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Annual General Meeting

Time

The Annual General Meeting (AGM) for Cinnober Financial Technology AB, org. no. 556548-9654, takes place on October 14, 2010, at 5 pm.

Place

Cinnober Financial Technology AB,
Kungsgatan 36, Stockholm, Sweden.

The right to participate

To have voting rights at the AGM, the shareholder must:
– be registered in the share register on October 8, 2010.

Registration in the share register

To have the right to participate in the AGM, shareholders must be registered in the share register, which 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 October 8, 2010, which means that shareholders must notify the nominee in good time before that date.

Financial calendar

Interim report for July 1, 2010 – September 30, 2010
October 28, 2010.

Interim report for July 1, 2010 – December 31, 2010
27 January 2011.

Interim report for July 1, 2010 – March 31, 2011
28 April 2011.

Cinnober's financial information is published in Swedish and English and is available from www.cinnober.com/financial-reports.

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.

Cinnober at a glance

At Cinnober Financial Technology, we see major opportunities in the continuously changing financial market. Our task is to help financial actors, such as trading and clearing venues, to respond to new market opportunities by implementing innovative changes and thereby gain new positions faster than their competitors.

Customers

Cinnober powers mission-critical solutions at leading trading venues around the world, including both innovative incumbents and ground-breaking new enterprises. Our customers include:

- Alpha Trading Systems
- Borsa Italiana
- Burgundy
- Chicago Board Options Exchange
- EDX London
- Hong Kong Mercantile Exchange
- London Metal Exchange
- Markit BOAT
- NYSE Liffe
- Quadriserv
- Turquoise

Four cornerstones of our success

Through our successful projects and installations, Cinnober has been profitable ever since its inception in 1998. This success is based on four cornerstones:

- Mastery of financial markets and the business logic of trading and clearing.
- Advanced financial technology to meet extreme demands on business functionality, high throughput and low latency.

- Agility and commitment in our day-to-day operations that mean we always deliver on time, on plan and on budget.
- We are proudly independent of financial actors, software suppliers and different technical platforms – we focus purely on mission-critical systems solutions for our niche target group.

Technology and product leadership

Our home turf is financial technology and the business logic of trading and clearing. We have an agile approach to creating advanced solutions based upon our versatile TRADExpress™ Platform. From this platform we have been able to create leading system solutions for price discovery, order matching, market data, clearing, settlement and market surveillance.

To complement these solutions, we recently introduced TESS™ – TRADExpress Streamlined Services – an exchange solution running on a subscription basis that will help turn trading ideas into new marketplaces even faster, both in established and emerging markets.

A knowledge company built on passion for technology

Cinnober now employs about 170 passionately engaged people, many of us also partners. Most have a background in marketplaces and financial information technology, with an average of ten years of experience. During the recent years of expansion, our professional ranks have been filled with new graduates as well as seasoned veterans.



A WORD FROM THE CEO

A red line-art illustration of a man's face and upper torso. He is wearing glasses and a collared shirt. The drawing is minimalist, using only red outlines on a white background.

Riding the waves of change

IF I COULD NAME ONE THING that has always characterized us at Cinnober, it's our ability to anticipate and adapt to change. Adaptability is built into how we team up with clients, and how we create solutions.

This past year has been no exception, as the world slowly emerges from one of the most turbulent periods in financial history. But there is a silver lining – the turbulence has increasingly put market efficiency, transparency and risk management at the center of debate. And it's exactly those areas where we at Cinnober have been most productive in introducing new solutions. As new regulations are introduced for securities trading and clearing, this will also increase demands for new systems.

The numbers show that Cinnober as a company has fared well. Despite a generally much weaker market, with consolidated net sales of MSEK 222.9 (323.3), we continue to maintain a healthy level of profitability, with a consolidated profit before tax of MSEK 25.1 (63.4). Apart from the record year 2008/2009, last year was one of Cinnober's best to date.

We continue to develop and refine what we offer. During the year, we launched a new version of the TRADExpress Trading System, which shows response times shortened by up to 50% in tests conducted with Intel.

In the trend towards high-speed and algorithmic trading, transaction latency has become an issue for many market operators, resulting in a frenzied search for new ways to shave a few microseconds. Although Cinnober holds a strong position in this race, the quest for speed shouldn't blind us to the needs for advanced functionality. And when it comes to the complexities of supplying secure and efficient markets in a high-speed landscape, we have strategies for coping with algorithmic trading and we offer innovative solutions that go beyond the "circuit breaker" rules currently at the center of so much media attention.

Part of our historical and future success is attributable to us systematically broadening our offer to achieve greater coverage of our niche. And we see many new opportunities on the horizon.

Based on how our industry manages risks and transparency, we believe we will have major new business opportunities in the coming year. Today's clearing systems are based on surprisingly outdated

technology, often running large batch files long after the business transactions have been completed, sometimes at the end of the day. We've been preaching more efficient risk management for years, and we recently launched an advanced clearing solution that offers what its name says: RealTime Clearing.

A fully functional and secure market also requires that surveillance systems keep up with the times. We observed a deficiency in the options available to the market in this segment. We had soon introduced another new tool for our target group, Scila Surveillance, which provides innovative functions for marketplaces and authorities and a seamless route from detecting market abuse to presenting evidence.

We recently introduced TESS™ – TRADExpress Streamlined Services, an exchange solution running on a subscription basis. The offering complements our product portfolio and mainly targets small and medium-sized marketplaces. With pricing based on usage in terms of capacity and functionality, customers gain instant access to leading-edge marketplace technology.

After years of focusing on Western European and North American markets, we have also recently made inroads in a number of new and emerging markets. Our first customer outside our traditional geographical markets, the Hong Kong Mercantile Exchange, is awaiting regulatory approval and is ready to start operating later this year. We are currently working on exciting new opportunities in a number of new markets around the world.

In short, over the past two years we have been systematically broadening and tuning our product portfolio. Our offering holds a strong position against international competition and now provides all of the components required for a functioning marketplace, including solutions for price discovery, order matching, market data, clearing and market surveillance.

At Cinnober, we're doing a good job of tuning into where customers need support, because we know that quickly implementing the right technology is essential to overcoming today's market challenges. And as an independent provider of advanced financial technology, we are correctly positioned for an exciting and dynamic future!

Jan Arpi
September, 2010

Every customer is a partner

Being flexible with our customers, and treating each one as a long-term partner — with shared goals for outstanding performance — has proven to be a successful formula.

Building partnerships with customers based on trust, transparency and shared knowledge is our mode of operation. Our way of working assures a high level of internal and customer engagement, allowing everyone on the project to capture ideas and changes that can surface at any moment.

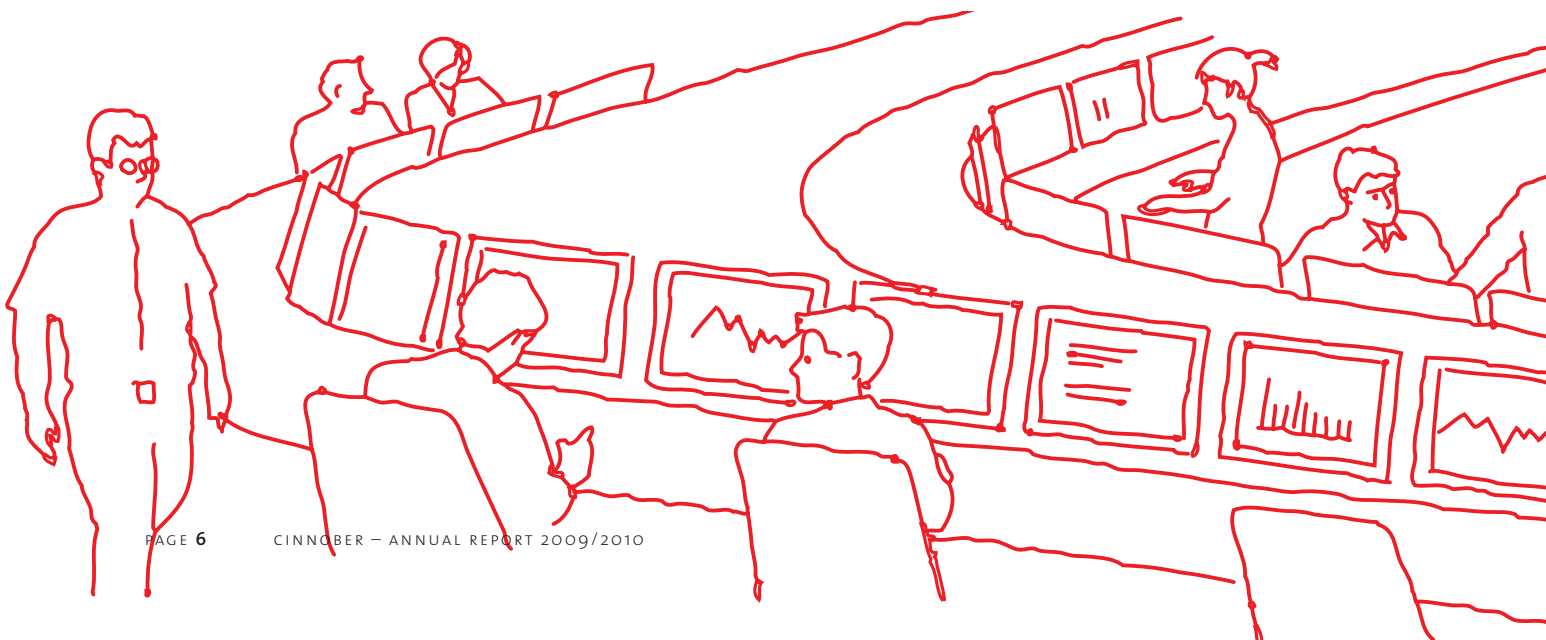
The majority of our customers have found that a Cinnober Design Study is a very effective way to start a complex trading or clearing system implementation project. This is a short, intensive collaboration that involves a thorough analysis of the customer's requirements. The objective is to set a fixed cost and timescale for the development and implementation of a new systems solution. Customers often find that the Design Study also brings important issues to the surface that might not otherwise have been evident to them. At the end of the Design Study there is a common understanding between the customer and Cinnober of what needs to be done and where the complications of the project may lie. A Design Study is usually part of the pre-project phase and might last 1-2 months.

