

The Board and the CEO of

Cinnober Financial Technology AB

Org. No. 556548-9654

hereby provide their

Annual Report and Consolidated Financial Statement

for the Financial Year 01.07.2004 – 30.06.2005

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Management Report

The Board and the CEO of Cinnober Financial Technology AB, 556548-9654, hereby provide the Annual Report for 2004/2005, the company's seventh fiscal year.

Below is an account of the business of the Group.

The Business – A summary

Cinnober Financial Technology AB is a know-how company which develops software products for stock exchanges and other marketplaces. Its products include Trading Engine, a complete exchange engine, Trade Manager for the management of deals, and the CTrade system for OTC markets. Cinnober has a strongly international character, with almost 100 % of turnover coming from other countries in the form of the export of services.

The financial year from 01.07.2004 to 30.06.2005 was an intensive and successful year for various reasons:

Cinnober gained one of the world's leading stock exchanges as a customer in the previous year. Euronext/LIFFE purchased the CScreen business from Cinnober, and it also ordered two different applications (Afirm and Bclear; see www.euronext.com) based on our Trade Manager product. This represents a heavy investment by Euronext in the OTC market. The solution is based entirely on Cinnober products.

Cinnober was a 50% owner of CScreen Ltd. together with a foreign partner. The sale of the entire business meant that the activity of the business, the software license and the CScreen trademark passed to Euronext/LIFFE. The rights to the software were assigned to Cinetics AB, a company in which Cinnober has a 50% interest. Because the CScreen name is now owned by Euronext/LIFFE, Cinetics markets the software under the name CTrade.

In the past year, Cinnober has invested heavily in continuing product development. A new version of the TRADExpress platform with a large number of new, important functions was launched in the spring of 2005, and improvements have continued to be made to the Trading Engine product.

Cinnober has continued to maintain good contacts with its existing customer base. Cinnober's system has now been rolled out to include all option products on the American Stock Exchange (AMEX). A total of more than 100,000 different option series are handled in the system. Cinnober has recently signed an agreement with AMEX for a major package involving further development of the functionality of the system. New versions of the software have also been supplied to Nordpool and the London Metal Exchange, and both are continuing to expand their Cinnober systems with additional orders.

The LIFFE Bclear system has been accepted by the customer at the time of writing. Afirm is in customer acceptance phase according to plan.

Cinnober opened a help desk function during 2004 to provide 24/7 support to our customers. We have support agreements with all our customers, including Euronext/LIFFE.

Cinnober received Dagens Industri's "Super Gazelle" Award in the autumn of 2004. Cinnober has achieved growth of 806%, more than any other Swedish company, between 2000 and 2003.

With most of our product development behind us, and with good references from existing installations, we now see excellent potential for positive development and growth in spite of the relative stagnation of the global market.

Group turnover for the year was 53.4 MSEK (80.3 MSEK). When making any comparisons, however, this sum should be increased by the income from the disposal of CScreen. This income amounted to 15.1 MSEK, which gives an adjusted turnover of 68.5 MSEK.

The Group reported a profit of 2.8 MSEK before tax (16.2).

Employees

The work described above accounts for only part of the extensive efforts made by our fantastic employees during the year. As in the previous year, we wish to emphasize the uniqueness of the assets represented by our team of Cinnober employees in the form of their competence, knowledge and an ability to get things done.

There were 64 people employed in the company at the beginning of the year (01.07.2004), rising to 75 at the end of the year (30.06.2005). Our workforce of 75 includes 21 women and 54 men. All employees are members of a bonus scheme that comes into effect from the seventh month of employment. In this financial year, a bonus of 22,702 SEK was paid to every full-time employee during the period.

Result

Net turnover amounted to 53.4 MSEK. After adjustment for the disposal of CScreen, turnover was 68.5 MSEK, compared with turnover of 80.3 MSEK for the previous year. One of the reasons for the lower turnover is the intensive level of product development in 2004/2005. A total of 10.2 MSEK has been activated in the statement of assets and liabilities in the previous year. An investment in product development has been planned for some time, and this will place us in an even stronger position in the future.

