INTERIM REPORT

THIRD QUARTER, JULY 1 – SEPTEMBER 30, 2015

- Net sales of SEK 427 m (447)
- Operating profit SEK 22 m (loss: 25*)
- Operating margin 5.1% (neg.)
- Profit after tax was SEK 14 m (Loss: 22)
- Earnings per share were SEK 0.14 (neg: 0.24)

ACCUMULATED, JANUARY 1 – SEPTEMBER 30, 2015

- Net sales of SEK 1,550 m (1,236)
- Operating profit SEK 106 m (8*)
- Operating margin 6.9% (0.6)
- Profit after tax was SEK 71 m (4)
- Earnings per share were SEK 0.68 (0.05)
- Cash and cash equivalents totaled SEK 45 m (41)

Statement by Carl-Magnus Månsson, CEO

For the first nine months, the development of the operation posted a positive trend in our three largest geographies. Germany and Norway have made significant progress and continued to trend positively in terms of margin and growth in the third quarter. Over the last few years, we have driven changes in the structures and offerings in both countries and are now starting to see the results. In the first nine months, the margin improved for operations in Sweden, however we have identified significantly more potential to be gained from a favorable position in a market with many opportunities, both in terms of margins and growth.

In the Digital area, we have noted how customers prioritize innovation, particularly innovation driven in short cycles with clear targets to create business value. We have also noted how an increasing number of customers have chosen to create a digital foundation, to work to create a long-term, sustainable digital platform through clear choices of architecture and approaches to areas, such as integration, process efficiency, cloud-based deliveries and information analysis. It is becoming increasingly obvious that the businesses we are meeting are in two different cycles, one being innovation driven and the other driven by endurance. This characterizes all parts of our offering, and we are well-positioned to support both cycles at our customers. In particular, we are now seeing evidence of how the need for skills from strategic insight to immediate realization is decisive for taking the right decisions in an increasingly complex and fast-moving reality. Acando's study, Digital Insights 2015 provides insight into the most important digital issues at 200 of the largest companies in Sweden. On the 27th of November, we will launch the full results of the study, so far we have three important conclusions;

- Attracting and retaining top digital talent is becoming more and more important.
- Innovation merge companies' overall strategy work with the digital business.
- The company's own ability to drive transformation on a large scale, is a concern.

We will also gradually increase interaction between our geographies and skills areas to thereby take an increasingly clear digital position. We have already noted how we have strengthened positions in the retail and energy sectors through strong links between countries and the customers we manage across national borders. The partnership with Avensia and Microsoft that was launched during the quarter creates excellent possibilities for accelerating growth in e-commerce throughout our geographies.

We are continuing our shared journey together with employees, customers and partners. We are driven by the desire to create value and promote new talents at Acando and our customers. We are proud over the trust our customers show in us, particularly when customers who have worked with us for a long time extend that trust with new assignments. We continue to drive the packaging of solutions for accelerated value creation, the right mix of on/nearshore deliveries for cost-efficiency and customer and assignment size for increased utilization rates.

** Due to the acquisition of Connecta the operating profit is affected by items affecting comparability in 2014.*

Acando is well-positioned to continue growing and our focus is currently on recruiting in all areas. A key element is our trainee program and, in August, two new programs started; Acando Nova 13 and Acando Nova 14. For the first time, the program was established outside of Stockholm, with trainees from Gothenburg and Malmö. We are also poised to expand the next round of trainee programs to include Norway. Our trainee program builds Acando and also provides us with new perspectives, talents and access to ambition, which is unlike anything I have ever seen and which has been noted by a number of our customers who have asked “Are there any Novos assigned to the project?”.

Significant events

Third quarter, 2015

Acando in Germany developed a mobile app, together with the telecoms operator E-Plus, to make it easier for consumers to interact with local retailers.

Acando offers strategic consulting services and application development for SAP with Fiori/SAPUI5, a new concept for mobile and location-independent operation of SAP programs. The technology and practical examples were demonstrated at the annual German SAP user forum’s conference that took place in the third quarter.