Building partnerships with customers based on trust, transparency and shared knowledge is our mode of operation.

When customers have specific requirements that we must prove ourselves capable of meeting at an early phase, we apply a particular methodology, the Cinnober Proof of Concept, which leads to reduced product risk for the customer. The Proof of Concept can be performed early in a customer's evaluation process or after a design study. It normally takes 1-2 months.

The Cinnober organization is built around mission-critical projects, requiring simultaneous flexibility and focus. So we use a software development methodology that prioritizes agility, transparency and close customer contact. Known to a wide development community under the name "Scrum", it is a people-oriented methodology that takes us away from our desks and gets us talking towards solutions.

This strengthens our company culture, which is based on openness and transparency, matched with a reliance on the collective knowledge of everyone in our organization. While Cinnober has grown rapidly over the years, we maintain the feeling of a small company where employees share responsibilities, goals and results. To ensure a close and straightforward dialogue with our customers, our organization is also flat and decentralized.



Trading power around the world

Cinnober has built trading and clearing solutions for exchanges and alternative trading platforms the world over. What they have in common is extreme demands on functionality, operational reliability and performance in the form of complex order types and latency, for example.

Alpha Trading Systems (Alpha)

Alpha was established by nine of Canada's leading banks and financial institutions. It offers an alternative marketplace for equities trading in Canada and has won over market shares from the primary market. Cinnober supplies Alpha's high-performance, low-latency trading platform, and a number of innovative order management solutions, e.g. where trading occurs through a central limit order book and other special order books.

Borsa Italiana

The Italian stock exchange, now part of the London Stock Exchange Group, manages several national equities and derivatives markets. Cinnober supplies the DDM Plus market data system, which efficiently disseminates information to market participants from all of Borsa Italiana's marketplaces.

Burgundy

Burgundy is an alternative marketplace for listed Nordic securities, founded and owned by the largest Nordic banks. The marketplace began operating in 2009 and has the target of achieving a 25% market share in equities trading in the Nordic region. The offering is based on cost-effective trading and Cinnober supplies a turnkey solution including system operation and Scila Surveillance for market supervision.

Chicago Board Options Exchange (CBOE)

Today, CBOE is the world's largest marketplace for options and was a pioneer in listed options when it was founded in the early 1970s. Cinnober supplies CFLEX, an easy-to-use Internet-based trading system managing electronic trading in FLEX Options. Over the year, this solution has enjoyed a highly favorable volume trend and increase in the number of users. CBOE went public in June 2010 and prides itself on its ability to create new products.

EDX London

EDX London – part of the London Stock Exchange Group – provides futures and options trading in a range of international markets for futures and options across equity, index and fixed income asset classes. The exchange specializes in Scandinavian and Russian equity derivatives, and utilizes Scila Surveillance for market surveillance.

Hong Kong Mercantile Exchange (HKMEx)

The ambition of the Hong Kong Mercantile Exchange is to act as a bridge between China and international commodities markets. Once it has received regulatory approval, the exchange will provide a premier price discovery platform to traders, industrial end-users and professional investors. Cinnober supplies the Pearl and Pearl Pro trading platforms and Scila Surveillance for market supervision.

London Metal Exchange

The London Metal Exchange (LME) is one of the world's oldest and most reputable commodities exchanges. It offers futures and options contracts for various commodities, such as copper, zinc and steel, but also non-metal commodities such as plastics. Cinnober provided a new version of the exchange's electronic trading platform, LMEselect, in 2003. Since then, a number of successful upgrades have been implemented, providing the exchange with added functionality and improved performance. During this period we have seen the LME's electronic trading rise from 2% of the exchange's total volume to over 70%.

Markit BOAT

According to an EU directive, all equities trading through OTC transactions shall be reported and published to enhance transparency. Markit BOAT offers such a service, and more than 20% of European stock trades are reported through this system. Cinnober supplies the entire underlying systems solution, including operation and maintenance.

NYSE Liffe

NYSE Liffe is the global derivatives business of the NYSE Euronext group. Cinnober supplies NYSE Liffe with the Bclear and Cscreen systems forming NYSE Liffe's OTC service, including hosting and related services for Cscreen.

Cscreen is used by banks and inter-dealer brokers to discover and negotiate prices for possible transactions on the OTC market. The award-winning Bclear service combines much of the flexibility of the OTC market with many of the benefits of exchange-traded instruments, including clearing of concluded transactions.

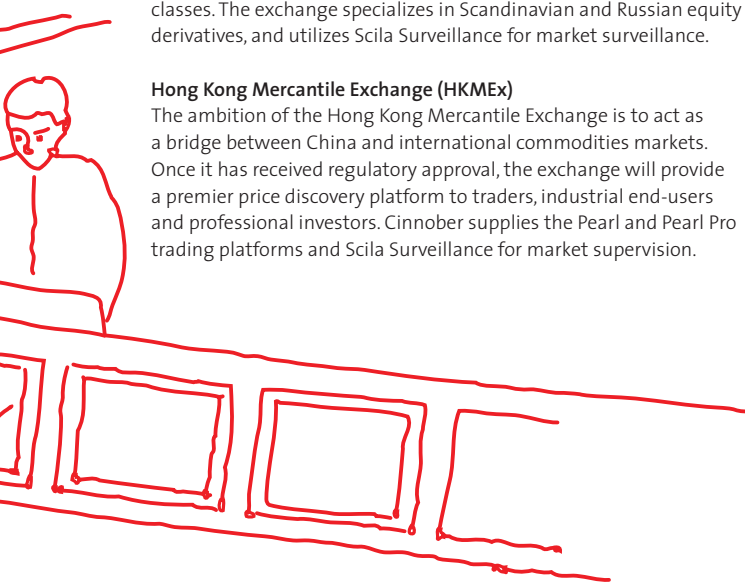
Quadrivers

Quadrivers is a leading marketplace for securities lending. Automated Equity Finance Markets, Inc., its wholly-owned subsidiary, has developed AQS, a customized, centralized platform for securities lending, based on Cinnober's TRADExpress Trading System. Through its relationship with The Options Clearing Corporation, AQS has created the world's first centrally-cleared marketplace for securities lending transactions.

Turquoise

Turquoise is a pan-European multilateral trading facility (MTF) that integrates dark and transparent liquidity pools in a single order book. This enhances liquidity and efficiency while improving pricing through a lower discrepancy between prices for purchases and sales.

The marketplace was started by some of the world's largest banks and financial institutions. Cinnober supplied the trading platform in an unusually rapid delivery project in the late summer of 2008 and has subsequently provided operation and maintenance. The London Stock Exchange is now Turquoise's principal owner. LSE has given notice of termination of its contract with Cinnober, having expressed its intention to transfer to its own technology platform in October 2010.



Competitive advantage based on independent technology

The TRADEExpress platform forms the foundation of our offering and our reputation for delivering powerful systems solutions with advanced functionality and superior reliability – not to mention time to market. In delivering sophisticated systems solutions on time, on budget and in accordance with specifications – even when the customer has changed them during the project – our track record speaks for itself.

Cinnober's platform offering also stands for independent and flexible technology – a significant consideration in today's dynamic world. This means our solutions can be adapted to rapidly emerging or shifting market demands.

They are also leading-edge offerings, because our product philosophy is not just to wait for customer requirements, but to anticipate them. The Cscreen installation and offerings such as RealTime Clearing and Scila Surveillance are all good examples of solutions that we initiated thanks to foresight and free thinking.

Moreover, our offering comes with a low total cost of ownership, stemming from the flexible architecture embodied in the platform, as well as efficient code development methods. Our solutions require fewer servers than comparable systems, and offer lower costs over a five-year period, when all investments are included.