Product development is written down over three years in the accounts. The minimum depreciation period from the tax point of view is five years. Previously completed product development relating to the TRADExpress Platform version 1 has been written down by 0.8 MSEK kronor in the final accounts.

Another important reason for the variation in turnover from year to year is that a lost or postponed deal can have a significant influence on the turnover and the result due to the size of each individual deal. Cinnober was involved in three different design studies for major deals in 2004/2005. Although these design studies were successful and appreciated by the customers, the customers concerned decided not to proceed with the projects according to the previous plan, for their own internal business reasons, with the result that orders were lost by Cinnober.

The continuing rise in the value of the Swedish krona against the dollar has produced a negative effect on turnover and the result in this period compared with the previous period, because American customers are invoiced in dollars. At the present time, Cinnober does not cover the dollar exchange rate with forward contracts.

The expenditure side is dominated by personnel-related costs (salaries, etc.) amounting to 54.8 MSEK (46.6). Out of the total, 10.2 MSEK has been activated as internal product development. Additional costs amounted to 20.3 MSEK (21.2).

The disposal of Cinnober's 50% holding in CScreen AB is accounted for as a financial item. The disposal is free of tax, and a tax deficit arose as a result. To take advantage of this position, tax equalization reserves amounting to 10.2 MSEK for the years 2000-2003 have been realized, with the result that the Group has deferred tax for the year.

The result before taxes amounted to 2.8 MSEK, compared with the previous year's result of 16.2 MSEK. The total result for the year after taxes was 5.6 MSEK (11.3).

Financial Standing

The Group's financial standing remains very strong. The Group's equity at the year-end on 30.06.2005 amounts to 81.8 MSEK.

The assets side includes current assets totalling 87.9 MSEK, of which 25 MSEK remain invested in the Tanglin hedge fund. Accounts receivables at year end were higher than usual, but all have been paid at the time of writing.

Key figures

	30.06.2005	30.06.2004
Turnover	68.5* MSEK	80.3 MSEK
Result before tax	2.8 MSEK	16.2 MSEK
Net income	5.6 MSEK	11.3 MSEK
Operating margin	1.9*%	18.7%
Net margin	4.1*%	20.1%
Equity	81.8 MSEK	80.3 MSEK
Equity ratio	81.7%	76.7%
Acid-test ratio	574.3%	559.1%

*After adjustment for the disposal of
CScreen

Consolidated Financial Statement

The Cinnober Group consists of the Parent Company, Cinnober Financial Technology AB, and two wholly-owned subsidiaries; Cinnober Americas Inc., registered in the USA, and Cinnober Exchange Technology AB with its registered office in Stockholm. The Swedish subsidiary is still inactive. The following can be noted in reviewing the Consolidated Balance Sheet and the Consolidated Income Statement:

The tax equalization reserve of the mother company, containing 10.9 MSEK, has been broken down into shareholders' equity and deferred taxes in the Consolidated Financial Statement. Inter-company transactions have been eliminated.

Proposed Distribution of Earnings

	<i>Amount</i>
The Board proposes that the available funds:	
Profit brought forward	36 802
Net profit for the year	12 185
Total	48 987
be distributed as follows:	
Dividend, [2 081 640 * 2.00 SEK]	4 163
Profit brought forward	44 824
Total	48 987

Amounts in KSEK.

More information on the Company's result and standing can be found in the following Income Statement and Balance Sheets and the included Notes to the Financial Statements.

Ownership

The Company's capital stock consists of one 1,000,000 A-series stock unit with 10 votes per share, and one 1,081,640 B-series stock unit with 1 vote per share.

At 30.06.2005, the Company had a total of 138 shareholders. During 2005, Catella Capital through the managed fund Fokus, purchased 266,128 B-shares in the Company representing 12,8% of the capital.

Cinnober has been listed on the Alternative Share Market (www.alternativa.se) since 2005. In June, 8,400 shares were traded at a price of 120 kronor per share.

