software are recognized as an asset if all of the following conditions are met:

- It is technically possible to complete the intangible asset so that it can be used or sold,
- the company's intention is to complete the intangible asset and to use or sell it,
- conditions exist to use or sell the intangible asset,
- it is likely that the intangible asset will generate future financial benefits,
- there are necessary and adequate technical, financial and other resources to complete development and to use or sell the intangible asset, and
- the expenditures that are attributable to the intangible asset during its development can be reliably calculated.

Financial instruments

A financial asset or financial liability is recognized on the balance sheet when the Group becomes a party under the instrument's contractual terms. A financial asset is removed from the balance sheet when the contractual right to the cash flow from the asset expires, is settled or when the Group loses control over it. A financial liability, or part thereof, is removed from the balance sheet when the agreed obligation is fulfilled or otherwise expires.

Derivative instruments

To hedge currency risks in forecast cash flows in foreign currency, the Group uses forward foreign-exchange contracts. The derivative instrument is recognized according to the principle of lowest value. If a receivable or liability arises, the receivable or liability is recognized at the forward rate. In cases where the difference between the forward rate and spot exchange rate is material, the receivable or liability is valued at the spot exchange rate and the arbitrage premium is allocated to periods over the duration of the forward contract.

Impairment of financial assets

At each closing date, the Group evaluates if there are indications that one or more financial assets have reduced in value. Examples of such indications are significant financial difficulties among borrowers, contractual breaches or that it is likely that the borrower will enter bankruptcy.

For financial assets that are not valued at accrued cost, the impairment loss is calculated as the difference between the asset's carrying amount and the higher of fair value less selling expenses and the present value of company management's best estimate of the future cash flows the asset is expected to provide.

Cash and cash equivalents

Cash and cash equivalents include cash funds and disposable balances with banks and other credit institutions and other current liquid investments that can easily be converted into cash and are subject to an insignificant risk of value fluctuations. To be classified as cash and cash equivalents, the maturity period may not exceed three months from the time of acquisition.

Provisions

Provisions are recognized when the Group has an existing (legal or constructive) obligation as a result of a past event, where it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

A provision is reviewed every closing date and adjusted so that it reflects the best estimate of the amount required to settle the existing obligation on the closing date, considering risks and uncertainties associated with the obligation. When a provision is calculated by estimating the disbursements expected to be required to settle the obligation, the carrying amount shall correspond to the present value of these disbursements.

When part or all of the amount required to settle a provision is expected to be reimbursed by a third party, this restitution shall be separately reported as an asset on the consolidated balance sheet when it is virtually certain that it will be received if the company settles the obligation and the amount can be reliably calculated.

Onerous contracts

A provision for onerous contracts is recognized when the unavoidable expenses to fulfill the contract exceed the expected financial benefits.

Contingent liabilities

A contingent liability is a possible obligation resulting from an occurred event and the existence of which will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events that are completely beyond the control of the company, but which is not recognized as a liability or provision since it is not likely that an outflow of resources will be required to settle the obligation or because the size of the obligation cannot be calculated with sufficient reliability. Contingent liabilities are recognized as off-balance sheet items.

Cash flow statement

The cash flow statement shows the Group's changes in the company's cash and cash equivalents during the financial year. The statement of cash flows has been prepared using the indirect method. The reported cash flow solely comprises transactions that result in the inflow and outflow of funds.

Accounting principles of the Parent Company

Transition to K3

The Parent Company previously applied the Annual Accounts Act and the Swedish Accounting Standards Board's general guidelines except BFNAR 2008:1 (K2) and BFNAR 2012:1 (K3). The transition to K3 has not entailed any effects on the Parent Company's balance sheet and income statement.

The differences between the accounting principles of the Parent Company and those of the Group are described below:

Subsidiaries

Participations in subsidiaries are recognized at cost. Dividends from subsidiaries are recognized as an income when the right to receive a dividend is deemed certain and can be reliably calculated.

Participations in associated companies

Participations in associated companies are recognized at cost less potential impairment losses. Dividends from participations in associated companies are recognized as income in the income statement.

Tax

Untaxed reserves including deferred tax liabilities are reported in the Parent Company. However, in the consolidated financial statements, untaxed reserves are split into deferred tax liabilities and equity.