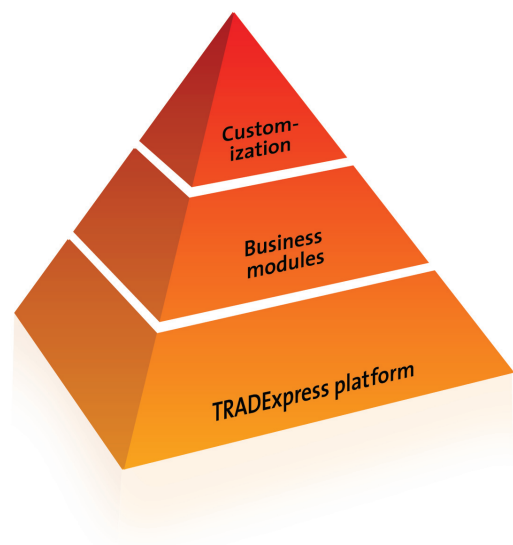
Versatility and agility with TRADEExpress™

All Cinnober offerings have a layered architecture with the TRADEExpress Platform as the backbone. The Java-based platform runs on a wide choice of hardware, operating systems and databases.

This allows customers to rapidly take advantage of improvements in technology, for example, by utilizing the fastest and most cost-efficient hardware and databases. To a great extent, it is the flexibility and openness of the platform that allows our systems solutions to offer extreme performance in terms of low latency, high throughput and scalability. The latest version of the TRADEExpress Trading System shows response times shortened by up to 50% in benchmark test conducted with Intel.

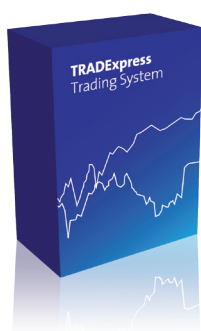
TRADEExpress provides a robust, fully redundant and scalable infrastructure, enabling high-content, customized solutions. The logic of each specific business module is added on top of the platform layer. Additional unique customer adaptations – including integration with proprietary code – can be added on

top of that. Given this flexibility, we can apply our technology and business knowledge to support unique business models in any financial marketplace and in all types of financial instruments.



Packaged systems solutions

Based on our powerful and flexible technology, as well as many years of experience in building marketplace systems, we are able to offer solutions that meet all significant considerations in building secure and efficient trading and clearing venues: price discovery, order matching, market data, clearing and market surveillance. All packaged systems solutions can be adapted to specific customer requirements.



TRADExpress™ Trading System

An efficient solution for electronic trading that is very fast, able to cope with very large transaction volumes and that is therefore able to meet the needs of the most demanding marketplaces. The product-based approach offers considerable readiness for customizations, while offering short time-to-market, regardless of the instruments to be traded. This multi-asset platform has proven itself in trading with asset categories as diverse as equities, derivatives, fixed income products and stock lending.



TRADExpress™ RealTime Clearing

A comprehensive clearing solution that offers risk management in true real time. This minimizes risk by allowing discrepancies between the assets pledged and trade exposure to be discovered and remedied immediately. Risk calculations can be carried out before, during or after the basic transaction regardless of the asset category being traded. The solution offers bilateral as well as multilateral clearing abilities, capacity to swiftly implement new instruments and enables multiple risk algorithms in parallel.



TRADExpress™ Information Manager

A flexible market data dissemination solution with the capacity to mediate and refine data on multiple asset classes (including equities, derivatives, fixed income products and certificates), as well as market and index information. Subscribers within the financial community can subscribe to various levels of market depth, statistics and calculations.



Scila Surveillance

A turnkey surveillance system offering financial markets, regulators and market participants a seamless route from the detection of market abuse to presentable evidence. The solution has attracted extensive interest from the target group, with its short implementation time, standard open technologies and usability, resulting in low overall costs for customers.

Managed services

In the financial sector, a strong IT partner needs to deliver more than just robust technology. It should help ensure a smooth launch, implementation and operation – as well as provide a flexible path for post-launch developments, since the market never stops changing.

While some customers might have firmly established system operations, their IT departments might already be fully burdened and unable to take on new projects. New marketplaces may start out without an IT department at all, and with very few resources in place. Cinnober therefore offers complete system hosting

and operational services, from system dimensioning through installation, to ongoing operation and systems monitoring.

All Cinnober solutions can be ordered with the customer's chosen level of management services including infrastructure, hardware, network and system management and operation. In connection with such assignments, we also provide performance reports monitoring trends in hardware and network usage, as well as analyses anticipating future needs for upgrading of system capacity.

Software as a service

In recent years, Cinnober has recognized a need for a more standard service offer, allowing marketplace technology to be implemented even more rapidly and with moderate initial investment. One that could easily meet the requirements of entrepreneurs with attractive concepts and ventures in new markets. At the same time, there is also a need for well-established venues to upgrade and modernize their trading platforms without investing heavily in development or infrastructure.

The answer to all of these is TESS™ – TRADExpress Streamlined Services, which we launched in the spring of 2010. TESS is a full-service exchange solution that quickly gets a new or established trading venue

powered up and growing. Based on our proven technology and experience, TESS offers a global, high-performance multi-asset trading platform and modern market surveillance on a subscription basis – regardless of asset category.

With pricing structure based on usage, customers pay only for what they need in terms of pre-defined functions. Put simply, TESS lets them hire the technology they need, avoiding large outlays for technology investments and allowing them to focus on building up their markets. At the same time, it gives them instant access to leading-edge marketplace technology that has already been proven in major trading venues.

Challenges and motivation

At Cinnober you get to work with some of the financial sector's largest and most demanding international customers. Our employees are given opportunities to develop or streamline central marketplaces that are vital to the functioning of society, while boosting their opportunities to grow and develop.

The expertise, experience and motivation of each individual employee are, of course, essential to our business. That's why we feel it is so important to work actively to make Cinnober a great place to work and provide plenty of opportunities for continual skills development. Most of us have a university education and a great deal of experience working with both financial technology and exchange and clearing operations.

Our ambition is for Cinnober to be a flexible and agile organization, with a high level of transparency. The vast majority of us work on projects that are managed in close partnership with our customers using highly adaptable project methods such as Scrum. As an organization, we believe we have a healthy distribution of responsibility with uncomplicated decision-making processes.

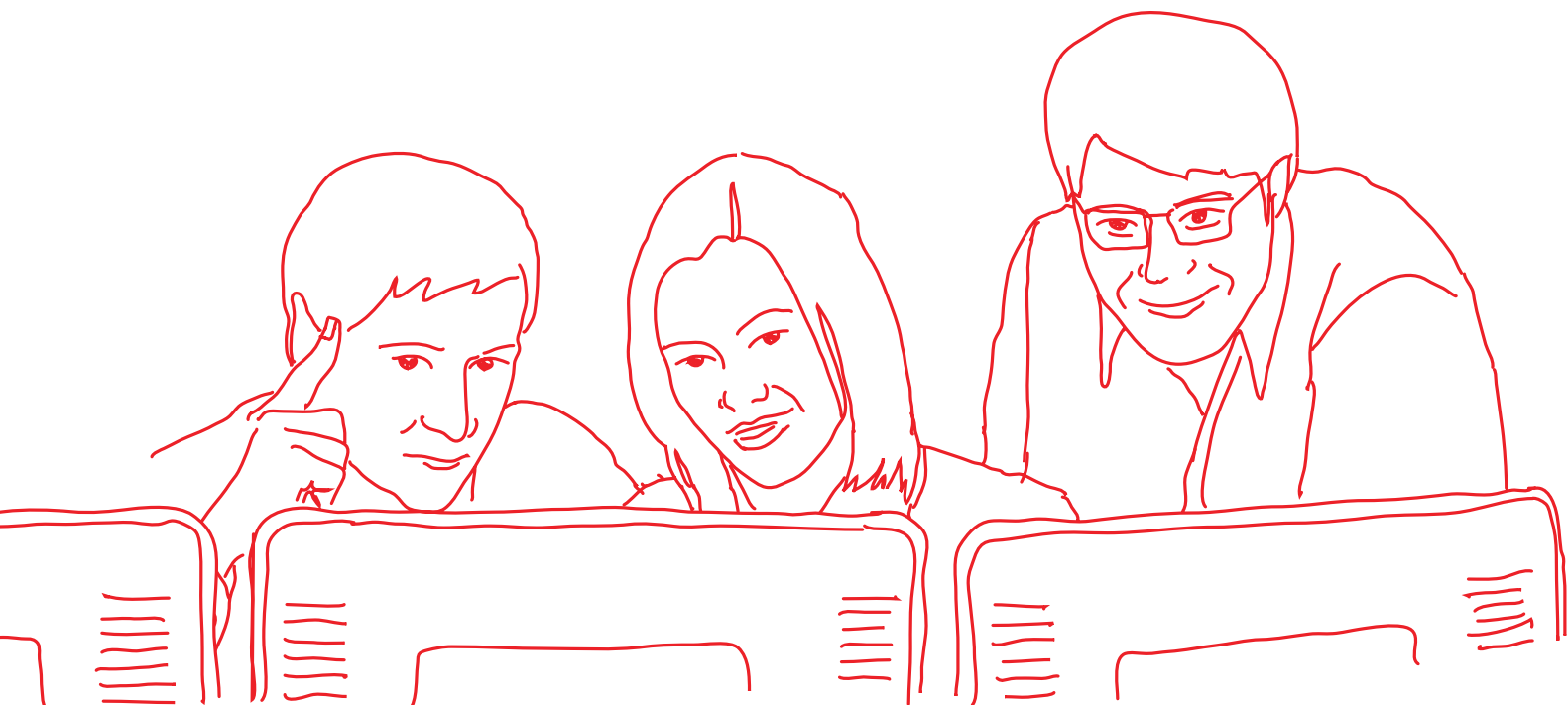
Annual employee surveys conducted by the company consistently show excellent results in relation to job

satisfaction. These surveys generate high scores with regard to communication, cooperation and respect for one another.