Shareholder Structure

The largest individual shareholders in Cinnober in terms of voting rights and equity are:

<i>Owner</i>	<i>Voting rights in %</i>	<i>Equity in %</i>
Nils-Robert Persson*	31.9	18.5
Gunnar Lindell*	14.4	11.7
Pär Bertilsson	13.6	7.3
Peter Lenti*	13.6	7.3
Gunnar Mjöberg	10.7	8.4
Peter Snellman	5.0	5.0
Catella Kapitalförvaltning through Fokus	2.4	12.8

*Including family and/or privately held company

Board Members

Nils-Robert Persson, Chairman, born 1956

Equity: With family and privately held company: 350 000 type A, 35 490 type B

Options: 500

Occupation: Working Chairman in Cinnober Financial Technology AB

Other associations: Chairman in Triona AB, Board Member in Neonet AB

Pär Bertilsson, Board Member, born 1959

Equity: 150 666 type A, 266 type B

Options: 500

Occupation: Employee of Cinnober Financial Technology AB

Other associations: None

Peter Lenti, Board Member, born 1957

Equity: With family 150 667 type A, 500 type B

Options: 500

Occupation: Employee of Cinnober Financial Technology AB

Other associations: None

Consolidated Income Statement

<i>Amounts in KSEK</i>	<i>Note</i>	<i>01.07.2004- 30.06.2005</i>	<i>01.07.2003- 30.06.2004</i>
Net sales		49 021	79 051
Other operating income		4 359	1 251
		53 380	80 302
Operating costs			
Other external costs	2	-19 302	-21 039
Personnel costs	1	-44 612	-44 091
Depreciation and write-down of tangible and intangible fixed assets	3	-962	-120
Operating profit		-11 496	15 052
Result from financial investments			
Result from investments in associated companies	15	13 307	-538
Interest income and similar earnings items		1 010	1 675
Interest expenses and similar earnings items		-1	-20
Profit after financial items		2 820	16 169
Income before tax		2 820	16 169
Current Year Tax Provision	5	2 789	-4 849
Net profit for the year		5 609	11 320

Consolidated Balance Sheet

<i>Amounts in KSEK</i>	<i>Note</i>	<i>30.06.2005</i>	<i>30.06.2004</i>
ASSETS			
Fixed assets			
<i>Intangible fixed assets</i>			
Capitalized development expenditure	7	11 867	2 500
		11 867	2 500
<i>Tangible fixed assets</i>			
Inventories, tools and installations	6	164	183
		164	183
<i>Financial fixed assets</i>			
Investment in associated companies	9	94	39
Due from associated companies		63	333
Other long-term receivables		25	25
		182	397
Total fixed assets		12 213	3 080
Current assets			
<i>Current receivables</i>			
Accounts receivable		13 141	3 002
Receivables from other Group companies		-1	-
Tax refunds due		3 336	-
Other receivables		792	865
Prepaid expenses and accrued income	10	6 600	5 723
		23 868	9 590
<i>Short term investments</i>	14	37 954	61 815
<i>Cash and bank balances</i>		26 106	29 850
Total current assets		87 928	101 255
TOTAL ASSETS		100 141	104 335

<i>Amounts in KSEK</i>	<i>Note</i>	<i>30.06.2005</i>	<i>30.06.2004</i>
SHAREHOLDERS' EQUITY AND LIABILITIES			
<i>Shareholders' equity</i>	<i>11</i>		
<i>Restricted equity</i>			
Share capital		2 082	2 082
Restricted reserves		30 462	37 600
		32 333	39 682
<i>Unrestricted equity</i>			
Unrestricted reserves		43 614	29 303
Net profit for the year		5 609	11 320
		49 434	40 623
Total shareholders' equity		81 767	80 305
<i>Allocations</i>			
Allocation to tax equalization reserve		3 063	5 921
		3 063	5 921
<i>Current liabilities</i>			
Accounts payable – trade		2 423	2 239
Income tax liability		-	2 583
Other current liabilities		7	2 070
Accrued expenses and deferred income	<i>13</i>	12 881	11 217
		15 311	18 109
TOTAL EQUITY AND LIABILITIES		100 141	104 335
Provided guarantees		None	None
Contingent liabilities		None	None