Acando and Avensia, e-commerce leaders in the Scandinavian market, started the quarter with a strategic partnership for e-commerce solutions. The combination of industry expertise and e-commerce skills, together with experience of implementing cloud-based ERP solutions as well as the ability to deliver the solution as a service for rapid distribution creates a competitive advantage in the rapidly changing retail sector with consequent excellent opportunities for growth.

Acando has received access to Microsoft Dynamics Inner Circle by delivering valuable solutions that help organizations to achieve increased success. Microsoft Dynamics Inner Circle comprises a group of Microsoft’s most strategic and important Microsoft Dynamics partners from around the world. Microsoft ranks its partners around the world based on sales and performance and some 60 partners are invited to join the Inner Circle each year.

Acando in Norway completed the acquisition of the operations of the Antares Group and, thereby obtained the services of another 20 senior consultants from September 1. The Antares Group primarily comprises consultants with expertise in systems development, architecture, consulting services, integration and project management. The company has provided both front-end and back-end consulting services, the largest skills area being Java.

Significant events after the end of the period

Acando in Norway have been awarded a framework agreement with the Norwegian Labour and Welfare Service (NAV), for architecture and software requirement specification consulting services.

In Norway, Acando won a framework agreement with the Norwegian Police’s Shared Services (PFT), for the procurement of architecture services for justice sector operations.

Acando launched Acando Digital Insights in 2015, the most important digital insights based on the study of 200 large Swedish companies.

Business activities

Introduction

Acando is a consulting company whose business concept, in partnership with its customers, is to create business value by enhancing and streamlining processes, organizations and digital solutions. We stand out due to our ability to combine skills in strategy and business operations with sound technical expertise and deep understanding of how organizations function. The Group has approximately 1,800 employees allocated over four countries in Europe and delivery centers in India and Latvia.

Acando's offering

Acando's offering is focused on actual results and value for the customer. This value is achieved through a combination of Acando's skills and our long-term relationship with the customer. Well-established methods and tools are in place to be able to deliver Acando's high level of quality in each phase of the project.

The Nordic market is mainly built on numerous small to medium-sized local IT and management consulting companies as well as a few major global suppliers with a focus on outsourcing. Acando is the only Swedish company with a sufficiently broad skills base and size in business systems, management and digital solutions to be able to successfully compete with the major international companies in complex project implementations.

Acando's core offering is divided into four main categories:

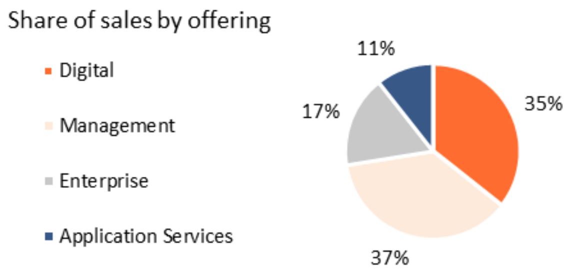
Management pertains to consulting services and accelerated implementation in connection with strategic change and includes innovation and optimizing the use of technology as key elements of the offering. Disruptive business models, enhanced customer experiences and structured use of new technology are strong drivers in several sectors, and demand for process and operational efficiency, control and information utilization is also increasing.

Enterprise drives projects based on SAP and Microsoft Dynamics AX business systems. The business systems are key to driving efficiency enhancements and enabling new services. Acando holds an extremely strong position in AX and SAP, with the highest partner status and is one of only a few global members of the Microsoft Dynamics Inner Circle. Continued efficiency enhancements typify the market for business systems, at the same time as SAP's and Microsoft's move toward cloud-based delivery models and new technology platforms creates new possibilities in an area where Acando has a favorable position in terms of an established customer base and skills.

Digital guides customers and realizes solutions linked to digital innovation and transformation. Projects are driven by a combination of digital business understanding and deep technical know-how in solutions based on modern technology and platforms. The area has substantial growth potential and Acando is well-positioned in several of the most rapidly growing areas.

Application Services primarily includes longer commitments for administration and support services. Over time, Acando aims to grow the share of assignments primarily linked to the existing customer base and delivered projects.

Each business area's share of Group sales is shown below.



Customers and segments

Acando's position with a healthy spread over different customer segments creates the preconditions for long-term, stable growth and provides the possibility of better balancing demand patterns between different segments.