It is extremely important to be able to retain and recruit employees that have the skills and commitment needed to run and develop our company. Cinnober aims to be the first choice both for the market's best qualified staff and for young people who join us straight from education.

We have been highly successful in recent years in offering internships, in which outstanding students are able to combine their final year of their studies with part-time work at Cinnober. The aim of this is to improve opportunities to recruit skilled and motivated staff straight from university.

For all the 22 recruitments made over the past year, the strategy has been to ensure our development and expertise by employing both people with a considerable relevant experience, as well as graduate engineers. The Group had 169 employees at the end of the financial year.



Capital stock

As per June 30, 2010, the company's capital stock consisted of 570,000 series A shares and 1,613,040 series B shares. The total number of shares was 2,183,040. Since 2005 Cinnober has been listed on Alternativa Aktiemarknaden (The Alternative Stock Market), where the company's shares are traded every six months. The price is determined by a special Market Advisory Committee. In the latest trading period in June 2010, Cinnober shares were valued at SEK 180 each, and 550 shares were traded. In extended hours trading, a block of shares was traded consisting of 17,950 shares at SEK 150. Trading during the 2010/2011 financial year is planned to be conducted in December 2010 and June 2011.

On October 30, 2009, the share warrants expired in a program from 2006 that was directed at employees. 42,100 series B shares were subscribed. The increase in the capital stock has been registered at the Swedish Companies Registration Office and resulted in a dilution of 1.93%.

In 2008, 321,136 warrants, each of which entitled holders to the subscription of a new series B share in the company, were issued and subscribed by a number of foreign banks. These warrants have expired as worthless.

Shareholder structure

The largest shareholders in Cinnober, listed with percentage of voting rights and equity, as of June 30, 2010 were:

Shareholder	Numbers of shares		Votes %	Capital %
	A	B		
Gunnar Lindell*	150 667	125 691	22.32	12.66
Peter Lenti*	125 667	3 500	17.23	5.92
Gunnar Mjöberg*	113 000	21 750	15.75	6.17
Pär Bertilsson*	95 666	5 766	13.16	4.65
Peter Snellman*	50 000	61 625	7.68	5.11
Nils-Robert Persson*	0	419 740	5.74	19.23
Lennart Börjesson	30 000	7 812	4.21	1.73
Swedia Capital AB	0	301 453	4.12	13.81

* Including family and/or privately held company holdings

Options issued in Cinnober 2007/2010

Name	Quantity
Nils-Robert Persson	49 000
Gunnar Lindell	20 000
Pär Bertilsson	15 000
Peter Lenti	15 000
Gunnar Mjöberg	15 000
Peter Snellman	10 000

Board of Directors, Auditor and Senior Management

BOARD OF DIRECTORS



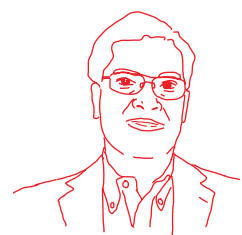
Nils-Robert Persson,
Chairman of the Board, born 1956
Shareholdings: With family and privately held companies 419 740 B series
Options: -
Occupation: Executive Chairman, Cinnober
Other associations: Chairman of the Board of Triona AB and Board Member of Zaramant Fonder AB.



Helena Westin,
Board Member, born 1961
Shareholdings: -
Options: 5 000
Occupation: Partner Bark Stockholm
Other associations: -



Peter Lenti,
Board Member, born 1957
Shareholdings: With family 125 667 series A shares, 3 500 series B shares
Options: -
Occupation: CTO, Head of Products, Cinnober
Other associations: -



Stefan Widenfelt,
Board Member, born 1959
Shareholdings: 5 000 series B shares
Options: -
Occupation: Partner in von Euler & Partners AB
Other associations: Board Member of von Euler & Partners AB and Opus Capita Oy.

AUDITOR

Svante Forsberg,
born 1952, Authorized Public Accountant, Deloitte AB.
Auditor in charge for Cinnober Financial Technology AB since 2004

SENIOR MANAGEMENT

Jan Arpi
born 1963, CEO

Fredrik Backlund
born 1971, Head of Marketing

Anna Märta Göransson
born 1975, Head of Finance

Per-Anders Häll-Bedman
born 1961, Head of Support & Operations

Christina Jacobsson
born 1962, Head of Human Resources

Peter Kazinczy
born 1959, Head of Sales

Peter Lenti
born 1957, CTO, Head of Products

Ingeborg Sandquist
born 1964, Head of Customization

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 2009/2010 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, specifications of changes in equity and the supplementary information and notes, which together make up the annual report.

Business position

Cinnober is an IT company that develops system solutions for exchange trading, risk management and other financial services. The target group consists primarily of marketplaces and clearing houses. The solutions are based on the self-developed TRADExpress platform. The company has been making a profit since its inception back in 1998 and realized early on the potential in building flexible finance systems that are easy to customize and can cope with several different kinds of instruments in the same system.

Cinnober operates with unique skills within a global but narrow niche, and has identified about a hundred international organizations as its primary target group. Customers today include several leading stock markets and financial organizations in major financial centers such as Chicago, Hong Kong, London, New York and Toronto.

Market development during the year

Cinnober is, like many other IT companies, late in the business cycle, due to the long-term nature of its sales cycles and projects. Because of this, the 2008/2009 financial year was a record year for Cinnober, despite the Lehman crash and its global consequences. The effects of this economic downturn were not felt by Cinnober until the 2009/2010 financial year. Viewed from this perspective, the reported earnings are proof of a strong position, since it is still one of the company's best years ever.

At the time of writing, the global financial market is showing clear signs of recovery, however several questions remain with regard to future market developments within our market niche. Uncertainty about

general trends on the financial market has prolonged decision processes regarding major technical investments among our target group.

Cinnober's solutions are business-critical and help customers to streamline their operations while also boosting competitiveness. We are continually identifying and approaching new potential customers, and successful technical and marketing projects have enabled us to maintain a very high level of inquiries, which we actively pursue. Costs relating to this extensive tendering work are recorded on a continuous basis. We are also involved in far-reaching discussions with several existing customers on further development and platform upgrades regarding existing system installations. All this means that we remain optimistic about our chances of concluding new, major deals during 2010, despite the prevailing uncertainty.

During the financial year, London Stock Exchange (LSE) acquired a majority stake in Turquoise, whose pan-European trading platform is supplied by Cinnober. In early fall of 2009, LSE also acquired a Sri Lankan company whose business activities include marketing trading platforms to marketplaces. The idea is for this company to function as LSE's internal IT department, and at the time of writing it is working on attempts to replace the stock exchange's existing trading systems, including the now majority-owned Turquoise. A phase-out of Cinnober's technology platform is expected to produce a positive one-time effect for Cinnober's earnings in the 2010/2011 financial year.

Competition from internal departments in the target group is not unusual for Cinnober, and although we are following developments carefully we regard the above

process as a major opportunity for our company. Despite internal competition, during the year LSE-owned Borsa Italiana extended the agreement regarding DDM Plus, a market data reporting system that has been in use since 2006. In late fall of 2009, a market surveillance system was also delivered to LSE's derivatives exchange, EDX London, in an extremely swift and much appreciated delivery project.

Evolution of our offering

In late winter/early spring of 2010, Cinnober launched a new version of TRADExpress Trading System, the trading platform that has earlier versions installed at several of our customers. The development work on the new version has focused on further enhancing the already market-leading rapid response times and the high level of flexibility that our offering provides for marketplaces. Comparative performance benchmark measurements conducted together with hardware supplier Intel have demonstrated excellent results, with response times reduced by up to 50% compared with previous versions.

Early summer of 2010 also saw the launch of TESS™ – TRADExpress Streamlined Services, which is a subscription service where new and established marketplaces can subscribe to technology for both electronic trading and market surveillance. This offering broadens Cinnober's target group for the company's advanced technology.

In general, Cinnober has worked actively over the past two years to expand its offering with regard to the company's highly specific target group. Cinnober is now a full-range supplier to marketplaces and clearing houses, since we have packaged solutions within a broader spectrum than previously.