Property, plant and equipment

Property, plant and equipment that is of minor value or can be assumed to have an economic life of a maximum of three years is recognized as an expense at initial recognition on condition that the company can make corresponding deductions according to the Income Tax Act. Estimated expenses for dismantling, removal or site restoration are not included in the cost of an asset in property, plant and equipment. They are recognized as a provision when the criteria for this are met.

Financial instruments

Financial instruments are recognized according to the cost method.

Leases

In the Parent Company, all leases are recognized according to the regulations for operating leases.

Note 3 Important estimates and assessments

Important sources of uncertainty in estimates

An account is provided below of the most important assumptions about the future, and other important sources of uncertainty in estimates as at the closing date, which entail a substantial risk of material adjustments in carrying amounts of assets and liabilities in the next financial year.

At the closing date, the Group had a tax asset of SEK 30.9 million regarding foreign tax at source. The asset may be offset against future Swedish corporate tax. The asset has been booked according to the assumption that future profits will be adequate for full offset to be able to be made. As this asset is associated with uncertainty, continuous impairment testing is done based on the company's expectations of future profits.

Critical assessments in the application of the Group's accounting principles

The following section describes the most important assessments, besides those that include estimates (see above), that company management has made in the application of the Group's accounting principles and have the most significant effect on the carrying amounts in the financial statements.

The Group's project revenue is recognized as income in the period in which the work is done under the assumption that the rate of completion of the projects is evenly distributed over the projects' duration. In the calculation of the degree of completion, a detailed and professional assessment is made of the anticipated outcome of each individual project.

Not 4 Derivat och finansiella instrument

The Group holds derivative contracts in the form of forward foreign-exchange contracts. The fair value of these derivatives amounts to a total amount of SEK 366 thousand (negative: 471).

Currency risk

Currency risk refers to the risk that fair value or future cash flows fluctuate as a result of changed exchange rates. The Group conducts business in several different geographical markets and in different currencies and is thereby exposed to currency risk. The exposure to currency risk mainly originates from the payment flows in foreign currency, so-called transaction exposure, and from transaction of balance sheet items in foreign currencies in the translation of the income statements and balance sheets of foreign subsidiaries to the Group's presentation currency (SEK), so-called balance exposure.

The Group's outflows mainly consist of GBP and SEK whereas the Group's inflows mainly consist of EUR, GBP, SEK and USD. The Group is thereby extensively affected by changes in these exchange rates.

The company currency hedges parts of its flow exposure from non-recurring revenues in foreign currencies over a horizon of up to 12 months. According to the Group finance policy, the transaction exposure shall be reduced by using derivative instruments. The Group uses forward contracts. At the closing date, there was an outstanding forward foreign-exchange contract falling due on February 9, 2016.

Note 5 Net sales

Net sales by business area

	01-01-2015-12-31-2015	07-01-2013-12-31-2014
Group		
Sales of systems and related services	282 512	399 747
Reporting of OTC transactions	13 974	8 690
Reinvoicing	4 050	-
	300 536	**408 437**
Parent company		
Sales of systems and related services	289 085	403 041
Reinvoicing	4 050	-
	293 135	**403 041**

Net sales by geographical market

	01-01-2015-12-31-2015	07-01-2013-12-31-2014
Group		
Europe	142 928	190 177
Rest of the world	157 608	218 260
	300 536	**408 437**
Parent company		
Europe	141 858	187 653
Rest of the world	151 277	215 388
	293 135	**403 041**

Note 6 Purchases and sales within the same group

	01-01-2015-12-31-2015	07-01-2013-12-31-2014
Parent company		
Purchase	32.8%	31.0%
Sales	2.2%	0.8%

Note 7 Other operating income

	01-01-2015- 12-31-2015	07-01-2013- 12-31-2014
Group		
Contribution from EU	20 131	-
	20 131	**-**
Parent company		
Contribution from EU	20 131	-
	20 131	**-**

Cinnober will receive more than EUR 2 million from a European Commission financing program to develop and adapt the company's clearing technology for European banks.

Note 8 Fees and expenses for auditors

	01-01-2015- 12-31-2015	07-01-2013- 12-31-2014
Group		
Deloitte AB		
Audit assignment	434	608
Audit activities	-	-
Tax advice	85	164
Other services	-	234
Harmer Slater Ltd		
Audit assignment	102	83
Other services	5	-
Gutierrez & Caruccio, LLC		
Audit assignment	75	4
Total	**701**	**1 093**
Parent company		
Deloitte AB		
Audit assignment	434	608
Audit activites	-	-
Tax advice	85	164
Other services	-	234
Total	**519**	**1 006**

Audit assignment is defined as the audit of the annual financial statements, the administration of the Board of Directors and the CEO, other tasks resting upon the auditor as well as consulting and other assistance, which have been initiated by the findings in performing the audit work or performance of such tasks.

