



## Nasdaq to Acquire Cinnober

September 14, 2018

- *Advances and accelerates Nasdaq's strategic direction as a technology and analytics provider to the global capital markets and beyond*
- *Expected to deliver 10% ROIC within 3-5 years, and accretive to non-GAAP EPS within 12 months of closing given the synergistic nature of the transaction*
- *The transaction is consistent with Nasdaq's existing capital deployment priorities including our organic business investment, shareholder capital return, and leverage objectives*

STOCKHOLM, Sweden, Sept. 14, 2018 (GLOBE NEWSWIRE) -- [Nasdaq](#) (Nasdaq:NDAQ), a leading global provider of trading, clearing, exchange technology, listing, information and public company services today announced that it has made an USD 190m<sup>1</sup> all cash recommended public offer to the shareholders and warrant holders of [Cinnober](#) (Nasdaq First North: CINN), a major Swedish financial technology provider to brokers, exchanges and clearinghouses worldwide. Nasdaq's acquisition of Cinnober would strengthen its position as one of the world's leading market infrastructure technology providers.



"The combined intellectual capital, technology competence and capabilities of Cinnober and our Market Technology business will expand the breadth and depth of our fastest growing division at Nasdaq," said Adena Friedman, President and CEO, Nasdaq. "Not only have the global capital markets continued to evolve rapidly, new marketplaces in various industries are demanding market technology infrastructure that enables rapid growth and scale as well as access to tools to promote market integrity. This acquisition will enhance our ability to serve market infrastructure operators worldwide, and will accelerate our ability to expand into new growth segments."

"Since co-founding Cinnober in 1998, Cinnober has been on an exciting journey and has become a leading supplier of financial technology providing services to exchanges and trading houses worldwide," said Nils-Robert Persson, co-founder and Chairman of the Board of Directors of Cinnober. "I see the offer as the next step in Cinnober's development as it will enable Cinnober and its highly talented employees to be even more successful in serving customers as well as expanding its technology and offering to even more customers and segments. I really believe in the strategic logic of combining Cinnober and Nasdaq's Market Technology business also as it reinforces the strong technology foundation in Sweden. As the largest shareholder of Cinnober, I am supportive of the offer and intend to accept the offer."

The acquisition of Cinnober is expected to deliver attractive shareholder returns with a combination of Cinnober's largely-recurring revenue base, coupled with significant synergies arising from product enhancement, cross-sale, and efficiency opportunities. Nasdaq expects the transaction to meet the company's 10% 3-5 year ROIC objective, and to be accretive to non-GAAP EPS within 12 months of closing.

Nasdaq will fund the acquisition with either cash on hand or liquidity available under existing credit facilities, and remains committed to the existing capital deployment priorities, including funding attractive organic investment opportunities, continuing its dividend growth and share repurchase objectives, as well as achieving a "mid-2x's" gross debt to EBITDA ratio by mid-2019.

Nasdaq expects to acquire Cinnober through a recommended public cash offer that was launched this morning at 08.01 CET whereby Nasdaq, through a wholly owned subsidiary, has offered to acquire all outstanding shares and warrants in Cinnober at a price of SEK 75 per share and SEK 85 per warrant.<sup>2</sup> The transaction represents an offer value of approximately SEK 1,702m (appr. USD 190m).<sup>3</sup> The Board of Directors of Cinnober has unanimously recommended that shareholders and warrant holders accept the offer. The acceptance period of the public tender offer is expected to close during the fourth quarter of 2018, subject to certain conditions customary in Swedish public tender offers (e.g. that Nasdaq becomes owner of more than 90% of the shares in Cinnober and review by relevant competition authorities).

Nasdaq's world-leading market technology powers more than 250 of the world's market infrastructure organizations and market participants, including broker-dealers, exchanges, clearinghouses, central securities depositories and regulators, in over 50 countries with end-to-end, mission-critical technology solutions. These solutions entail managing and mitigating risk, enhancing integrity and protecting reputations with trade surveillance, behavioral analytics and risk management.