Acando traditionally has a strong position in the manufacturing industry with both efficiency and business-development assignments. The segment also includes a strong position in the automotive industry.

The company's position in the retail segment is strong with an offering where digital customer interaction and e-commerce drive development. Changed customer behavior patterns also drive the need for a more flexible and agile supply chain together with associated system and process changes.

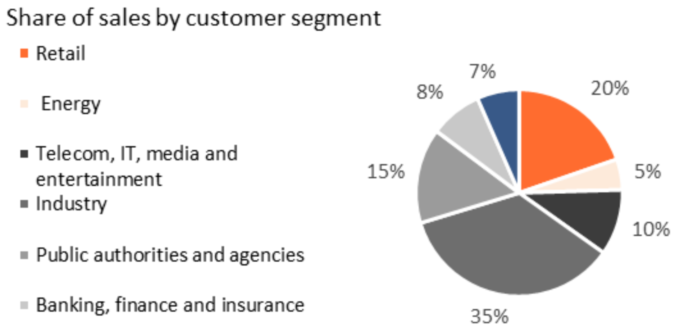
In the financial segment, particularly banking and insurance, a continued increase in demand has been noted driven by a need for modernization in terms of technical platforms and digital relationships with customers. In combination with regulatory requirements, this gives rise to the need for structured transformation programs at many companies in the sector.

The energy segment is typified by a need for streamlining and change driven by electricity prices and external factors. In parallel new distribution forms, advanced control and measurement systems, and more highly integrated services aimed at customers are driving the need for more advanced digital platforms. A declining propensity for investment has been noted in the oil and gas segment.

The public sector remains a key growth area and Acando's service portfolio and geographic spread make it well-suited to meet the needs of public authorities, agencies and municipalities. Growth is driven both by demands for efficiency and increased transparency, and for digital interaction with citizens.

The health care segment remains at an early stage of implementing digitization. Investments are focused on efficient information management, new methods with clear digital components and a greater degree of digital interaction.

The telecoms segment is characterized by clear efficiency enhancement and streamlining programs using standard platforms and simplified operating models in parallel with defining new services that add greater value. The media and entertainment segment is driven by expansive digital services and the need to interact with consumers and professional players.



Market trend in the third quarter

The demand in Sweden has remained healthy and on a par with the start of 2015, albeit with certain geographical differences where Stockholm and the Mälar Valley region are performing best. In Germany, the demand situation remained normal, which was also the case for Norway even if certain indications were noted for the private sector of a decline in the willingness to invest. The weakest market is Finland, where the market remains cautious and assignments are both fewer and subject to intense competition. For 2015, demand is expected to finish in line with how it started.

Long-term demand is expected to remain favorable across Acando's markets, driven by accelerating digital transformation and completely new application areas for technology in business processes. Accordingly, it will become crucial to create clear links between strategy, innovation, implementation and technology.

Net sales and earnings

Third quarter July – September 2015

Net sales and operating profit before goodwill impairment (EBITA) for the third quarter of 2015 are shown in the table below:

	July -September					
MSEK	**2015 Net sales**	**2014 Net sales**	**2015 Operating profit**	**2014 Operating profit**	**2015 Operating margin**	**2014 Operating margin**
Sweden	254,3	267,5	11,4	18,1	4,5%	6,7%
Norway	64,5	63,3	5,3	4,9	8,2%	7,7%
Germany	81,8	70,2	10,0	4,8	12,2%	6,9%
Other countries	33,2	51,0	0,7	3,2	2,1%	6,2%
Group adjustments	-7,2	-4,6	-5,5	-4,1	-	-
Total	**426,6**	**447,4**	**21,8**	**26,8**	**5,1%**	**6,1%**
Items affecting comparability	-	-	-	-52,2	-	-
Total	**426,6**	**447,4**	**21,8**	**-25,4**	**5,1%**	**neg.**

1) Refers to 2014

Consolidated net sales for the quarter amounted to SEK 427 m (447). EBITA was SEK 22 m (neg: 25), corresponding to a margin of 5.1 percent (neg.).