In 2008/2009, Cinnober launched a development project within clearing based on the TRADExpress platform: RealTime Clearing. This initiative is based on our belief that there is a considerable need for modern real-time solutions in this area. The development project has continued according to plan, with the company winning a breakthrough order in the spring of 2010.

The message that Cinnober is communicating in relation to clearing and risk management in real time has provoked considerable interest from various organi-

zations within the industry, from marketplaces and clearing houses to investment banks and regulators at both national and international level. It is our strong belief that demands in this field will increase from both market players themselves and from supervisory authorities. This is linked to the financial turbulence over the past year, as well as rapid technical developments exemplified by what is known as high-frequency trading using computers operating according to specific algorithms. We are very optimistic about the prospects for winning additional customer orders over the coming financial year.

In 2009, a newly developed market surveillance system called Scila Surveillance was also launched, and this continues to enjoy significant success. During the 2009/2010 financial year, Cinnober has sold and delivered Scila to four new customers, including derivatives trading at EDX London and the Oslo Børs. An order for a major test installation at a leading European stock exchange was won during the winter, as well as an order relating to a turnkey delivery of Scila to a new alternative marketplace that is to go into operation shortly. Scila now has six marketplaces as customers. Scila Surveillance has attracted a great deal of attention among the target group, and the initial deliveries have already displayed a level of flexibility that is unique for this market. This system solution has already been implemented for stock, derivative and commodity markets.

Employees

The average number of employees in the Group amounted to 166 (145) during the financial year. By the end of the financial year the Group had 169 (152) employees and contracted 5 (15) consultants.

Profits

Consolidated sales for the financial year amounted to SEK 222.9 million (323.3) and profit before tax for the year was SEK 25.1 million (63.4). Cinnober persistently generated profit and healthy margins during the 2009/10 financial year, despite a generally weaker market and lower sales compared to the record year of 2008/09.

Cinnober's revenue during the financial year was invoiced 69% in EUR (63%), 17% in GBP (15%), 12% in SEK (18%) and 2% in USD (4%). Cinnober hedges larger streams of income which are known in advance.

Operating expenses are dominated by personnel costs, which amounted to SEK 125.6 million (140.8) during the financial year. The decrease in personnel costs despite the increase in the number of employees is due to the fact that the 2008/2009 personnel costs included profit sharing and staff bonuses totaling SEK 19.4 million, including employer's contribution for national social security. Other external costs for the 2009/2010 financial year amounted to SEK 72.0 million (104.7). One major reason why it has been possible to reduce this cost compared to the previous year is that Cinnober has engaged fewer external consultants. Consultancy costs have therefore been reduced by more than half, amounting to a total of SEK 14.6 million (31.9).

Cinnober is continuously investing in its product family TRADExpress™. Since most of the development is an integral part of our major customer projects, Cinnober charges all costs to earnings on an ongoing basis. The investments in product development during the year have been carried as expenses in their entirety, amounting to SEK 44.8 million (15.6).

The Group's depreciation/amortization was made according to plan and amounted to SEK 5.3 million (7.0). Unlike the previous year, Cinnober's net financial income has been affected positively by the year's exchange rate fluctuations and the profit for the year includes exchange gains amounting to SEK 4.7 million (-8.7).

Financial position

Cinnober's financial position remains very strong. On June 30, 2010, the Group's equity amounted to SEK 142.0 million (141.9), and the equity ratio was 72.5% (61.4%). The quick ratio has also improved, and at the close of the reporting period was 362.1% (256.3%). On June 30, 2010, the Group's current assets totaled SEK 188.7 million (219.1), of which Accounts Receivable are SEK 24.7 million (46.5). As of September 6, 2010, SEK 8.6 million of the Accounts Receivable that were recorded at year-end had been paid. None of the remaining Accounts Receivable are considered to be doubtful.

The Group

In addition to the parent company Cinnober Financial Technology AB, the Group comprises the wholly-owned subsidiaries Cinnober Americas Inc, which is registered in the United States; Cinnober UK Ltd, which is registered in the UK; and the Swedish subsidiaries Cinnober Products AB and Cinetics AB, both domiciled in Stockholm.

Cinnober Financial Technology also has 20.4% of the shares in Scila AB, domiciled in Stockholm. Scila AB develops Scila Surveillance and has signed an exclusive sales agreement with Cinnober. The holding is recorded as an associated company.

Key figures

Consolidated	06-30-10	06-30-09	06-30-08	06-30-07	06-30-06
Net Sales (MSEK)	222.7	322.8	238.3	126.0	79.8
Operating Profit (MSEK)	20.0	70.8	24.7	13.5	4.6
Adjusted Operating Profit (MSEK)	20.0	70.8	30.0 ¹	15.1 ²	4.6
Profit Before Tax (MSEK)	25.1	63.4	24.9	9.4	9.2
Net Profit for the year (MSEK)	18.3	45.1	17.3	5.2	6.4
Operating Margin (%)	9.0	21.9	10.4	10.7	5.7
Adjusted Operating Margin (%)	9.0	21.9	12.6 ¹	12.0 ²	5.7
Net Margin (%)	8.2	14.0	7.3	4.1	8.0
Equity (MSEK)	142.0	141.9	100.3	89.5	83.7
Equity Ratio (%)	72.5	61.4	60.2	70.4	77.6
Quick Ratio (%)	362.1	256.3	240.0	316.3	464.7

¹ Operating Profit and Operating Margin adjusted for items affecting comparability of SEK 5.3 million, consisting of moving costs and costs for the trademark platform.

² Operating Profit adjusted for items affecting comparability of SEK 1.6 million. These items consist of legal and moving costs.

Capital stock

As per June 30, 2010, the company's capital stock consisted of 570,000 series A shares and 1,613,040 series B shares. The total number of shares was 2,183,040.

On October 30, 2009, the share warrants expired in a program from 2006 that was directed at employees. 42,100 series B shares were subscribed. The increase in the capital stock has been registered at the Swedish Companies Registration Office and resulted in a dilution of 1.93%.

In 2008, 321,136 warrants, each of which entitles holders to the subscription of a new series B share in the company, were issued and subscribed by a number of foreign banks. These warrants have expired as worthless.

Proposed disposition of earnings

The Board of Directors and the CEO propose that the unappropriated earnings at the disposal of the AGM, SEK 121.8 million, are to be allocated as follows:

	Amount
Dividend to shareholders (2 183 040 shares at SEK 7)	15 281 280
Funds to be carried forward	106 520 098
Total	121 801 378

The Board proposes that the AGM decide that the record day for dividends should be October 19.

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.

For information regarding the earnings and position in general of the company, please refer to the income statements and balance sheets and notes below.

Consolidated income statement

Amounts in thousands of SEK	Note	07-01-2009- 06-30-2010	07-01-2008- 06-30-2009
<i>Operating income</i>			
Net sales	1	222 719	322 840
Other operating income		166	473
		222 885	323 313
<i>Operating expenses</i>			
Other external expenses	2	-71 962	-104 708
Personnel expenses	3	-125 630	-140 764
Operating profit before depreciation/amortization		25 293	77 841
Depreciation/amortization and impairment of equipment and intangible assets		-5 327	-7 026
Operating profit		19 966	70 815
<i>Profit from financial items</i>			
Interest income and similar profit items	4	5 315	1 558
Interest expenses and similar expense items	5	-179	-9 021
Profit after financial items		25 102	63 352
Profit before tax		25 102	63 352
Tax on profit for the year	6	-6 849	-18 237
Profit for the year		18 253	45 115

Consolidated balance sheet

Amounts in thousands of SEK	Note	06-30-2010	06-30-2009
ASSETS			
Non-current assets			
<i>Intangible assets</i>			
Capitalized expenditures for research and development and similar	7	4 226	8 780
		4 226	8 780
<i>Property, plant and equipment</i>			
Equipment, tools, fixtures and fittings	8	2 128	2 556
		2 128	2 556
<i>Financial assets</i>			
Participations in associated companies	10	300	300
Other long-term receivables		439	405
		739	705
Total non-current assets		7 093	12 041
Current assets			
<i>Current receivables</i>			
Accounts receivable - trade		24 733	46 489
Tax receivables		15	-
Other receivables		988	1 414
Prepaid expenses and accrued income	11	29 256	24 901
		54 992	72 804
Investments in securities	12	60 170	37 947
Cash and bank balances		73 518	108 350
Total current assets		188 680	219 101
TOTAL ASSETS		195 773	231 142

Consolidated balance sheet

Amounts in thousands of SEK	Note	06-30-2010	06-30-2009
EQUITY AND LIABILITIES			
<i>Equity</i>	13		
Share capital		2 183	2 141
Restricted reserves		23 920	26 967
Non-restricted reserves		97 642	67 631
Profit for the year		18 253	45 115
Total equity		141 998	141 854
<i>Provisions</i>			
Deferred tax liability		1 673	3 787
		1 673	3 787
<i>Current liabilities</i>			
Accounts payable - trade		6 433	10 937
Current tax liability		14 578	20 615
Other liabilities		2 272	2 016
Accrued expenses and deferred income	14	28 819	51 933
		52 102	85 501
TOTAL EQUITY AND LIABILITIES		195 773	231 142
Pledged assets and contingent liabilities			
	Note	06-30-2010	06-30-2010
Pledged assets		None	None
Contingent liabilities	16	None	3 600