### About Nasdaq

Nasdaq (Nasdaq: NDAQ) is a leading global provider of trading, clearing, exchange technology, listing, information and public company services.

Through its diverse portfolio of solutions, Nasdaq enables customers to plan, optimize and execute their business vision with confidence, using proven technologies that provide transparency and insight for navigating today's global capital markets. As the creator of the world's first electronic stock market, its technology is used by 250 of the world's market infrastructure organizations and market participants, including broker-dealers, exchanges, clearinghouses, central securities depositories and regulators in over 50 countries with end-to-end, mission-critical technology solutions. Nasdaq is home to approximately 4,000 total listings with a market value of approximately \$14 trillion. To learn more, visit: <http://business.nasdaq.com>.

## About Cinnober

Cinnober provides solutions and services to leading trading and clearing venues, including exchanges, clearinghouses, banks and brokers. Cinnober's solutions are largely based on the TRADExpress™ Platform, incorporating everything needed for mission-critical solutions in terms of performance, robustness and flexibility. The portfolio of offerings includes price discovery and matching, real-time risk management, clearing and settlement, index calculation, data distribution and market surveillance.

Cinnober's customers include the Asia Pacific Exchange, Australian Securities Exchange, B3, Dubai Gold & Commodities Exchange, Euronext, Japan Exchange Group, Johannesburg Stock Exchange, the London Metal Exchange, LME Clear, NYSE and the Stock Exchange of Thailand, among others.

## Cautionary Note Regarding Forward-Looking Statements

Statements in this press release relating to future status and circumstances, including statements regarding the anticipated offer timeline, future performance, growth and other projections as well as benefits of the offer, are forward-looking statements. These statements may generally, but not always, be identified by the use of words such as "anticipates", "expects", "believes", or similar expressions. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. Actual results may differ materially from those expressed or implied by these forward-looking statements due to many factors, many of which are outside the control of Nasdaq and its subsidiaries. Such risk factors may include the performance of the global economy, ability of Nasdaq to integrate the acquired business, ability of Nasdaq to receive regulatory approvals necessary for the offer (whether timely or otherwise), availability of exemptions from under Rule 14d-1(c) or Rule 14d-1(d) promulgated under the Exchange Act, and any other risk factors detailed in Nasdaq's annual report on Form 10-K, and periodic reports filed with the U.S. Securities and Exchange Commission. Any such forward-looking statements speak only as of the date on which they were made and Nasdaq has no obligation (and undertake no such obligation) to update or revise any of them, whether as a result of new information, future events or otherwise, except for as required by applicable laws and regulations.

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## IMPORTANT INFORMATION

*PLEASE NOTE THAT THIS PRESS RELEASE DOES NOT CONSTITUTE AN OFFER TO TENDER SHARES IN CINNOBER, AND THAT THE OFFER IS NOT BEING MADE TO (NOR WILL TENDER OF SHARES BE ACCEPTED FROM) PERSONS WITHIN AUSTRALIA, HONG KONG, JAPAN, CANADA, NEW ZEALAND OR SOUTH AFRICA OR PERSONS IN ANY OTHER COUNTRIES WHERE TENDER OF SHARES WOULD REQUIRE FURTHER DOCUMENTATION, FILINGS OR OTHER ACTIONS IN ADDITION TO SWEDISH LAW.*

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<sup>1</sup> Based on an exchange rate of USD 1.00 = SEK 8.96 as of September 13, 2018

<sup>2</sup> The price for the warrants corresponds to the so called "see-through value" of the warrants. The warrants have an exercise price of SEK 46.67 and each warrant entitles to 3 new shares in Cinnober.

<sup>3</sup> Based on an exchange rate of USD 1.00 = SEK 8.96 as of September 13, 2018