Note 9 Employees and payroll costs

Average number of employees

	01-01-2015- 12-31-2015		07-01-2013- 12-31-2014	
	No. of employees	Men	No. of employees	Men
Parent company				
Sweden	177	116	189	128
Total in the parent company	**177**	**116**	**189**	**128**
Subsidiaries				
Sweden	60	51	51	45
UK	3	2	1	0
USA	2	1	2	1
Total in subsidiaries	**65**	**54**	**54**	**46**
Group total	**242**	**170**	**243**	**174**

	Group		Parent company	
	12-31-2015	12-31-2014	12-31-2015	12-31-2014
Gender distribution in boards and senior management at year-end				
Women:				
Member of the Board of Directors	2	2	2	2
Senior management and CEO	4	4	4	4
Men:				
Member of the Board of Directors	4	4	4	4
Senior management	8	8	6	6
	18	**18**	**16**	**16**

Salaries, other remuneration etcetera

	01-01-2015- 12-31-2015	07-01-2013- 12-31-2014
Parent company		
Board of Directors and senior management including CEO [1]	11 937	15 165
Other employees	94 170	141 745
Total	**106 107**	**156 910**
Social insurance contributions	46 120	70 306
(of which pension contributions)[2]	15 675	24 174
Subsidiaries		
Board of Directors and senior management including CEO [3]	3 015	1 839
Other employees	31 706	40 159
Total	**34 721**	**41 998**
Social insurance contributions	13 039	16 754
(of which pension contributions)	4 097	5 101
Group		
Board of Directors and senior management including CEO	14 952	17 004
Other employees	125 876	181 903
Total	**140 828**	**198 907**
Social insurance contributions	59 159	87 060
(of which pension contributions) [4]	19 772	29 275

1) Of which bonus payments 215 (213 the previous year).

2) Of parent company's pension costs, 750 (1 188 the previous year) relates to the Board of Directors and senior management including CEO. The company's outstanding pension obligations to these individuals amounts to 0 (0 the previous year).

4) Of which bonus payments 7 (31 the previous year).

5) Of the Group's pension costs, 943 (1 341 the previous year) relates to the Directors and senior management including CEO. The Group's outstanding pension obligations to these individuals amounts to 0 (0 the previous year).

Remuneration to the CEO

	01-01-2015- 12-31-2015	07-01-2013- 12-31-2014
Veronica Augustsson	1 942	2 611
Total	**1 942**	**2 611**

Remuneration to the Board of Directors

	01-01-2015- 12-31-2015	07-01-2013- 12-31-2014
Nils-Robert Persson	1 112	1 585
Pär Bertilsson	50	225
Patrik Enblad	100	-
Cecilia Lager	150	225
Staffan Persson	150	225
Helena Westin	150	225
Total	**1 712**	**2 485**

Share-based payments settled with equity instruments

As part of its incentive program, Cinnober has always offered employees a partnership. The purpose of the incentive program is to strengthen the employees' interest in the Group's activities and highlight the connection between employment benefits and the company's performance. At the Annual General Meeting held on October 21, 2013, a decision was made on the issuance of a warrant program for the employees. The warrants were issued in 2014 and mature in three years. The redemption price is SEK 86.67, and the warrants can be exercised no earlier than three years after issue.

The shares issued upon exercise of options were shares in the Group's parent company, Cinnober Financial Technology AB.

	Group		Parent company	
Number of stock options	**2015**	**2013/2014**	**2015**	**2013/2014**
Outstanding at beginning of the year	98 600	344 000	98 600	344 000
Allocated during the year	4 900	99 800	4 900	99 800
Forfeited during the year	-3 700	-19 950	-3 700	-19 950
Redeemed during the year	-	-	-	-
Due during the year	-	325 250	-	325 250
Total outstanding at year end	**99 800**	**98 600**	**99 800**	**98 600**

Of the 99,800 (98,600) stock options outstanding at the period end, 99,800 warrants (98,600) were exercisable. Two previously issued warrant programs were completed during 2013/2014. No options were exercised in these programs, and the Group's consolidated financial statements were not affected by them.