Earnings in Sweden were down slightly year-on-year. However, the comparative period included the operations acquired as part of Connecta, which was consolidated from August 1 and, accordingly, did not include the weaker result of July in the comparative period for 2014. Norway continued to post healthy earnings following the structural measures implemented in 2014 and a favorable utilization rate in Germany continued to contribute to positive earnings. The item Other countries includes Acando's operations in Finland and the delivery centers in India and Latvia. Utilization rates in Finland were impacted by a soft domestic market. The margins for projects sold within the Group with deliveries from our delivery centers generated higher margins in those countries where end deliveries took place.

Consolidated profit after tax totaled SEK 14 m (loss: 22). Earnings per share after dilution amounted to SEK 0.14 (neg: 0.24).

Accumulated, January - September 2015

Consolidated net sales and EBITA for the period are shown in the table below:

	January - September					
MSEK	2015 Net sales	2014 Net sales	2015 Operating profit	2014 Operating profit	2015 Operating margin	2014 Operating margin
Sweden	987,8	686,5	88,7	52,0	9,0%	7,6%
Norway	224,0	216,6	20,5	10,9	9,1%	5,0%
Germany	234,3	212,4	19,7	11,9	8,4%	5,6%
Other countries	115,5	132,1	-2,3	5,7	-2,0%	4,3%
Group adjustments	-11,5	-11,4	-20,3	-14,0	-	-
Total	**1 550,0**	**1 236,3**	**106,3**	**66,4**	**6,9%**	**5,4%**
Items affecting comparability	-	-	-	-58,9	-	-
Total	**1 550,0**	**1 236,3**	**106,3**	**7,5**	**6,9%**	**0,6%**

1) Refers to 2014

Consolidated net sales for January to September period amounted to SEK 1,550 m (1,236). EBITA was SEK 106 m (8), corresponding to a margin of 6.9 percent (0.6).

During the year, earnings strengthened at all units due to improved utilization rates and the structural measures implemented at the end of 2014. The item Other countries includes Acando's operations in Finland and the delivery centers in India and Latvia.

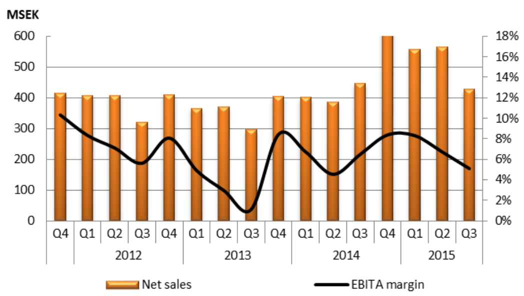
Consolidated profit after tax totaled SEK 71 m (4). The divestments of Acando's UK operations and of Titan in Sweden generated total nonrecurring expenses under the Group's net financial items of SEK 7 m during the first quarter. Earnings per share after dilution amounted to SEK 0.68 (0.05).

Profit trend per quarter

The graph on the right shows net sales and operating profit for the past four years.

In terms of work, the fourth quarter is the most work intensive with the highest number of working days. The third quarter is always lower due to vacation.

The industry in which Acando operates is late-cyclical and a weak market impacts with a delay of about one quarter. The same applies when the market turns.



Development of operations by geographic market

Sweden

Demand remained unchanged in Sweden with continued healthy demand primarily in Digital Services. In terms of geographies, Stockholm and the Mälar Valley region performed well, but Malmö and Gothenburg also trended favorably during the year. The quarter was characterized by a substantial spread in utilization rates between the various business segments with typically stronger seasonal variations in Management Consulting and steadier utilization rates where assignments are more project-oriented, namely, Enterprise, Application Services and Digital.

In terms of earnings, the quarter was slightly below expectations, driven by lower utilization rates in August in the Management segment, while utilization rates in September were on par with earlier in the year. In August, Acando's Nova 13 and 14 trainee programs started, in which 24 new graduates started their careers at Acando with an induction period.