Parent Company Income Statement

<i>Amounts in KSEK</i>	<i>Note</i>	<i>01.07.2004- 30.06.2005</i>	<i>01.07.2003- 30.06.2004</i>
Net sales		49 021	79 496
Other operating income		4 359	1 251
		53 380	80 747
Operating costs			
Other external costs	2	-23 705	-24 319
Personnel costs	1	-40 464	-41 432
Depreciation and write-down of tangible and intangible fixed assets	3	-962	-120
Operating profit		-11 751	14 876
Income from investments in associated companies	15	12 775	-
Interest income and similar earnings items		1 033	1 675
Interest expenses and similar earnings items		-1	-1
Profit after financial items		2 056	16 550
Transfers to untaxed reserves etc.	4	10 207	-4 284
Income before tax		12 263	12 266
Current year tax provision	5	-78	-3 598
Net profit for the year		12 185	8 668

Parent Company Balance Sheet

<i>Amounts in KSEK</i>	<i>Note</i>	<i>30.06.2005</i>	<i>30.06.2004</i>
ASSETS			
Fixed assets			
<i>Intangible fixed assets</i>			
Capitalized development expenditure	7	11 867	2 500
		11 867	2 500
<i>Tangible fixed assets</i>			
Inventories, tools and installations	6	164	183
		164	183
<i>Financial fixed assets</i>			
Investments in subsidiaries	8	337	337
Investments in associated companies	9	100	577
Due from associated companies		63	333
Other long-term receivables		25	25
		525	1 272
Total fixed assets		12 556	3 955
Current assets			
<i>Current receivables</i>			
Accounts receivable		13 008	3 002
Receivables from other Group companies		586	566
Tax refunds due		3 320	-
Other receivables		792	865
Prepaid expenses and accrued income	10	6 577	5 699
		24 283	10 132
<i>Short-term investments</i>			
<i>Cash and bank balances</i>	14	37 954	61 815
		25 669	28 883
Total current assets		87 906	100 830
TOTAL ASSETS		100 462	104 785

<i>Amounts in KSEK</i>	<i>Note</i>	<i>30.06.2005</i>	<i>30.06.2004</i>
SHAREHOLDERS' EQUITY AND LIABILITIES			
<i>Shareholders equity</i>	<i>11</i>		
<i>Restricted equity</i>			
Share capital (2 081 640 shares at face value 1 SEK)		2 082	2 082
Restricted equity		22 175	22 175
Legal reserve		200	200
		24 457	24 457
<i>Unrestricted equity</i>			
Profit brought forward		36 802	32 298
Net profit for the year		12 185	8 668
		48 987	40 966
Total shareholders equity		73 444	65 423
<i>Untaxed reserves</i>			
Tax equalization reserves	<i>12</i>	10 939	21 146
		10 939	21 146
<i>Current liabilities</i>			
Accounts payable - trade		3 283	2 450
Income tax liability		-	2 542
Other current liabilities		7	2 070
Accrued expenses and deferred income	<i>13</i>	12 789	11 154
		16 079	18 216
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		100 462	104 785
Provided guarantees		None	None
Contingent liabilities		None	None

Consolidated Cash Flow Analysis

<i>Amounts in KSEK</i>	<i>01.07.2004- 30.06.2005</i>	<i>01.07.2003- 30.06.2004</i>
Current operations		
Profit after financial items	2 820	16 169
Adjustments for items not included in cash flow, etc.	-12 345	120
	-9 525	16 289
Income taxes paid	-5 988	-10 067
Cash flow from operations before changes in working capital	-15 513	6 222
<i>Cash flow from changes in working capital</i>		
Increase (-)/Decrease (+) in receivables	-10 942	9 232
Increase (+)/Decrease (-) in liabilities	-215	-386
Cash flow from current operations	-26 670	15 068
Investment activities		
Investments in associate companies	-1 319	-
Disposal of shares in associate companies	14 921	-
Acquisition of intangible fixed assets	-10 200	-2 500
Acquisition of tangible fixed assets	-111	-33
Investments in financial fixed assets	-63	
Cash flow from investment activities	3 228	-2 533
Financing activities		
New issue of debt instruments with detachable subscription rights		125
Dividends paid	-4 163	-2 082
Cash flow from financing activities	-4 163	-1 957
Cash flow for the year	-27 605	10 578
Liquid funds – opening balance	91 665	81 087
Liquid funds – closing balance	64 060	91 665