Consolidated cash flow statement

Amounts in thousands of SEK	Note	06-30-2010	06-30-2009
Operating activities			
Profit after financial items		25 102	63 352
Adjustments for non-cash items		5 327	7 017
		30 429	70 369
Income tax paid		-14 907	-9 893
Cash flow from operating activities before working capital changes		15 522	60 476
<i>Cash flow from working capital changes</i>			
Increase(-)/Decrease (+) in current receivables		17 795	17 774
Increase(+)/Decrease (-) in current liabilities		-27 356	14 902
Cash flow from operating activities		5 961	93 152
Investing activities			
Acquisition of associated company		-	-300
Purchase of equipment		-345	-648
Cash flow from investing activities		-345	-948
Financing activities			
Received warrant premiums		-	4 817
Redemption of warrants		-1 097	-
Dividend paid		-17 128	-8 564
Cash flow from financing activities		-18 225	-3 747
Cash flow for the year		-12 609	88 457
Cash and cash equivalents at the beginning of the year		146 297	57 840
Cash and cash equivalents at the end of the year		133 688	146 297

Supplementary disclosures to the consolidated cash flow statement

	06-30-2010	06-30-2009
Adjustments for items not included in the cash flow		
Depreciation of equipment	773	764
Amortization of intangible assets	4 554	6 253
	5 327	7 017
Cash and cash equivalents		
<i>The following sub-components are included in cash and cash equivalents:</i>		
Cash and bank balances	73 518	108 350
Investments in securities	60 170	37 947
	133 688	146 297

The items above have been classified as cash and cash equivalents, based on the assumption that:

- There is no significant risk of fluctuations in value.*
- They can be readily converted into cash.*
- They have a maturity date of not more than 3 months from the date of acquisition.*

Income statement – Parent company

Amounts in thousands of SEK	Note	07-01-2009- 06-30-2010	07-01-2008- 06-30-2009
Operating income			
Net sales	1	222 719	322 840
Other operating income		166	473
		222 885	323 313
Operating expenses			
Other external expenses	2	-75 731	-110 112
Personnel expenses	3	-124 341	-135 729
Operating profit before depreciation/amortization		22 813	77 472
Depreciation/amortization and impairment of equipment and intangible assets		-1 946	-3 600
Operating profit		20 867	73 872
Profit from financial items			
Interest income and similar profit items	4	5 203	1 500
Interest expenses and similar expense items	5	-174	-9 020
Profit after financial items		25 896	66 352
Appropriations			
Change in tax allocation reserves		4 284	-
Profit before tax		30 180	66 352
Tax on profit for the year	6	-8 210	-18 626
Profit for the year		21 970	47 726

Balance sheet – Parent company

Amounts in thousands of SEK	Note	06-30-2010	06-30-2009
ASSETS			
<i>Non-current assets</i>			
<i>Intangible assets</i>			
Capitalized expenditures for research and development and similar	7	-	1 173
		-	1 173
<i>Property, plant and equipment</i>			
Equipment, tools, fixtures and fittings	8	2 128	2 556
		2 128	2 556
<i>Financial assets</i>			
Participations in Group companies	9	16 177	16 177
Participations in associated companies	10	300	300
Other long-term receivables		410	377
		16 887	16 854
Total non-current assets		19 015	20 583
<i>Current assets</i>			
<i>Current receivables</i>			
Accounts receivable - trade		24 733	46 489
Receivables from Group companies		146	61
Other receivables		988	1 414
Prepaid expenses and accrued income	11	29 243	24 800
		55 110	72 764
Investments in securities	12	60 170	37 947
Cash and bank balances		65 541	106 078
Total current assets		180 821	216 789
TOTAL ASSETS		199 836	237 372

Balance sheet – Parent company

Amounts in thousands of SEK	Note	06-30-2010	06-30-2009
EQUITY AND LIABILITIES			
Equity	13		
<i>Restricted equity</i>			
Share capital (2 183 040 shares)		2 183	2 141
Statutory reserve		22 375	22 375
		24 558	24 516
<i>Non-restricted equity</i>			
Share premium reserve		14 512	9 502
Profit brought forward		85 320	60 871
Profit for the year		21 970	47 726
		121 802	118 099
Total equity		146 360	142 615
<i>Untaxed reserves</i>			
Tax allocation reserves	15	2 135	6 419
		2 135	6 419
<i>Current liabilities</i>			
Accounts payable - trade		6 433	10 937
Liabilities to Group companies		93	3 492
Current tax liability		13 957	20 601
Other liabilities		2 274	1 902
Accrued expenses and deferred income	14	28 584	51 406
		51 341	88 338
TOTAL EQUITY AND LIABILITIES		199 836	237 372
Pledged assets and contingent liabilities			
	Note	06-30-2010	06-30-2009
Pledged assets		None	None
Contingent liabilities	16	None	3 600

Cash flow statement – Parent company

Amounts in thousands of SEK	Note	06-30-2010	06-30-2009
Operating activities			
Profit after financial items		25 896	66 352
Adjustments for non-cash items		1 946	3 600
		27 842	69 952
Income tax paid		-14 854	-9 885
Cash flow from operating activities before working capital changes		12 988	60 067
<i>Cash flow from working capital changes</i>			
Increase(-)/Decrease (+) in current receivables		17 621	16 329
Increase(+)/Decrease (-) in current liabilities		-30 353	17 385
Cash flow from operating activities		256	93 781
Investing activities			
Acquisition of associated company		-	-300
Purchase of equipment		-345	-648
Cash flow from investing activities		-345	-948
Financing activities			
Received warrant premiums		-	4 817
Redemption of warrants		-1 097	-
Dividend paid		-17 128	-8 564
Cash flow from financing activities		-18 225	-3 747
Cash flow for the year		-18 314	89 086
Cash and cash equivalents at the beginning of the year		144 025	54 939
Cash and cash equivalents at the end of the year		125 711	144 025

Supplementary disclosures to the cash flow statement – Parent company

Amounts in thousands of SEK	Note	06-30-2010	06-30-2009
Adjustments for items not included in the cash flow			
Depreciation of equipment		773	728
Amortization of intangible assets		1 173	872
		1 946	3 600

Cash and cash equivalents

The following sub-components are included in cash and cash equivalents:

Cash and bank balances		65 541	106 078
Investments in securities		60 170	37 947
		125 711	144 025

The items above have been classified as cash and cash equivalents, based on the assumption that:

- *There is no significant risk of fluctuations in value.*
- *They can be readily converted into cash.*
- *They have a maturity date of not more than 3 months from the date of acquisition.*

General accounting principles and notes to the financial statements

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

General accounting principles

This Annual Report has been prepared in accordance with Årsredovisningslagen (the Swedish Annual Accounts Act) and general guidance issued by the Bokföringsnämnden (Swedish Accounting Standards Board).

Consolidated financial statements

The consolidated financial statements have been prepared in accordance with Redovisningsrådet's (Swedish Financial Accounting Standards Council) Recommendation RR1:00.

Subsidiaries

Subsidiaries are companies in which the Parent Company either directly or indirectly owns more than 50% of the total number of votes, or in another way has a controlling influence over the operational and financial control of the enterprise. Subsidiaries are normally included in accordance with the purchase accounting method. The purchase accounting method means that an acquisition of a subsidiary is to be considered as a transaction whereby the parent company indirectly acquires the assets of the subsidiary and assumes its liabilities. As of the acquisition date, the acquired company's income and expenses are included in the consolidated financial statements, as are identifiable assets and liabilities as well as any goodwill or negative goodwill.

Associated companies

Shareholdings in associated companies, in which the Group has at least 20% and at most, 50% of the votes or in another way has a significant influence over the operational and financial management of the company, are ordinarily included according to the equity method. The equity method means that the consolidated book value of the shares in an associated company corresponds to the group's share of the associated company's stockholder equity and any residual value of the consolidated surplus value or consolidated

negative value. In the consolidated income statement, the group's share of the associated company's profit/loss after financial income is reported as a share of the associated company's profit/loss and expenses are adjusted for any amortization or dissolution of the acquired surplus value or negative value. The group's proportional share of the associated company's taxes is included in the consolidated tax expenses. Any share of the profits received after the acquisition of an associated company that has not yet been received as a dividend is allocated to the equity method reserve, which constitutes a part of the consolidated restricted equity.

Currency translation of foreign subsidiaries or other foreign enterprises

The current method is applied for currency translations in the income statement and the balance sheet in independent foreign enterprises. Enterprises that have been integrated into the parent company are translated according to the monetary method.

The current method means that all assets, provisions and liabilities are translated at the rate of exchange at the close of the reporting period and that all items in the income statement are translated at the average exchange rate. Any gains/losses due to exchange rate differences are posted directly to net equity.

