

INTERIM FINANCIAL REPORT

Period January 1, 2016 – September 30, 2016

Cinnober
Financial Technology AB

Corporate identity number
556548-9654

- Net sales for the period amounted to SEK 232.6 million (SEK 218.1 million).
- Operating profit for the period amounted to SEK 0.4 million (SEK 9.8 million).
- Profit before tax for the period amounted to SEK 0.4 million (loss 27.3 million).
- Earnings per share before dilution for the period amounted to a loss of SEK 0.23 (loss SEK 4.74).
- The proportion of recurring revenue for the period amounted to 67 percent (61 percent) of net sales.¹
- Major deal with Japan Exchange Group (JPX) for real-time clearing for the Japanese derivatives market. In addition, a smaller deal was signed regarding advanced risk calculations for all asset classes traded in the Japanese financial market.²
- During the period, a major international exchange group ordered a design study involving both real-time clearing and CSD systems. The design study is progressing as planned and commercial negotiations regarding the implementation of the systems are being conducted in a positive spirit.

¹ To improve comparability between periods, re-invoiced expenses have been excluded from net sales in the calculation of recurring revenues.

² See commercial definitions on p.16.

FINANCIAL OVERVIEW	Q3 2016	Q3 2015 ¹	9 MONTHS	9 MONTHS ¹	12 MONTHS ¹
	JUL-SEP	JUL-SEP	2016	2015	ROLLING
Net sales (SEK million)	83.3	78.4	232.6	218.1	315.0
EBITDA (SEK million)	8.3	4.9	2.1	11.5	10.6
EBITDA margin (%)	10.0	6.2	0.9	5.3	3.4
Operating profit (SEK million)	7.8	4.3	0.4	9.8	8.4
Operating margin (%)	9.3	5.5	0.2	4.5	2.7
Profit before tax (SEK million)	8.0	-33.4 ²	0.4	-27.3 ²	5.8
Profit for the period (SEK million)	5.3	-35.3 ²	-1.5	-31.0 ²	1.7
Net margin (%)	6.4	-45.0 ²	-0.6	-14.2 ²	0.5
Earnings per share before/after dilution (SEK)	0.81 / 0.77	-5.39 / -5.39 ²	-0.23 / -0.23	-4.74 / -4.74 ²	0.26 / 0.24
Net cash (+)/net debt (-) (SEK million)	18.2	30.6	18.2	30.6	18.2
Cash flow from operating activities (SEK million)	-19.9	-0.4	-13.2	-21.1	14.1
Return on equity (%)	2.0	-31.9 ²	2.0	-31.9 ²	2.0

¹ In connection with the Group's transition to the K3 accountancy regulations, foreign exchange gains and losses from operations are reported under Other operating revenue and Other operating expenses respectively. Re-invoiced expenses are reported gross as revenue (Net sales) and corresponding expenses (Other external expenses). The period has been restated in accordance with K3.

² Profit for the period was affected by 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 flow have been affected by the impairments.

COMMENTS BY VERONICA AUGUSTSSON, CEO

Cinnober is currently in a growth phase. Our market continues to be pervaded by optimism and willingness to invest, stimulated by extended regulations and increased demands on efficiency. Revenues are increasing and we are recruiting continuously to meet growing demand. At the same time, we are investing for the future, both in reporting services through our subsidiary Boat and in client clearing technology, broadening our target market to include international banks and brokerages.



Net sales for the first nine months of the year amounted to SEK 232.6 million, entailing an increase of SEK 14.5 million (6.6 percent) compared with the corresponding period in 2015. In the third quarter, net sales amounted to SEK 83.3 million, corresponding to an increase of SEK 5.0 million (6.4 percent) compared with the corresponding period last year. Operating profit for the nine-month period continued to be burdened by expenses related to the ongoing growth initiative and amounted to SEK 0.4 million. Nonetheless, the increase in sales means that the third quarter can be summed up with a clear improvement in profitability and an operating profit of SEK 7.8 million.