Supplementary Disclosure to Consolidated Cash Flow Analysis

	01.07.2004- 30.06.2005	01.07.2003- 30.06.2004
Adjustments for items not included in cash flow, etc.		
Depreciation of tangible fixed assets	129	120
Depreciation of intangible fixed assets	833	
Profit from disposal of shares	-13 307	
	-12 345	120

Liquid funds

The following subcomponents are included in liquid funds

Cash and bank balances	26 106	29 850
Short-term financial investments	37 954	61 815
	64 060	91 665

The above items are classified as liquid funds, on the assumption that:

- They have an insignificant risk of value fluctuations.
- They can be readily converted to cash funds
- They have a term of not more than 3 months from the date of acquisition

Accounting Principles and Notes to the Financial Statements

Amounts are in KSEK unless otherwise indicated.

General accounting principles

The accounting principles applied to this Annual Report are in accordance with the Swedish Annual Reports Law and the general advice from the Swedish Accounting Standards Board and the Swedish Institute of Authorized Public Accountants (FAR).

The following valuation and conversion principles were applied in the Annual Accounts:

Consolidated Financial Statement

The Consolidated Income Statement and the Consolidated Balance Sheet include all companies in which the Parent Company directly or indirectly owns more than half the voting rights of the shares, and companies in which the Group otherwise has a determining influence and a more significant share of the profits from their activities.

The Consolidated Financial Statement has been drawn up according to the Swedish Financial Accounting Standards Council recommendation on consolidated financial statements. All acquisitions of companies are accounted for according to the cost value method. If the acquisition value of shares in subsidiary companies exceeds the calculated market value of the company's net assets in accordance with the acquisition analysis, the difference shall be made up of consolidated goodwill, which is written off over the estimated economic life. The Consolidated Balance Sheet shows the untaxed reserves of the individual companies broken down into equity capital (statutory reserves) and deferred tax liability. The Income Statement accounts for the tax that is attributable to the change in untaxed reserves for the year as deferred tax.

Internal profits and debts owed within the Group are eliminated in the Consolidated Financial Statement.

Conversion of foreign subsidiaries' income statements and balance sheets

When converting foreign subsidiaries' income statements and balance sheets to Swedish kronor, the current rate method is used for those subsidiaries that have been classified as autonomous, and the monetary/non-monetary method is used for those subsidiaries that have been classified as integrated.

The current rate method means that all assets and liabilities in the balance sheets of the subsidiary companies are converted at the rate of exchange prevailing on the accounting date, and all items in the income statement are converted at the average rate of exchange for the year. Any differences in the rate of exchange on loans in foreign currencies in the Parent Company attributable to the acquisition of shares in subsidiaries are balanced in the consolidated accounts against the subsidiary company's equity capital and are booked directly against conversion differences.

Associated companies

An associated company can be defined as a legal person that is not a subsidiary company, but in which the company owns shares and exerts a significant influence over the operational and financial control of the legal person, and of which the ownership constitutes an element of a permanent link between the company and the legal person. The voting rights normally amount to between 20 and 50%. Associated companies are accounted for according to the equity accounting method. Any increase or reduction in the value of the associated company which emerges according to the equity accounting method will have the effect of increasing the Group's statutory reserves and reducing the Group's unrestricted reserves.

Valuation principles, etc.

Assets, allocations and debts have been appraised at the historical cost, if nothing to the contrary is noted below.

Earnings statement

Invoiced sales include sales of software for exchanges and marketplaces. Earnings are accounted for when the income can be calculated in a reliable fashion and when essentially all risks and rights that are associated with ownership have been assigned to the purchaser, which normally occurs in conjunction with delivery.

Leasing

All leasing agreements are accounted for as operational leasing agreements, which means that the leasing charge is distributed in a linear fashion over the leasing period.