The monetary method means, in principle, that monetary assets and liabilities are translated at the rate of exchange at the close of the reporting period, while non-monetary items and corresponding items in the income statement are translated at investment rates of exchange. Other profit/loss items are translated at the weighted average rate of exchange during the accounting period. Any gains/losses due to exchange rate differences are included in the profit/loss for the year.

When an independently operated foreign enterprise is sold, the accumulated translation gains/losses related to that enterprise are accounted for in the consolidated income statement, after deduction for any currency hedging.

Information regarding the Group

From the parent company's total purchases and sales, as measured in SEK, 5% (8%) of purchases and 0% (0%) of sales are from other companies within the Group.

Valuation principles

Assets, provisions, and liabilities have been valued at the acquisition value, unless otherwise stated below.

Taxes

The company and the Group apply BFNAR 2001:1 Income taxes. Total tax is composed of current tax and deferred tax.

Taxes are included in the income statement, except when the underlying transaction is recorded directly against equity whereupon the associated tax effects are included in equity. Current tax is tax that is to be paid or received in respect of the present year. Adjustments of current tax relating to previous periods are also included here. Deferred tax is calculated according to the balance sheet method, with the base being the temporary differences between the tax included in the balance sheet and the taxable values on assets and liabilities. The amounts are calculated based on how the temporary differences are expected to become evened out and with the application of the tax rates and tax rules, which are determined or advised as of the closing date of the reporting period. Temporary differences are not taken into consideration in consolidated goodwill, nor are the differences relating to shares in subsidiary and associated companies that are not expected become taxed within the near future. For legal entities, the disclosed untaxed reserves include deferred tax obligations. In the consolidated financial statements, on the other hand, untaxed reserves are divided up between deferred tax obligations and equity.

Deferred tax obligations in tax-deductible temporary differences and losses carried forward are only included where it is probable that these will result in lower tax payments in the future.

Revenue recognition

Invoiced sales include sales of systems and related services.

Project income

Cinnober applies the percentage-of-completion method to its technology sales, license and project revenues. Since Cinnober's products require a high degree of development, adjustment, and testing to meet each customer's unique needs, the company assesses that the value of the license that the customer acquires is first realized when the ready-to-operate system is delivered. Cinnober therefore allocates all income from a contract to the project.

In applying the percentage-of-completion method, income is recognized in line with the completion (development) of a project. An anticipated loss on a project is immediately treated as an expense. The fundamental premise of the percentage-of-completion method is that project revenue and expenditure can be accurately assessed and that the degree of development can be reliably established.

At Cinnober, the degree of development is established through the relationship between the hours that have been worked by closing date and the estimated number of project hours in total. The occasional project may arise for which an accurate assessment of project revenue and expenditure cannot be made when the year-end accounts are prepared. In these cases, no profit is reported for the project. The percentage-of-completion method is applied as soon as possible. Income from support services is recognized on a continuous basis as services are rendered and over the contract period.

Transaction-based revenue

Part of the company's revenue is transaction-based. Transaction-based revenue is recognized in the quarter in which the transaction takes place.

Sales of hardware

Revenue is recognized when the substantial risks and benefits associated with ownership of the hardware have been transferred to the buyer, and when revenue can be measured reliably.

Intangible assets

Expenses for research and development

Expenditures for research that has the objective to attain new scientific or technical knowledge are included as an expense when they are incurred.

Expenditures for development, where the results of the research or other knowledge are applied in order to achieve new or improved products or processes, are included as an asset in the balance sheet, if the product or process is technically and commercially usable and the company has sufficient resources to proceed with the development and thereafter to use or to sell the intangible asset. The reported value includes expenditures for materials, direct expenditures for salaries and indirect expenditures, which can be related to the asset in a reasonable and consistent way. Other expenditures for development are included in the income statement as an expense when they are incurred. Development costs are included in the balance sheet at their acquisition value less accumulated amortization and impairment.

Other intangible assets

Other intangible assets that have been acquired by the company are reported at their acquisition value less ac-

cumulated amortization and impairment. Expenditures for internally generated goodwill and trademarks are reported in the income statement as an expense when they are incurred.

Additional expenditures

Additional expenditures for an intangible asset are included at their acquisition value only if they increase the future economic advantages, which exceed the original assessment, and the expenditures can be calculated in a reliable manner. All other expenditures are expensed when they are incurred.

Amortization principles

Amortization according to plan is based on original acquisition value less the residual value. Amortization occurs using the straight-line method over the useful life of the asset and is recorded as an expense in the income statement.

The following amortization periods are utilized:

	<u>Group</u> <u>year</u>	<u>Parent Company</u> <u>year</u>
Internally developed intangible assets	3	3
Acquired intangible assets	5	-

Equipment, tools, fixtures and fittings

Equipment is carried as assets in the balance sheet when, based on available information, it is probable that the future financial benefits that are associated with the ownership will accrue to the Group/company and that the acquisition value for the asset can be calculated in a reliable manner.

Depreciation principles

Depreciation according to plan is based on original acquisition value less the estimated residual value. Depreciation occurs using the straight-line method over the projected useful life of the asset.

The following depreciation periods are utilized:

	Group	Parent Company
	year	year
Tangible fixed assets:		
-Equipment, tools and fittings	5	5

Receivables and liabilities in foreign currencies

Receivables and liabilities in foreign currencies have been translated to the exchange rate at the close of the reporting period in accordance with Redovisningsrådet's (Swedish Financial Accounting Standards Council) Recommendation RR 8, with exceptions for long-term monetary dealings between independent foreign enterprises in which the acquisition value is used. Exchange rate gains/losses on current receivables and current liabilities are included in the operating profit/loss, while exchange rate gains/losses in financial receivables and liabilities are included among the financial items.

To the extent that receivables and liabilities in a foreign currency have been forward-covered, they have been translated to the forward rate.

Notes

Note 1 Net sales

	07-01-2009- 06-30-2010	07-01-2008- 06-30-2009
Group		
Net income, sales of services	222 719	322 840
	222 719	322 840
Moderföretag		
Net income, sales of services	222 719	322 840
	222 719	322 840

Note 2 Fees and expenses for auditors

	07-01-2009- 06-30-2010	07-01-2008- 06-30-2009
Group		
Deloitte AB		
Audit assignments	365	524
Other assignments	25	451
Other auditors		
Audit assignments	51	38
Total	441	1 013
Parent company		
Deloitte AB		
Audit assignments	365	524
Other assignments	25	451
Total	390	975

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. All other work is referred to as other assignments.

Note 3 Employees and payroll costs*Average number of employees*

	07-01-2009- 06-30-2010	07-01-2008- 06-30-2009
Parent company		
Men	118	101
Women	47	41
Total in the parent company	165	142
Subsidiaries		
Men	1	2
Women	-	1
Total in subsidiaries	1	3
Group total	166	145

Gender distribution in boards and senior management

	06-30-2010	206-30-2009
	Percentage of women	Percentage of women
Parent company		
Members of the Board of Directors	25	25
Senior management	38	25
Group		
Members of the Board of Directors	25	25
Senior management	38	25

Salaries, other remuneration and social security contributions

	07-01-2009- 06-30-2010	07-01-2008- 06-30-2009
Parent company		
Board of Directors and CEO ¹⁾	3 431	3 198
Other employees	77 207	85 565
Total	80 638	88 763
Social insurance contributions (of which pension contributions) ²⁾	38 603 13 526	40 427 12 929
Subsidiaries		
Board of Directors and CEO ³⁾	-	-
Other employees	1 149	3 909
Total	1 149	3 909
Social insurance contributions (of which pension contributions)	57	282
	-	-

Group		
Board of Directors and CEO	3 431	3 198
Other employees	78 356	89 474
Total	81 787	92 672
Social insurance contributions (of which pension contributions) ⁴⁾	38 660 13 526	40 709 12 929

1) Of which bonus payments 604 (436 the previous year).

2) Of parent company's pension costs, 264 (258 the previous year) relates to the Board of Directors and CEO. The company's outstanding pension obligations to these individuals amounts to 0 (0 the previous year).

3) Of which bonus payments 0 (0 the previous year).

4) Of the Group's pension costs, 264 (258 the previous year) relates to the Board of Directors and CEO. The Group's outstanding pension obligations to these individuals amounts to 0 (0 the previous year).