	Group		Parent company	
Average exercise price	**2015**	**2013/2014**	**2015**	**2013/2014**
At the beginning of the year	86.67	77.10	86.67	77.10
Allocated during the year	86.67	86.67	86.67	86.67
Forfeited during the year	86.67	79.33	86.67	79.33
Redeemed during the year	-	-	-	-
Due during the year	-	76.97	-	76.97
At year end	**86.67**	**86.67**	**86.67**	**86.67**

The Black-Scholes option pricing model has been used in calculating the fair value for warrants in both the Group and the parent company. The following data has been used for the period 2015-12-31 outstanding warrants:

	2015
Weighted average share price	61.67
Weighted average exercise price	86.67
Expected volatility	20.00%
Term of options (6 years)	3.00
Expected volatility	4.00%
Risk-free interest rate	0.75%

Not 10 Impairment of financial assets and short-term investments

	01-01-2015- 12-31-2015	07-01-2013- 12-31-2014
Group		
Impairment of shares in Binary Event Network Inc.	-26 733	-
Impairment of shares in Quadriserv Inc.	-10 026	-
	-36 759	**-**
Parent company		
Impairment of shares in Binary Event Network Inc.	-26 733	-
Impairment of shares in Quadriserv Inc.	-10 026	-
	-36 759	**-**

The shares in Binary Event Networks Inc. and Quadriserv Inc. have been written down by SEK 36,759 thousand during the financial year.

Note 11 Interest income and similar income

	01-01-2015- 12-31-2015	07-01-2013- 12-31-2014
Group		
Interest income	50	324
Currency exchange rate gains	-	4 758
	50	**5 082**
Parent company		
Interest income	37	314
Currency exchange rate gains	-	4 559
	37	**4 873**

Note 12 Interest expenses and similar expenses

	01-01-2015- 12-31-2015	07-01-2013- 12-31-2014
Group		
Interest expenses	-218	-351
Currency exchange rate losses	-2 739	-27
Other financial costs	-	-36
	-2 957	**-415**
Parent company		
Interest expenses	-217	-332
Currency exchange rate losses	-2 309	-
Other financial costs	-	-12
	-2 526	**-344**

Note 13 Tax on profit for the year

	01-01-2015- 12-31-2015	07-01-2013- 12-31-2014
Group		
Current tax	-6 681	-1 108
Adjustment of current tax attributable to previous years with regard to tax outside Sweden	-	1 773
Deferred tax	748	-
	-5 933	**665**
Parent company		
Current tax	-6 464	-908
Adjustment of current tax attributable to previous years with regard to tax outside Sweden	-	1 773
Deferred tax	748	-
	-5 716	**865**

The difference between current tax and the calculated tax based on the applicable tax rate consists of the following components:

	01-01-2015-12-31-2015	07-01-2013-12-31-2014
Group		
Reported profit before tax	-21 963	1 807
Tax according to applicable tax rate, 22%	4 832	-398
Tax effect on goodwill	-	134
Tax effect of non-deductible expenses	-9 279	-608
Tax effect of non-taxable income	9	16
Effect of other tax rates for foreign subsidiaries	58	-
Differences in tax rates in various countries	-191	252
Tax effect of unrecognized deferred tax assets on loss carry-forwards	-2 110	-
Deferred tax	748	-
Adjustment of current tax attributable to previous years with regard to tax outside Sweden	-	1 773
Reported tax expense	**-5 933**	**665**
Parent company		
Reported profit before taxes	-12 561	1 624
Tax according to applicable tax rate, 22%	2 763	-357
Tax effect of non-deductible expenses	-9 235	-565
Tax effect of non-taxable income	8	15
Deferred tax	748	-
Adjustment of current tax attributable to previous years with regard to tax outside Sweden	-	1 773
Reported tax expense	**-5 716**	**865**

Note 14 Capitalized expenditures for research and development and similar

	12-31-2015	12-31-2014
Group		
Accumulated acquisition value:		
- Opening balance	1 092	-
- Reclassification	-	1 092
- Capitalization for the year	154	-
	1 246	**1 092**
Accumulated depreciation according to plan:		
- Opening balance	-600	-
- Reclassification	-	-600
- Depreciation according to plan for the year	-363	-
	-963	**-600**
Carrying amount at year-end	**283**	**492**
Parent company		
Accumulated acquisition value:		
- Opening balance	1 092	-
- Reclassification	-	1 092
- Capitalization for the year	154	-
	1 246	**1 092**
Accumulated depreciation according to plan:		
- Opening balance	-600	-
- Reclassification	-	-600
- Depreciation according to plan for the year	-363	-
	-963	**-600**
Carrying amount at year-end	**283**	**492**