Taxes

The tax cost or tax revenue for the period consists of current tax and deferred tax. Current tax is the tax that is calculated on the taxable income for a period. Deferred tax is calculated on the basis of the so-called balance, which means that a comparison is made between the reported values and taxation values of assets and liabilities respectively. The difference between these values is multiplied by the current rate of tax, which gives the amount of deferred tax. Deferred tax liabilities are accounted for in the balance sheet to the extent that it is likely that the amounts can be offset against future taxable income.

The Consolidated Balance Sheet also accounts for the untaxed reserves of the individual companies broken down into equity capital (restricted reserves) and deferred tax liability (allocations). The Income Statement accounts for the tax attributable to the change in untaxed reserves for the year as deferred tax.

Deferred tax claims and tax liabilities are set off when they relate to tax charged by the same tax authority, and when the intention of the Group is to pay the tax with a net sum.

Fixed assets

Fixed assets are accounted for at the acquisition cost less a deduction for planned depreciations based on an assessment of the economic life of the assets.

Depreciations according to plan are applied as follows:

Capitalized development expenditure 33%

Inventories, tools and installations 20%

Any differences between depreciations according to plan and book depreciations are accounted for as a transfer to untaxed reserves in the Parent Company.

Work in progress

Contracted work in progress for which residual costs can be assessed with high certainty is included at the cost of acquisition plus a proportion of the estimated profit. The profit proportion is calculated having regard for the state of completion of the work.

Receivables

Receivables have been accounted for at the amount by which they are estimated to influence the result.

Receivables and debts in foreign currency

Receivables and debts in a foreign currency have been valued at the rate of exchange prevailing on the accounting date, and any unrealized gains and losses on the rate of exchange are included in the operating result. Any exchange rate gains (losses) on financial receivables and debts are accounted for as other current operating income (current operating costs).

Differences in the exchange rate in respect of financial assets and liabilities are accounted for as earnings from financial investments.

Research and development activities

Expenditure on research and development activities is usually placed to account as it arises. Certain major development projects are regarded as being of significant value to the company in the years to come and are included in the Balance Sheet as an asset as capitalized development expenditure.

Liquid investments

Liquid investments have been valued in accordance with the Swedish Annual Reports Law at the lower of the acquisition value or fair market value.

Pensions

Pensions commitments that have not been taken over by an insurance company or secured in some other way through funding by an external party are accounted for as a provision.

Cash flow analysis

The cash flow analysis is arrived at by the indirect method in accordance with Recommendation RR 7 by the Swedish Financial Accounting Standards Council. The reported cash flow includes only transactions which entail in- and outgoing payments.

Group information

Of the total sales of the Patent Company, 0% represent sales to other Group companies.

Notes

Note 1 Employees and personnel costs

Average number of employees

	01.07.2004- 30.06.2005	01.07.2003- 30.06.2004
Parent company		
Men	50	44
Women	19	16
Total in parent company	69	60
Subsidiary company		
Men	2	1
Women	1	1
Total in subsidiary	3	2
Group total	72	62

Gender breakdown in company management

	01.07.2004- 30.06.2005 <i>Proportion of women</i>	01.07.2003- 30.06.2004 <i>Proportion of men</i>
Parent company		
Board	0%	0%
Other senior executives	0%	0%
Group		
Board	0%	0%
Other senior executives	0%	0%

Salaries, other remuneration and social security costs

	01.07.2004- 30.06.2005	01.07.2003- 30.06.2004
Parent company		
Board and CEO	2 311	2 255
Employees	23 415	26 866
Total	25 726	29 121
Social security costs (of which, pension costs) 1)	14 643 4 091	12 760 3 069
Subsidiary company		
Board and CEO	-	-
Other employees	3 060	2 007
Total	3 060	2 007
Social security costs	253	144
Group		
Board and CEO	2 311	2 255
Employees	26 475	28 873
Total	28 786	31 128

Social security costs	14 716	12 904
(of which pension costs) 2)	4 091	3 069

1) Employee costs are lower than the previous year since 10.2 MSEK has been activated as product development.