Cinnober is growing and we are currently carrying out major projects for some of the world's largest exchanges and clearinghouses. To handle a high work load in the customer projects, we are recruiting and have temporarily engaged several external consultants, which has a negative impact on profitability. The number of employees in the company has increased by 16 percent compared with the same time last year. The high level of activity is encouraging, as we know that it is vital to long-term improvement in profitability. In recent years, we have built up a high-quality customer portfolio, in which established national exchanges have replaced exchanges in start-up phases. These customers are expected to generate revenues for decades to come. During the period, recurring revenues amounted to 67 percent of net sales.

Cinnober is a global leader in its traditional segment consisting of exchanges and clearinghouses. During the spring, we announced a major clearing deal with the Japanese exchange JPX, one of the world's largest marketplaces. The deal means that Cinnober's technology will be used for the entire Japanese derivatives market and affirms our dominant position in real-time clearing. A supplemental deal was subsequently signed, according to which we are delivering a solution for advanced risk calculations across all asset classes traded in the Japanese financial market.

In the third quarter, Cinnober won a procurement by another of the world's largest exchange groups. Initially, the customer has ordered a design study addressing how Cinnober's real-time clearing technology can be used for listed derivatives, as well as a complete solution to the exchange group's central securities depository (CSD). The design study is progressing as planned and commercial negotiations regarding the implementation of the systems are being conducted in a positive spirit.

We continue to invest in our London-based subsidiary, Boat, which, among other things provides services to banks and brokerages for reporting share transactions that take place outside of exchanges as "OTC trading". Boat's reporting service is very well positioned for the extended regulations that are emerging and is further strengthened by the collaboration with London Stock Exchange where we are launching Europe's foremost one-stop-shop for trade reporting: TRADEcho.

During the autumn, Boat attracted considerable attention for two business development projects. Agreements have been signed with the renowned insurance and reinsurance market, Lloyd's of London, entailing Boat providing and managing the technical operation of an innovative platform that provides insurance and reinsurance companies access to advanced risk calculation models. Following the close of the period, it was announced that the London Bullion Market Association (LBMA) had chosen Boat as the supplier of reporting services to promote increased transparency and efficiency in the market for OTC trading of precious metals.

At the same time, the initiative continues to adapt our technology in real-time clearing to the clearing operations of international banks, known as client clearing. After the end of the period, it was decided that this business area should, in the future, be operated as a subsidiary of Cinnober. The potential of this technology is assessed as substantial and the offering therefore needs to be commercialized and foregrounded within a separate company.

In summary, Cinnober is currently in a phase of expansion. We are investing in the new business areas client clearing and trade reporting services, while growing in our traditional segment. I view the future with great confidence and optimism – a future in which we build a broader and stronger product portfolio within fintech.

Stockholm, November 10, 2016.

Veronica Augustsson

BUSINESS SUMMARY

This financial report covers the first nine months of the 2016 financial year for the Group and the Parent Company. Consolidated net sales for the period January 1 – September 30, 2016 amounted to SEK 232.6 million (SEK 218.1 million). Profit before tax for the period amounted to SEK 0.4 million (loss 27.3 million). The net effect of changes in exchange rates during the period was SEK 2.0 million (SEK 0.6 million).

Cash flow for the period amounted to a negative SEK 39.5 million (negative SEK 23.5 million) and cash and cash equivalents amounted to SEK 18.2 million (SEK 30.6 million) at the end of the period.

MARKET AND BUSINESS MODEL

Cinnober is a Swedish company that primarily focuses on software sales to major exchanges and clearinghouses and that holds a leading global position in its traditional market niche. This position has been further reinforced in recent years.

The company's ambition is to generate shareholder value through growth, increased profitability and strengthened cash flow. Part of this is to expand the offering to encompass a broader target group by adapting the technology to also suit banks and brokerages.

The business model is consistently based on long business relationships. The decision to invest in Cinnober's technology

normally rests with the 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. There are currently seven such clauses with various customers, and with somewhat differing wordings. These demonstrate what an important partner Cinnober is considered to be.