Absence due to illness	06-30-2010	06-30-2009
Total absence due to illness as a percentage of ordinary working hours	2%	1%
Percentage of the total absence due to illness which is related to consecutive days of absence due to illness of 60 days or more	21%	0%
Absence due to illness by gender:		
Men	1%	1%
Women	3%	1%
Absence due to illness by age category:		
29 years old or younger	2%	0%
30-49 years old	2%	1%
50 years old or older	1%	1%

Note 4 Other interest income and similar profit items

	07-01-2009- 06-30-2010	07-01-2008- 06-30-2009
Group		
Interest income	332	1 528
Capital gains	308	-
Currency exchange rate gains	4 675	30
	5 315	1 558
Parent company		
Interest income	322	1 500
Capital gains	308	-
Currency exchange rate gains	4 573	-
	5 203	1 500

Note 5 Interest expenses and similar expense items

	07-01-2009- 06-30-2010	07-01-2008- 06-30-2009
Group		
Interest expenses	179	255
Currency exchange rate losses	-	8 715
Capital loss	-	51
	179	9 021
Parent company		
Interest expenses	174	254
Currency exchange rate losses	-	8 715
Capital loss	-	51
	174	9 020

Note 6 Tax on profit for the year

	07-01-2009- 06-30-2010	07-01-2008- 06-30-2009
Group		
Current tax	8 855	18 660
Deferred tax	-2 006	-423
	6 849	18 237
Parent company		
Current tax	8 210	18 626
	8 210	18 626

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

	07-01-2009- 06-30-2010	07-01-2008- 06-30-2009
Group		
Reported profit before tax	25 110	63 352
Tax according to applicable tax rate, 26.3% (28%)	6 604	17 739
Tax effect of non-deductible expenses	285	347
Tax effect of non-taxable income	-3	-4
Effect of other tax rates for foreign subsidiaries	30	1
Use of previously uncapitalized tax losses	-67	-71
Adjustment for preceding year	0	225
Reported tax expense	6 849	18 237
Parent company		
Reported profit before taxes	30 180	66 352
Tax according to applicable tax rate, 26.3% (28%)	7 937	18 579
Tax effect of non-deductible expenses	276	351
Tax effect of non-taxable income	-3	-4
Adjustment for preceding year	-	-299
Reported tax expense	8 210	18 626

Note 7 Capitalized expenditures for development and similar

	06-30-2010	06-30-2009
Group		
Accumulated acquisition value:		
-Opening balance	34 721	34 721
	34 721	34 721
Accumulated amortization according to plan:		
-Opening balance	-25 941	-19 688
-Amortization according to plan for the year	-4 554	-6 253
	-30 495	-25 941
Carrying amount at year-end	4 226	8 780
Parent company		
Accumulated acquisition value:		
-Opening balance	18 726	18 726
	18 726	18 726
Accumulated amortization according to plan:		
-Opening balance	-17 553	-14 681
-Amortization according to plan for the year	-1 173	-2 872
	-18 726	-17 553
Carrying amount at year-end	-	1 173

Note 8 Equipment, tools, fixtures and fittings

	06-30-2010	06-30-2009
Group		
Accumulated acquisition value:		
-Opening balance	3 906	3 297
-New purchases	345	648
-Disposals	-	-39
	4 251	3 906
Accumulated depreciation according to plan:		
-Opening balance	-1 350	-625
-Depreciation according to plan for the year	-773	-764
-Disposals	-	39
	-2 123	-1 350
Carrying amount at year-end	2 128	2 556

Parent company

Accumulated acquisition value:

-Opening balance	3 906	3 258
-New purchases	345	648
	<hr/> 4 251	<hr/> 3 906

Accumulated depreciation according to plan:

-Opening balance	-1 350	-622
-Depreciation according to plan for the year	-773	-728
	<hr/> -2 123	<hr/> -1 350

Carrying amount at year-end **2 128** **2 556**

Financial leasing agreements on equipment are included in the following amounts: None None

Note 9 Shares in Group companies

	06-30-2010	06-30-2009
Accumulated acquisition value:		
-Opening balance	16 177	16 177
Carrying amount at year-end	16 177	16 177

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.

<i>Subsidiary / Org no. / Domicile</i>	<i>Number of shares</i>	<i>in %</i>	<i>Book value</i>
Cinnober Products AB, 556642-0310, Stockholm	100 000	100	100
Cinetics AB, 556676-2554, Stockholm	8	100	15 895
Cinnober Americas Inc., New York USA	1 000	100	182
Cinnober UK Limited, 6509090, London UK	1	100	-
			<hr/> 16 177

Note 10 Participations in associated companies

	Group	Parent Company
Accumulated acquisition value:		
-Opening balance	300	300
Carrying amount at year-end	300	300

Associated company Scila AB, org. no. 556763-4695. 30 000 series B shares were acquired on October 15, 2008. Owned share 20.4% (23.1%) of a total 147,000 (130,000) shares in the company.

Note 11 Prepaid expenses and accrued income

	06-30-2010	06-30-2009
Group		
Accrued project income	25 453	22 106
Prepaid rental payments	2 145	2 115
Accrued interest income	188	294
Other items	1 470	386
	29 256	24 901
Parent company		
Accrued project income	25 453	22 106
Prepaid rental payments	2 145	2 115
Accrued interest income	175	286
Other items	1 470	293
	29 243	24 800

Note 12 Investments in securities

Specification of securities	Carrying value	Market value or similar
Group		
Tanglin, fund units	39 731	39 731
Humle Kapitalförvaltning	20 439	21 069
	60 170	60 800
Parent company		
Tanglin, fund units	39 731	39 731
Humle Kapitalförvaltning	20 439	21 069
	60 170	60 800

Note 13 Equity

	Share capital	Restricted reserves	Non-restricted reserves
Group			
Opening balance	2 141	26 967	112 746
Redemption of warrants	42		-1 139
Dividend			-17 128
Transfers between non-restricted and restricted equity		-3 157	3 157
Changed tax rate (untaxed reserves)		109	
Currency exchange rate gain/loss for the year		1	6
Profit for the year			18 253
At year-end	2 183	23 920	115 895

	Share capital	Statutory reserve	Non-restricted equity
Parent company			
Opening balance	2 141	22 375	118 099
Redemption of warrants	42		-1 139
Dividend			-17 128
Profit for the year			21 970
At year-end	2 183	22 375	121 802

The company's share capital consists of 570,000 series A shares with 10 votes per share and 1,613,040 series B shares with one vote per share.

Note 14 Accrued expenses and deferred income

	06-30-2010	06-30-2009
Group		
Accrued personnel expenses	22 908	39 523
Deferred income	3 784	6 183
Other items	2 128	6 227
	28 820	51 933
Parent company		
Accrued personnel expenses	22 726	39 037
Deferred income	3 784	6 183
Other items	2 074	6 186
	28 584	51 406

Note 15 Tax allocation reserves

	06-30-2010	06-30-2009
Tax allocation reserves, provision for 2005 tax assessment	-	4 284
Tax allocation reserves, provision for 2007 tax assessment	2 135	2 135
	2 135	6 419

Note 16 Contingent liabilities

Forward cover

Cinnober continually hedges its foreign exchange rate exposure, up to 12 months. Accounts receivable and other receivables in foreign currencies are recorded at the agreed forward exchange rates and contracted and anticipated future sales revenues in foreign currencies are settled at the forward rate when they occur. As per the reporting date, there is an unrealized foreign exchange gain of SEK 2.4 million (SEK -3.6 million) for the portfolio of foreign exchange forward agreements, primarily due to the fact that the exchange rate of EUR/SEK is lower than the average rate of the forward agreements at the period end. The unrealized foreign exchange loss that existed as per June 30, 2009, was recorded as a contingent liability.

Stockholm, September 7, 2010

Nils-Robert Persson
Chairman of the Board

Jan Arpi
CEO

Stefan Widenfelt

Helena Westin

Peter Lenti

Our auditor's report was submitted on September 7, 2010.
Deloitte AB

Svante Forsberg
Authorized Public Accountant

Audit report

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

We have audited the annual accounts, the consolidated accounts, the accounting records and the administration of the board of directors and the managing director of Cinnober Financial Technology AB for the financial year 2009-07-01–2010-06-30. The company's annual accounts and the consolidated accounts are presented on pages 14–40 in the printed version of this document. These accounts and the administration of the company and the application of the Annual Accounts Act when preparing the annual accounts and the consolidated accounts are the responsibility of the board of directors and the managing director. Our responsibility is to express an opinion on the annual accounts, the consolidated accounts and the administration based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual accounts and the consolidated accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the board of directors and significant estimates made by the board of directors and the managing director when preparing the annual accounts and consolidated accounts as well as evaluating the overall presentation of information in the annual accounts and the consolidated accounts. As a basis for our opinion concerning discharge from liability, we examined significant decisions, actions taken and circumstances of the company in order to be able to determine the liability, if any, to the company of any board member or the managing director. We also examined whether any board member 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 our audit provides a reasonable basis for our opinion set out below.

The annual accounts and the consolidated accounts have been prepared in accordance with the Annual Accounts Act and give a true and fair view of the company's and the group's financial position and results of operations in accordance with generally accepted accounting principles in Sweden. The statutory administration report is consistent with the other parts of the annual accounts and the consolidated accounts.

We recommend to the annual meeting of shareholders that the income statements and balance sheets of the parent company and the group be adopted, that the profit of the parent company be dealt with in accordance with the proposal in the administration report and that the members of the board of directors and the managing director be discharged from liability for the financial year.

Stockholm September 7, 2010
Deloitte AB

Svante Forsberg
Authorized Public Accountant



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