2) Of the Parent Company's pension costs, 231 relate to the Group board and CEO (previous year 226). The company's outstanding pension obligations to these amounts to 0 (previous year 0).

3) Of the Group's pension costs, 231 relate to the group board and CEO (previous year 226). The company's outstanding pension obligations to these amounts to 0 (previous year 0).

Absences due to illness

	01.07.2004- 30.06.2005	01.07.2003- 30.06.2004
Total absences due to illness as a proportion of ordinary working hours	2.12%	1.60%
Proportion of total absences due to illness relating to continuous absence due to illness of 60 days or more	24.87%	-
<i>Absence due to illness, by gender:</i>		
Men	1.96%	0.88%
Women	2.54%	3.84%
<i>Absence due to illness, by age group:</i>		
29 years or below	2.46%	0.92%
30-49 years	1.99%	1.73%
50 years or older	10.26%	0.28%

Note 2 Audit fees

	01.07.2004- 30.06.2005	01.07.2003- 30.06.2004
Group		
<i>Deloitte</i>		
Audit fee	91	71
Other assignments	166	142
Total	257	213
Parent company		
<i>Deloitte</i>		
Audit fee	70	50
Other assignments	166	142
Total	236	192

Auditing assignments include the examination of the annual accounts and the accounting and the administration by the Board and the CEO, other tasks that the Company's auditors are required to perform and advice or other assistance resulting from observations made in conjunction with such examination or the performance of such other tasks. Anything else comes under Other assignments.

Note 3 Depreciation of tangible and intangible fixed assets

	<i>01.07.2004- 30.06.2005</i>	<i>01.07.2003- 30.06.2004</i>
Group		
Intangible fixed assets	833	
Tangible fixed assets	129	120
Total	962	120
Parent company		
Intangible fixed assets	833	
Tangible fixed assets	129	120
Total	962	120

Note 4 Balancing provisions

	<i>01.07.2004- 30.06.2005</i>	<i>01.07.2003- 30.06.2004</i>
Change in tax equalization reserve	10 207	-4 284
Total	10 207	-4 284

Not 5 Tax on profit for the year

	<i>2004-07-01- 2005-06-30</i>	<i>2003-07-01- 2004-06-30</i>
Group		
Current tax	-69	-3 649
Deferred tax	2 858	-1 200
Reported tax	2 789	-4 849
Reported profit before tax	2 820	16 169
Tax according to applicable rate of tax	-790	-4 528
Effect on tax of:		
Adjustment of tax for previous year	-78	-
Non-deductible costs	-69	-321
Non taxable earnings	3 726	-
Reported tax	2 789	-4 849
	<i>2004-07-01- 2005-06-30</i>	<i>2003-07-01- 2004-06-30</i>
Parent company		
Current tax	-78	-3 598

Deferred tax	-	-
Reported tax	-78	-3 598
Reported profit before tax	12 263	12 266
Tax according to applicable rate of tax	-3 434	-3 434
Adjustment of tax for previous year	-78	-
Non-deductible costs	-143	-164
Non taxable earnings	3 577	-
Reported tax	-78	-3 598

Note 6 Inventories, tools and installations

	30.06.2005	30.06.2004
Group and parent company		
<i>Accumulated acquisition values:</i>		
-Opening value	767	734
-Acquisitions	111	33
	878	767
<i>Accumulated depreciation according to plan:</i>		
-Opening value	-585	-465
-Depreciation for the year according to plan	-129	-120
	-714	-585
Closing residual value according to plan	164	182
<i>Financial leasing agreements on inventories included with the following amounts</i>	<i>None</i>	<i>None</i>

Note 7 Capitalized development expenditure

	30.06.2005	30.06.2004
Group and Parent Company		
<i>Accumulated acquisition values:</i>		
-Opening value	2 500	
-Activations for the year	10 200	2 500
	12 700	2 500
<i>Accumulated depreciation according to plan:</i>		
-Depreciation for the year according to plan	-833	
	-833	-
Closing book value	11 867	2 500

Note 8 Holdings in subsidiaries

	30.06.2005	30.06.2004
<i>Accumulated acquisition values:</i>		
-Cinnober Americas Inc.	237	237
-Cinnober Exchange Technology AB	100	100