Cinnober's revenues are mainly divided between those generated by customization projects, as well as recurring license and support revenues. The business cycle for trading and clearing projects consists of three phases with long lead times. Profitability is highly dependent on what phase the customer projects are in.

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. In phase three, the operating phase, Cinnober provides support and maintenance of the system solution. Additional development and refinement are performed based on customers' specific needs. This third phase includes recurring license, operation and support revenues, with generally higher margins.

FIVE-YEAR SUMMARY — 9 MONTHS

Group	09-30-2016	09-30-2015 ¹	09-30-2014 ¹	09-30-2013 ²	09-30-2012 ²
Net sales (SEK million)	232.6	218.1	213.8	220.7	207.1
Operating profit (SEK million)	0.4	9.8	2.8 ⁴	7.8 ⁵	14.5 ⁶
Profit before tax (SEK million)	0.4	-27.3 ³	2.4 ⁴	5.9 ⁵	20.9 ⁶
Profit for the period (SEK million)	-1.5	-31.0 ³	3.5 ⁴	5.6 ⁵	16.0 ⁶
Operating margin (%)	0.2	4.5	1.3 ⁴	3.5 ⁵	7.0 ⁶
Net margin (%)	-0.6	-14.2 ³	1.6	2.5	7.7
Earnings per share before/after dilution* (SEK)	-0.23 / -0.23	-4.74 / -4.74 ³	0.53 / 0.47	0.85 / 0.74	2.44 / 2.10
Equity (SEK million)	77.6	87.6	120.4	134.0	119.9
Equity per share (SEK)	11.85	13.38	18.38	20.46	18.31
Equity ratio (%)	42.1	42.4	57.3	62.1	61.4
Quick ratio (%)	150.6	166.5	185.5	179.0	229.6
Net cash (+)/net debt (-) (SEK million)	18.2	30.6	25.4	34.0	53.3

* Recalculated following a bonus issue of 2:1

¹ In connection with the Group's transition to the K3 accountancy regulations, foreign exchange gains and losses from operations are reported under Other operating revenue and Other operating expenses respectively. Re-invoiced expenses are reported gross as revenue (Net sales) and corresponding expenses (Other external expenses). The period has been restated in accordance with K3.

² Restatement according K3 has not been made for this period.

³ Profit for the period was affected by 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 flow have been affected by the impairments.

⁴ Operating profit for the period January 1, 2014 – September 30, 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 – September 30, 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 – September 30, 2012 includes a reversal of negative goodwill, affecting operating profit favorably by SEK 9.4 million.

BUSINESS SUMMARY (CONT.)

PROJECTS AND SALES

During the period, Japan Exchange Group (JPX), one of the world's largest exchanges, chose Cinnober as the supplier of a new clearing solution for the entire Japanese derivatives market. The deal was preceded by a thorough design study and emphasizes Cinnober's leading position in modern clearing technology. During the spring, this major clearing deal was followed by a smaller supplemental deal (see commercial definitions on p. 16) according to which Cinnober delivers a solution for advanced risk calculations across all asset classes traded in the Japanese financial market. Cinnober is a key partner in JPX's ambitious project called the "Grand Design" where the goal is to build a globally market-leading infrastructure for trading in financial instruments.

During the period, Cinnober also won a procurement by another major international exchange group, in which the first step encompasses a design study for two large post-trade systems. The design study is progressing as planned and negotiations regarding the implementation of the systems are being conducted in a positive spirit. The aim is to use Cinnober's real-time clearing technology for listed derivatives, as well as a complete solution for the group's central securities depository (referred to as the CSD). The procurement process has included a thorough evaluation of all globally available technology providers. Cinnober has been selected exclusively to perform an in-depth design study, to be presented for further decision by the Board of Directors of the exchange group in the first quarter of 2017. The initial design study is defined as a minor deal, while potential future system deliveries will be defined as major deals for Cinnober.