Digital continues to be the area that is developing fastest and where several interesting assignments were initiated in the quarter. Several customers have tasked Acando with defining a strategy for optimal utilization of cloud-based delivery models given their existing IT architecture. Acando is well-positioned through having both infrastructure and application skills, in parallel with an established method for transformation projects at its disposal. During the quarter, Acando signed a framework agreement regarding support for one of the larger modernization programs in the banking and finance sector. In parallel, Acando has been entrusted with leading one of the larger ongoing transformations in the manufacturing industry. The single skills area with most demand is Digital Strategy and Transformation, where Acando's customers are looking for support with their digital transitions.

Packaging solutions for rapid impact comprises a key component of driving profitability within parts of Acando's offering. Acando's decision support solution aimed at public authorities and municipalities has won over several new customers during the quarter, including the first major municipal implementation. The Acando Collaboration Platform, a modern solution for information sharing and a workspace for the entire organization, is continuously attracting new customers in both Norway and Sweden, which is generating an increasing margin through packaging and a subscription-based business model.

In the Enterprise Consulting and Solutions (Business Systems) area, primarily Microsoft Dynamics performed strongly with several key go-live phases in the quarter and high utilization rates, several new, highly complex projects requiring a high level of business understanding and an increasingly strong position in administration services. Acando's strong position was manifested by the invitation to the Inner Circle. There is growing interest for S4/HANA in the SAP area, even if few projects based on the new platform have been initiated. Otherwise, the SAP market has been characterized by few new large projects and, instead, continued expansion of established solutions, thereby giving rise to a situation with slightly softer demand than usual.

Norway

Acando's operations in Norway are continuing to develop favorably, both in terms of financial results and a clearer portfolio, with the public sector and digitization-driven businesses in focus. The lower pace of investment in the offshore sector is starting to become noticeable in the mainland economy where competition is increasing and decision processes are being extended. However, investments are continuing in the public sector, which comprises Acando's primary customer base in Norway.

Strong framework agreements with the public sector and continued investment in modernization and development of civic services led to a favorable position in the Norwegian market. Acando has also extended all existing framework agreements that came up for renewal during the year and, accordingly, is well-placed for continued expansion in the public sector.

The acquisition of Antares means that Acando is continuing to expand in Oracle and Java-based solutions, both with existing customers and in terms of broadening deliveries to public sector projects.

Growth continues in digital solutions and digital transformations and Acando has established projects in several areas with expected high growth rates. Intelligent transport systems, semantic solutions for large data volumes, smart electricity networks and information integration in healthcare comprise a few such examples. In addition, Acando has established a Digital Strategy and Transformation unit in the third quarter to meet a growing need in the private sector.

Germany

Operations in Germany continued to trend positively, with organic growth and rising margins. Margins in the third quarter, were among the highest noted over a period and were driven by a maintained utilization rate in parallel with stable price levels.

The trend was primarily driven by the continued expansion of assignments with the existing customer base where new areas were addressed. Demand levels were stable and remained unchanged compared with the first quarter of the year. In the retail and banking segments, Acando continued to take responsibility for digital projects through the expansion of existing partnerships. The industry and energy segments also trended strongly, primarily due to new projects linked to information management and technical integration being started in the automotive industry. Volkswagen is one of Acando's more important customers in Northern Germany. Acando mainly works with efficiency enhancement and further development of IT support for Volkswagen Financial Services. To date, no effects from the savings program or other measures have been noted.

All business geographies have trended favorably, in particular, a clear improvement was noted in West Germany, with Düsseldorf as the main business area.

Other countries and delivery centers

Finland:

The Finnish market remained weak and a slow recovery is expected, although without any significant effects in 2015. Few new major projects are being started and competition for both project and administration assignments is fierce in both SAP and the mobility area. Through a number of structured measures and the processing of existing customers, a slight improvement in profitability has been achieved.

India and Latvia:

Deliveries from Bangalore and Riga were directed to be a more integrated part of both project and administration assignments. In addition, a direct business project is being carried out, the scope of which is smaller and more targeted to built-in solutions and more product-related development. The utilization rate in the quarter was weak since several major projects were completed. Access to a flexible volume of skills and the ability to offer the right delivery mix continues to be strategically important for many of Acando's offerings and measures to adapt the skills content, cost structure and volume are ongoing, and generated clear improvements in results in the third quarter.