Closing book value	337	337
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Specification of Parent Company's investment in subsidiaries

<i>Subsidiary</i>	<i>Number of Shares</i>	<i>in %</i>	<i>Book Value</i>
Cinnober Americas Inc., New York	1 000	100	237
Cinnober Exchange Technology AB, 556642-0310, registered office in Stockholm	100 000	100	100
			337

Not 9 Holdings in associated companies

2005-06-30 2004-06-30

Specification of the Company's shares and holdings in associated companies

<i>Associated companies</i>	<i>Number of holdings</i>	<i>Capital holding in %</i>	<i>Book value in the parent company</i>	<i>Book value in the Group</i>
Börsspelet Svenska AB	1000	50	50	44
Cinetics AB	2	50	50	50
Total			100	94

<i>Associated companies</i>	<i>Org. no</i>	<i>Reg. office</i>	<i>Equity</i>	<i>Result</i>
Börsspelet Svenska AB	556594-0953	Stockholm	100	8
Cinetics AB	556676-2554	Stockholm	100	-
Total			200	8

Note 10 Prepaid expenses and accrued income

30.06.2005 30.06.2004

Group

Accrued project income	4 896	4 069
Prepaid rentals	956	987
Accrued interest on income	346	281
Other items	402	386
	6 600	5 723

Parent company

Accrued project income	4 896	4 069
Prepaid rentals	956	963
Accrued interest income	346	281
Other items	379	386
	6 577	5 699

Not 11 Change in shareholder's equity

	<i>Share capital</i>	<i>Restricted reserves</i>	<i>Unrestricted equity</i>
Group			
Opening balance	2 082	37 600	40 623
Dividend			-4 163
Dislocation between unrestricted and restricted equity		-7 152	7 152
Translation gains/losses		14	2
Profit for the year			5 609
Closing balance	2 082	30 462	49 223

	<i>Share capital</i>	<i>Legal reserve</i>	<i>Restricted equity</i>	<i>Unrestricted equity</i>
Parent company				
Opening balance	2 082	200	22 175	40 965
Dividend				-4 163
Profit for the year				12 185
Closing balance	2 082	200	22 175	48 987

Share capital 2,081,640 shares at face value 1 SEK

Note 12 Tax equalization reserves

	<i>30.06.2005</i>	<i>30.06.2004</i>
Tax equalization reserve 2000	-	300
Tax equalization reserve 2002		3 598
Tax equalization reserve 2003	266	6 576
Tax equalization reserve 2004	6 389	6 389
Tax equalization reserve 2005	4 284	4 283
	10 939	21 146

Note 13 Accrued expenses and deferred income

	<i>30.06.2005</i>	<i>30.06.2004</i>
Group		
Accrued holiday pay including social security costs	7 952	6 294
Accrued social security costs	1 099	775
Bonus including social security costs	2 422	3 450
Other items	1 408	698
	12 881	11 217
Parent Company		
Accrued holiday pay including social security costs	7 952	6 294
Accrued social security costs	1 099	775
Bonus including social security costs	2 422	3 450
Other items	1 316	635
	12 789	11 154

Note 14 Short-term investments

<i>Specification of securities holding</i>	<i>30.06.2005 Book value</i>	<i>30.06.2004 Actual value</i>
Group		
Bonds, securities holding	12 954	12 954
Shares in Tanglin hedge fund	25 000	27 522
	37 954	40 476
Parent Company		
Bonds, securities holding	12 954	12 954
Shares in Tanglin hedge fund	25 000	27 522
	37 954	40 476

Since 01.01.2004, 25 MSEK of the company's liquid funds have been invested in the Tanglin hedge fund.

Note 15 Earnings from holdings in associate companies

	<i>2004-07-01- 2005-06-30</i>	<i>2003-07-01- 2004-06-30</i>
Group		
Profit from disposal of shares	13 303	-
Share in profits of associate companies	4	-538
Total	13 307	-538
Parent company		
Profit from disposal of shares	12 775	-
Total	12 775	-