From a strategic point of view, efforts to broaden the customer base into new segments, primarily major banks and brokerages, is important. This venture continues to evolve and could eventually become a major part of the future Cinnober. The market is many times larger than the company's traditional niche, which consists of systems for exchanges and clearinghouses. Time and resources are currently being invested, primarily in two types of offers targeting banks and brokerages: trade reporting services and so-called client clearing. In both of these areas, Cinnober can offer unique solutions, based on proven and successful technology.

Through the subsidiary Boat, banks and brokerages are offered the opportunity to report share trades occurring outside the exchange, in accordance with the pan-European regulatory framework MiFID I. On January 1, 2018, the new regulation MiFID II will enter into effect, which requires that trades in a large number of other asset classes must be reported. Together with London Stock Exchange, Boat launched the TRADEcho service, Europe's premier one-stop-shop for reporting these kinds of trades. TRADEcho is well positioned ahead of the major shift that the introduction of MiFID II will entail and the offer has received a positive response from the market.

During the period, Boat expanded its service offering by entering into an agreement with the historically renowned insurance and reinsurance market, Lloyd's of London. The agreement entails Boat providing and managing the technical operation of an innovative platform that provides insurance and reinsurance companies access to advanced risk calculation models. After the close of the period, it was also announced that the London Bullion Market Association (LBMA) had chosen Boat as the supplier of reporting services to promote increased transparency and efficiency in the precious metals market.

In client clearing, the target group is banks that serve as intermediaries for players on the financial market and different clearinghouses. The banks' current infrastructure for handling these transactions is outdated and the processes are both ineffective and costly. There is therefore a clear demand in the market for more modern solutions as the potential for efficiency savings, improved risk management and a broader service offering is extensive. Cinnober is working to adapt the company's existing risk and clearing system to meet these needs. After the close of the period, the Board of Cinnober decided to establish a new subsidiary, which will focus on the further commercialization of this technology.

INVESTMENTS AND PRODUCT 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. In earlier years, Cinnober has not capitalized the substantial expenses that have 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. Cinnober owns the intellectual property rights to all these systems.

During the period, Cinnober chose to capitalize outlays for development work regarding a proprietary intangible asset. The asset is related to the software platform for reporting transactions in accordance with changed regulatory requirements that Boat will offer the market under the TRADEcho brand together with London Stock Exchange. The initiative is expected to generate revenues from 2017 and onwards.

Consolidated capitalized expenditures for development work and the like amounted to SEK 13.6 million at September 30, 2016, of which SEK 13.3 million pertained to the proprietary software platform and SEK 0.3 million pertained to purchased software and licenses.

ACCOUNTING PRINCIPLES

This interim report was prepared in accordance with the Swedish Accounting Standards Board's recommendation BFNAR 2007:1 and the Swedish Annual Accounts Act. As of 1 January 2015, the annual and interim reports are prepared in accordance with the Swedish Annual Accounts Act and the Swedish Accounting Standards Board's recommendation BFNAR 2012:1 "Annual reporting and consolidated financial statements (K3)". No changes in accounting principles have occurred since the last annual report.

CURRENCY EXPOSURE

The company hedges parts of its flow exposure from non-recurring revenues in foreign currencies by entering into currency futures. Hedge accounting is applied. Hedged receivables and other receivables in foreign currencies are recorded at the agreed forward exchange rates. Currency hedged, contracted and anticipated future sales revenues in foreign currencies are settled at the forward rate applicable when they occur. Currency forwards are reported "off balance". As per the reporting date, the fair value of the currency forwards amounts to a negative SEK 0.4 million (negative SEK 0.04 million), mainly due to the closing rate for EUR/SEK exceeding the average forward rate of the flow hedge.

RISKS

Cinnober's operations are affected by a number of factors, some of which are under the company's control while others are not. For an IT-focused company like Cinnober, operations are affected by operations-related risks, such as project risks, competition, recruitment, trends among major customers and customer losses. Market-related risks include business cycle risks. Financial risks primarily include currency exchange risks.

