

Cinnober publishes year-end report and plans to raise capital to finance initiative in real-time clearing for banks

Today, after the close of the exchange, Cinnober Financial Technology Aktiebolag (publ) ("Cinnober") will publish its year-end report for 2016. As announced on November 9, 2016, Cinnober has resolved to increase its focus on sales of technology and services for real-time clearing for banks, so-called client clearing, through a separate subsidiary for these operations (the "Subsidiary"). Cinnober now intends to raise capital for this initiative by investigating the possibility for a directed share issue of approximately SEK 100 million and using this capital to invest in the Subsidiary.

Based on Cinnober's existing technology for exchanges and clearinghouses, the Subsidiary will offer banks and their customers real-time clearing. This includes a complete overview of their risk exposure to different markets in real time. Because the technology is able to handle all of the asset classes traded as well as trade being conducted both within and outside an exchange, it facilitates more efficient use of capital and provides operational efficiencies. In 2016, the basic technology was named "Post-Trade Initiative of the Year" for the second consecutive year by the prestigious trade magazine Financial News.

The planned capital raising enables the financing of the planned expansion and the build-out of the client clearing offering. Given that the business develops well, the intention is for the subsidiary to be distributed to the shareholders of Cinnober within 24 months.

"Client clearing is a highly attractive growth initiative. The proposed financing arrangement will be used to commercialize the opportunity we perceive in the market," says Veronica Augustsson, CEO of Cinnober and member of the Board of Directors of the Subsidiary. "We are the dominant supplier to international exchanges and clearinghouses when it comes to this type of technology. Interest in real-time technology from international banks and brokerages is very extensive, and there is currently substantial potential for modernizing and streamlining processes in areas such as risk management and post-trade. The next generation of banks will be very different from today's banks, with the change being driven by modern technology."

"We perceive considerable demand for solutions of this kind among the banks, not least because of new regulatory requirements, efficiency demands and the willingness to develop operations," says Patrik Enblad, member of the Board of Directors of Cinnober and Chairman of the Subsidiary. "The level of ambition is high. We will be a key player in the introduction of the next generation of middle and back office systems for the increasingly digitized banks of the future. Aided by the financing of the initiative, the plan now is to recruit some 50 employees by year-end."

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About Cinnober

Cinnober provides solutions and services to leading trading and clearing venues, including exchanges, clearinghouses, banks and brokers. Cinnober's solutions are largely based on the TRADExpress™ Platform, incorporating everything needed for mission-critical solutions in terms of performance, robustness and flexibility. The portfolio of offerings includes price discovery and matching, real-time risk management, clearing and settlement, index calculation, data distribution and surveillance. Cinnober's customers include the Australian Securities Exchange, BM&FBOVESPA, Dubai Gold & Commodities Exchange, Euronext, Japan Exchange Group, Johannesburg Stock Exchange, the London Metal Exchange, LME Clear,

NYSE and the Stock Exchange of Thailand. In addition to the leading position in exchange technology, the company also has a long-term ambition to broaden its offering to a larger target group, by also adapting the technology for banks and brokerages. Cinnober's shares are traded on the Nasdaq First North exchange and the company's Certified Advisor is Avanza. For additional information, please visit www.cinnober.com

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