Note 15 Equipment, tools, fixtures and fittings

	12-31-2015	12-31-2014
Group		
Accumulated acquisition value:		
- Opening balance	10 589	10 169
- Reclassification	-	-1 092
- New purchases	2 453	2 562
- Disposals	-	-1 050
	13 042	**10 589**
Accumulated depreciation according to plan:		
- Opening balance	-5 591	-4 487
- Reclassification	-	600
- Depreciation according to plan for the year	-1 923	-2 754
- Disposals	-	1 050
	-7 514	**-5 591**
Carrying amount at year-end	**5 528**	**4 998**
Parent company		
Accumulated acquisition value:		
- Opening balance	8 347	8 641
- Reclassification	-	-1 092
- New purchases	222	798
	8 569	**8 347**
Accumulated depreciation according to plan:		
- Opening balance	-5 677	-4 302
- Reclassification	-	600
- Depreciation according to plan for the year	-901	-1 975
	-6 578	**-5 677**
Carrying amount at year-end	**1 991**	**2 670**
Financial leasing agreements on equipment are included in the following amounts:	*None*	*None*

Note 16 Leasing agreements

The Group is the lessee under operating leases for premises, conference systems, IT equipment, and copying machines. The sum of this year's expensed lease payments for operating leases in the Group is SEK 18,677 thousand and in the parent company, SEK 14,560 thousand. Future minimum lease payments under non-cancelable operating leases are due as follows:

	Group		Parent company	
Due date	**2015**	**2013/2014**	**2015**	**2013/2014**
Within a year	17 287	15 554	13 267	12 618
Later than one year but within five years	27 946	34 828	13 018	24 747
Later than five years	1 934	-	-	-
	47 167	**50 382**	**26 285**	**37 365**

Not 17 Participation in Group companies

	12-31-2015	12-31-2014
Accumulated acquisition value:		
- Opening balance	21 196	16 227
- Acquisition	-	4 969
Carrying amount at year-end	**21 196**	**21 196**

Specification of the parent company's holdings of shares and participatory interests in group companies

This refers to the percentage of capital owned, which also corresponds to the percentage of votes for the total number of shares.

Subsidiary/Corp. ID./Domicile	Number of shares	in %	Book value	Profit for the year	Equity
Cinnober Products AB, 556642-0310, Stockholm	100 000	100	100	-	135
Cinetics AB, 556676-2554, Stockholm	8	100	15 895	0	6 000
Cinnober Americas Inc., New York USA	1 000	100	182	-179	-37
Binary Events System Sweden AB, 556862-4513, Stockholm	50 000	100	50	-	50
Cinnober Finanacial Technology North AB 556764-0288 Umeå	1 000	100	-	12	13 487
Boat Services Ltd, 6127985, London, UK	51	100	4 969	-9 718	-4 976
			21 196	**-9 909**	**14 659**

Note 18 Participations in associated companies

	01-01-2015-12-31-2015	07-01-2013-12-31-2014
Group		
Accumulated acquisition value:		
- Opening balance	1 088	975
- Profit from participations in associated companies after tax	266	113
Carrying amount at year-end	**1 354**	**1 088**
Parent company		
Accumulated acquisition value:		
- Opening balance	2 610	2 610
Carrying amount at year-end	**2 610**	**2 610**

The item "Participations in associated companies" consists of shares in Scila AB, corp. ID No. 556763-4695.

As the annual report of Scila AB had yet to be finalized at the time when this annual report was prepared, this annual report only takes Scila AB's profit/loss until June 30, 2014 into account. The profit/loss for the rest of 2015 will be reported in Cinnober's interim report as of March 31, 2016.