Additional information can be found on pages 20-21 of the published annual report, which is available via www.cinnober.com/investors/financial-reports.

EMPLOYEES

At the end of the report period, the Group had 284 (245) employees and 22 (7) contracted consultants.

SHARE DATA

As per September 30, 2016, the company's capital stock totaled SEK 6,549,120 (6,549,120), consisting of 6,549,120 shares (6,549,120).

The company's shares are traded on the Nasdaq First North exchange (CINN, ISIN code: SE0000778474, LEI code: 529900596KTN6Q8T7576). Over the past quarter, a total of 550,691 shares were traded and the latest price paid was SEK 154.0 on September 30, 2016.

Stockholm, November 10, 2016
Cinnober Financial Technology AB (publ)

Nils-Robert Persson, Chairman of the Board

Patrik Enblad

Cecilia Lager

Peter Lenti

Staffan Persson

Helena Westin

Veronica Augustsson, CEO

Questions regarding this interim report should be addressed to:
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REVIEW REPORT

INTRODUCTION

We have reviewed the interim report for Cinnober Financial Technology AB (publ) for the period January 1, 2016 - September 30, 2016. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with BFNAR 2007:1 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, prepared for the Group in accordance with BFNAR 2007:1 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm, November 10, 2016.

Deloitte AB

Svante Forsberg
Authorized Public Accountant



SUCCESSFUL YEARS IN AN EVER-CHANGING MARKET

FAST2MARKET

PRODUCT-BASED & CUSTOMIZED



TRADEXPRESS FOR BUSINESS-CRITICAL SOLUTIONS



EXTREMELY FAST SYSTEMS

DISRUPTIVE TECHNOLOGIES



REAL TIME SOLUTIONS

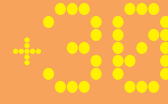


CINNOBER LIVES THROUGH DIVERSITY

OFTEN SUPPLIES THE HEART OF THE CUSTOMER'S OPERATIONS



WITHOUT SYSTEMS, NO EXCHANGE OR CLEARINGHOUSE



NATIONALITIES AT CINNOBER



FROM DAY ONE, DEVELOPED FOR MULTI-ASSET AND CUSTOMIZATION

NEW REGULATIONS GENERATE NEW OPPORTUNITIES

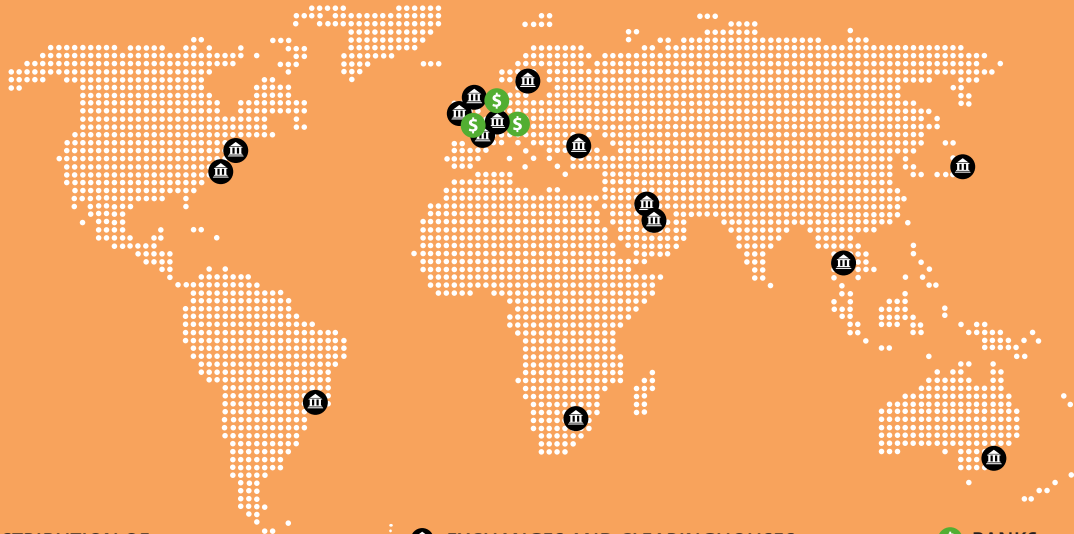
G20 MANDATE

DODD FRANK USA	MIFID II EU	EMIR EU	MIFIR EU	BASEL III EU
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MORE ON-EXCHANGE AND CLEARING = TECHNOLOGY NEEDS

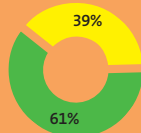
QUALITY & 100% UP-TIME

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

220

EST 1998

UMEÅ

68

EST 2012

LONDON

16

EST 2011

NEW YORK

2

EST 2001

FINANCIAL OVERVIEW

CONSOLIDATED INCOME STATEMENT

Amounts in thousands of SEK	01-01-2016- 09-30-2016	01-01-2015- 09-30-2015 ¹
Operating income		
Net sales	232 552	218 124
Capitalised work on own account	13 806	-
Other operating income	6 831	25 393
	253 189	243 517
Operating expenses		
Other external expenses	-93 758	-75 819
Personnel expenses	-153 606	-147 483
Other operating expenses	-4 436	-9 100
Profit from participations in associated companies	706	363
Operating profit before depreciation/amortization	2 095	11 478
Depreciation/amortization and impairment of equipment and intangible assets	-1 687	-1 719
Operating profit	408	9 759
Profit from financial items		
Impairment of financial assets and short-term investments	-	-36 759
Interest income and similar income items	2 131	4 480
Interest expenses and similar expense items	-2 131	-4 811
Profit after financial items	408	-27 331
Profit before tax	408	-27 331
Tax on profit for the period*	-1 885	-3 713
Net profit for the period	-1 477	-31 044
Attributable to the Parent Company's shareholders	-1 477	-31 044
* Note regarding tax on profit for the period:		
Current tax:	-4 774	-4 545
Deferred tax:	2 889	832
Total reported income tax:	-1 885	-3 713

¹ In connection with the Group's transition to the K3 accountancy regulations, foreign exchange gains and losses from operations are reported under Other operating revenue and Other operating expenses respectively. Re-invoiced expenses are reported gross as revenue (Net sales) and corresponding expenses (Other external expenses). The period has been restated in accordance with K3.

CONSOLIDATED BALANCE SHEET

Amounts in thousands of SEK	09-30-2016	12-31-2015
ASSETS		
Non-current assets		
<i>Intangible assets</i>		
Capitalized expenditures for research and development and similar	13 585	283
	13 585	283
<i>Property, plant and equipment</i>		
Equipment, tools, fixtures and fittings	4 540	5 528
	4 540	5 528
<i>Financial assets</i>		
Participations in associated companies	1 650	1 354
Deferred tax asset	3 638	748
Other long-term receivables	414	376
	5 702	2 478
Total non-current assets	23 827	8 289
Current assets		
<i>Current receivables</i>		
Accounts receivable - trade	39 793	40 333
Current tax receivables*	24 718	27 650
Other receivables	9 187	7 255
Prepaid expenses and accrued income	68 789	68 977
	142 487	144 215
<i>Short-term investments</i>	-	366
<i>Cash and bank balances</i>	18 243	57 746
Total current assets	160 730	202 327
TOTAL ASSETS	184 557	210 616

* Of which, 28 212 (30 896) pertains to taxes deducted at source outside Sweden and that may be deducted against future Swedish corporation tax.

CONSOLIDATED BALANCE SHEET (CONT.)