	Shares	Shares in %
Shares in Scila, opening balance	41 000	27.89
Shares in Scila, closing balance	**41 000**	**27.89**

Note 19 Investments in securities

	01-01-2015-12-31-2015	07-01-2013-12-31-2014
Group		
Accumulated acquisition value:		
- Opening balance	36 759	36 759
- Impairment for the year	-36 759	-
Carrying amount at year-end	**-**	**36 759**
Parent company		
Accumulated acquisition value:		
- Opening balance	36 759	36 759
- Impairment for the year	-36 759	-
Carrying amount at year-end	**-**	**36 759**

The shares in Binary Event Networks Inc. and Quadriserv Inc. have been written down by SEK 36,759 thousand during the financial year.

Note 20 Deferred tax asset and deferred tax liability

	12-31-2015	12-31-2014
Group		
Deferred tax asset		
Possible credit losses	748	-
Total deferred tax asset	**748**	**-**
Deferred tax liability		
Equipment and inventory, accelerated depreciation	212	212
	212	**212**
Deferred tax asset		
Possible credit losses	748	-
Total deferred tax asset	**748**	**-**

Note 21 Prepaid expenses and accrued income

	12-31-2015	12-31-2014
Group		
Accrued project income	53 332	41 155
Prepaid rental payments	4 294	3 910
Other items	11 351	10 823
	68 977	**55 888**
Parent company		
Accrued project income	51 827	41 155
Prepaid rental payments	3 458	3 470
Other items	9 905	8 447
	65 190	**53 072**

Note 22 Accrued expenses and deferred income

	12-31-2015	12-31-2014
Group		
Accrued personnel expenses	34 619	32 605
Deferred income	54 078	55 744
Other items	5 784	12 930
	94 481	**101 279**
Parent company		
Accrued personnel expenses	27 824	25 980
Deferred income	50 135	55 744
Other items	3 899	6 764
	81 858	**88 488**

Note 23 Memorandum items

	12-31-2015	12-31-2014
Group		
Contingent liabilities		
Forward agreement	26	525
	26	**525**
Parent company		
Contingent liabilities		
Forward agreement	26	525
	26	**525**

Note 24 Adjustments for non-cash items

	12-31-2015	12-31-2014
Group		
Depreciation of equipment	1 939	2 754
Depreciation of intangible assets	363	-
Impairment accounts receivables	3 701	870
Impairment financial assets	36 759	-
Impairment liabilities	-	-7 666
Reversal of negative goodwill	-	-1 000
Profit/loss from participations in associated companies	-266	-113
Translation difference	469	-
	42 965	**-5 115**
Parent company		
Depreciation of equipment	1 234	1 975
Depreciation of intangible assets	30	-
Impairment accounts receivables	3 402	870
Impairment financial assets	36 759	-
	41 425	**2 845**

Note 25 Cash and cash equivalents in the cash flow

	12-31-2015	12-31-2014
Group		
Demand deposits at banks	57 746	54 135
	57 746	**54 135**
Parent company		
Demand deposits at banks	54 423	35 256
	54 423	**35 256**

Short-term investments in the balance sheet at the end of the year were SEK 366 thousand (0), which consisted of financial instruments with a maturity of up to three months.

Stockholm, April 11, 2016

Nils-Robert Persson
Chairman of the Board

Patrik Enblad

Cecilia Lager

Peter Lenti

Staffan Persson

Helena Westin

Veronica Augustsson
CEO

Our auditors' report has been submitted on April 12, 2016.
Deloitte AB

Svante Forsberg
Authorized Public Accountant

AUDITOR'S REPORT

To the annual meeting of the shareholders
Of Cinnober Financial Technology AB
Corporate identity number 556548-9654

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

We have audited the annual accounts and consolidated accounts of Cinno¬ber Financial Technology AB for the financial year 2015-01-01 – 2015-12-31. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 20–42.

Responsibilities of the Board of Directors and the Managing Director for the annual accounts and consolidated accounts

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these annual accounts and consolidated accounts in accordance with the Annual Accounts Act and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for my (our) audit opinions.

Opinions

In our opinion, the annual accounts and consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company and the group as of 31 December 2015 and of their financial performance and cash flows for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the parent company and the group.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of Cinno¬ber Financial Technology AB for the financial year 2015-01-01- 2015-12-31.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act.

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company. We also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Opinions

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Stockholm April 12, 2016

Deloitte AB

Signature on Swedish original

Svante Forsberg

Authorized Public Accountant

Cinnober®
Straight-Through Passion

Stockholm | Umeå
London | New York

Huvudkontor
Kungsgatan 36
111 35 Stockholm
Sweden

Tel +46 8 503 047 00
info@cinnober.com
cinnober.com