Amounts in thousands of SEK	09-30-2016	12-31-2015
EQUITY AND LIABILITIES		
<i>Equity</i>		
Share capital (6 549 120 shares)	6 549	6 549
Other contributed capital	18 567	18 567
Other equity, including profit/loss for the period	52 495	65 847
Equity attributable to the Parent Company's shareholders	77 611	90 963
Total equity	77 611	90 963
<i>Provisions</i>		
Deferred tax liability	212	212
	212	212
<i>Current liabilities</i>		
Accounts payable - trade	13 755	17 594
Other liabilities	7 822	7 366
Accrued expenses and deferred income	85 157	94 481
	106 734	119 441
TOTAL EQUITY AND LIABILITIES	184 557	210 616
Pledged assets and contingent liabilities		
<i>Pledged assets</i>	None	None
<i>Contingent liabilities</i>	322	26

CONSOLIDATED CASH FLOW STATEMENT

Amounts in thousands of SEK	01-01-2016- 09-30-2016	01-01-2015- 09-30-2015
<i>Operating activities</i>		
Profit after financial items	408	-27 331
Adjustments for non-cash items	8 280	43 036
Income tax paid	-4 622	-3 325
Cash flow from operating activities before working capital changes	4 066	12 380
<i>Cash flow from working capital changes</i>		
Increase (-)/Decrease (+) in current receivables	-4 530	-28 287
Increase (+)/Decrease (-) in current liabilities	-12 707	-5 178
Cash flow from operating activities	-13 171	-21 085
<i>Investing activities</i>		
Purchase of intangible assets	-13 515	-
Purchase of equipment	-486	-2 429
Dividends received	410	-
Cash flow from investing activities	-13 591	-2 429
<i>Financing activities</i>		
Received warrant premiums	357	-
Dividends paid to parent company shareholders	-13 098	-
Cash flow from financing activities	-12 741	-
Cash flow for the period	-39 503	-23 514
Cash and cash equivalents at the beginning of the period	57 746	54 135
Cash and cash equivalents at the end of the period	18 243	30 621

PARENT COMPANY INCOME STATEMENT

Amounts in thousands of SEK	01-01-2016- 09-30-2016	01-01-2015- 09-30-2015 ¹
Operating income		
Net sales	245 900	212 392
Other operating income	6 455	24 505
	252 355	236 897
Operating expenses		
Other external expenses	-123 099	-100 077
Personnel expenses	-110 868	-111 680
Other operating income and expenses	-3 534	-8 111
Operating profit before depreciation/amortization	14 854	17 029
Depreciation/amortization and impairment of equipment and intangible assets	-890	-949
Operating profit	13 964	16 080
Profit from financial items		
Profit from associated companies	410	-
Impairment of financial assets and short-term investments	-	-36 759
Interest income and similar income items	1 522	4 479
Interest expenses and similar expense items	-2 040	-4 809
Profit after financial items	13 856	-21 009
Profit before tax	13 856	-21 009
Tax on profit for the period*	-3 327	-3 692
Profit for the period	10 529	-24 701
*Note regarding tax on profit for the period:		
Current tax:	-4 742	-4 524
Deferred tax:	1 415	832
Total reported income tax:	-3 327	-3 692

¹ In connection with the Group's transition to the K3 accountancy regulations, foreign exchange gains and losses from operations are reported under Other operating revenue and Other operating expenses respectively. Re-invoiced expenses are reported gross as revenue (Net sales) and corresponding expenses (Other external expenses). The period has been restated in accordance with K3.

PARENT COMPANY BALANCE SHEET

Amounts in thousands of SEK	09-30-2016	12-31-2015
ASSETS		
Non-current assets		
<i>Intangible assets</i>		
Capitalized expenditures for research and development and similar	306	283
	306	283
<i>Property, plant and equipment</i>		
Equipment, tools, fixtures and fittings	1 539	1 991
	1 539	1 991
<i>Financial assets</i>		
Participations in Group companies	21 196	21 196
Participations in associated companies	2 610	2 610
Deferred tax	2 164	748
Other long-term receivables	79	79
	26 049	24 633
Total non-current assets	27 894	26 907
Current assets		
<i>Current receivables</i>		
Accounts receivable - trade	37 669	36 921
Receivables from group companies	35 882	8 361
Current tax receivables*	23 305	27 256
Other receivables	7 755	6 672
Prepaid expenses and accrued income	65 332	65 190
	169 943	144 400
<i>Short-term investments</i>	-	366
<i>Cash and bank balances</i>	16 960	54 423
Total current assets	186 903	199 189
TOTAL ASSETS	214 797	226 096

* Of which, 28 212 (30 896) 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	09-30-2016	12-31-2015
EQUITY AND LIABILITIES		
<i>Equity</i>		
<i>Restricted equity</i>		
Share capital (6 549 120 shares)	6 549	6 549
Statutory reserve	18 009	18 009
	24 558	24 558
<i>Non-restricted equity</i>		
Capital surplus	15 633	15 276
Profit brought forward	45 242	76 618
Profit for the period	10 529	-18 277
	71 404	73 617
Total equity	95 962	98 175
<i>Untaxed reserves</i>		
Accumulated excess depreciation	745	745
	745	745
<i>Current liabilities</i>		
Accounts payable - trade	12 137	15 960
Liabilities to Group companies	27 512	26 944
Other liabilities	2 778	2 414
Accrued expenses and deferred income	75 663	81 858
	118 090	127 176
TOTAL EQUITY AND LIABILITIES	214 797	226 096
Pledged assets and contingent liabilities		
<i>Pledged assets</i>	None	None
<i>Contingent liabilities</i>	322	26

PARENT COMPANY CASH FLOW STATEMENT

Amounts in thousands of SEK	01-01-2016- 09-30-2016	01-01-2015- 09-30-2015
<i>Operating activities</i>		
Profit after financial items	13 856	-21 009
Adjustments for non-cash items	7 322	42 322
Income tax paid	-3 572	-2 376
Cash flow from operating activities before working capital changes	17 606	18 937
<i>Cash flow from working capital changes</i>		
Increase(-)/Decrease (+) in current receivables	-32 781	-29 342
Increase(+)/Decrease (-) in current liabilities	-9 086	-3 509
Cash flow from operating activities	-24 261	-13 914
<i>Investing activities</i>		
Purchase of intangible assets	-236	-
Purchase of equipment	-225	-156
Cash flow from investing activities	-461	-156
<i>Financing activities</i>		
Received warrant premiums	357	-
Dividends paid to parent company shareholders	-13 098	-
Cash flow from financing activities	-12 741	-
Cash flow for the period	-37 463	-14 070
Cash and cash equivalents at the beginning of the period	54 423	35 256
Cash and cash equivalents at the end of the period	16 960	21 186

OTHER INFORMATION

CINNOBER IN BRIEF

- Cinnober develops business-critical system solutions for exchange trading, risk management and other financial services.
- Its target group consists primarily of international stock exchanges, clearinghouses, banks and brokerages.
- The company was founded in 1998, currently has over 280 employees (excluding consultants), representing some thirty nationalities.
- It offers solutions in price discovery, order matching, market data, index calculations, clearing, risk management and market surveillance.
- Cinnober's shares are listed on the Nasdaq First North exchange (CINN, ISIN code: SE0000778474, LEI code: 529900596KTN6Q8T7576). Avanza is the Certified Adviser.

FINANCIAL CALENDAR

Year-end report for January 1 – December 31, 2016

February 23, 2017

Interim report for January 1 – March 31, 2017

May 4, 2017

Annual General Meeting

May 16, 2017

Interim report for January 1 – June 30, 2017

August 24, 2017

Interim report for January 1 – September 30, 2017

November 9, 2017

Year-end report for January 1 – December 31, 2017

February 22, 2018

FINANCIAL INFORMATION

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

This interim 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.

PUBLICATION

This information is information that Cinnober Financial Technology AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. This interim financial report was published on November 10, 2016 at 11 a.m. CET.

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, including proposed dividends

Net margin – Profit after tax as a percentage of net sales

Net cash/Net debt – Cash and cash equivalents and interest-bearing current and non-current receivables less 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 equity – 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.



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