Financial information

Financial position

Acando has a continued strong financial position with an equity/assets ratio of 64 percent (61). Consolidated cash and cash equivalents amounted to SEK 45 m (41) at September 30, 2015. In addition, the Group has unutilized overdraft facilities of SEK 180 m (84), most of which are in SEK. Of the short-term credit facilities, SEK 4 m had been utilized as of September 30, 2015. During the year, agreements were signed to further increase the Group's borrowings as part of changing the capital structure and in total borrowings increased to SEK 180 m.

SEK m	Sep 30 2015	Sep 30 2014	Change
Cash & cash equivalents	45	41	4
Interest-bearing short-term debt	-27	-34	7
Interest-bearing long-term debt 1)	-66	-99	33
Net cash	-48	-92	44
Unutilized overdraft facility	180	56	124
Equity/assets ratio	64%	61%	3%

1) Interest-bearing debt applies to pension commitments of SEK 26 m
and long-term acquisition credit of SEK 40 m.

Cash flow

Total cash flow during the January – September 2015 period was a negative SEK 30 m (neg: 64). Cash flow from operating activities of SEK 123 m (neg: 10) comprised positive cash flow from operations of SEK 104 m (48) and a negative change in working capital of SEK 18 m (neg: 58).

Cash flow from investment activities amounted to a negative SEK 23 m (neg: 9) of which a negative SEK 7 m pertained to the divestment of operations in the first quarter and negative SEK 4 m to investments in customary IT and office equipment.

Cash flow from financing activities amounted to a negative SEK 130 m (neg: 45), of which a negative SEK 103 m (neg: 71) pertained to dividends, a negative SEK 99 m comprised previous amortization of acquisition financing and a positive SEK 72 m pertained to new borrowings.

SEK m	Jan-Sep 2015	Jan-Sep 2014	Change	Full year 2014
Cash flow from:				
Operating activities	123	-10	133	84
Investment activities	-23	-9	-14	-16
Financing activities	-130	-45	-85	-100
Total cash flow	**-30**	**-64**	**34**	**-32**
Cash and cash equivalents at the beginning of the period	76	99	-23	99
Translation difference in cash and cash equivalents	-1	6	-7	9
Cash and cash equivalents at the the end of period	**45**	**41**	**4**	**76**

Tax

At the start of 2015, the Group had unutilized loss carry-forwards totaling approximately SEK 242 m (202). It is expected that it will be possible to utilize the loss carry-forwards attributable to operations in Sweden, SEK 220 m (179), in the next few years. For this reason, a deferred tax asset of SEK 48 m (39) was recognized in the balance sheet at the start of the year. The increase was attributable to the acquisition of Connecta which was completed in 2014.

During the January – September 2015 period, SEK 75 m (32) of the loss carry-forwards in Sweden was changed, the value of the remaining, unutilized loss carry-forwards for Sweden amounted to SEK 145 m (244) at the end of the period.

Investments

The Group's net investment in assets in the January – September 2015 period was SEK 49 m (460). In 2015, investments mainly pertained to further provisions for acquiring minority shares in Connecta of SEK 33 m, where the compulsory acquisition process is ongoing. The other SEK 16 m pertained to minor investments in tangible and intangible assets. At the start of the year, the smaller company Cloudstep AS in Norway was acquired for a purchase consideration of SEK 6 m and, in July 2014, Connecta AB was acquired for a purchase consideration of SEK 448 m. The acquisition of Connecta was financed through the issue of shares in Acando AB and, accordingly, does not impact liquidity.

The share

Buyback of shares

Acando's Board was authorized by the 2015 Annual General Meeting (AGM) to buy back the company's shares to the extent that the company's total holding does not exceed 10 percent of all shares in the company with the aim of adjusting the capital structure to suit the company's capital requirements and to create the opportunity for the company to pay for any acquisitions of companies and businesses, wholly or partly, with these treasury shares. The authorization is valid until the 2016 AGM.

On September 30, the total holding of treasury shares amounted to 1,542,000 shares and comprised 1.5 percent of the total number of shares outstanding. No buyback of treasury shares was implemented in 2014 or in 2015.

Share capital and shares

The number of Acando shares totaled 104,407,419 on September 30, 2015, of which 1,542,000 Series B shares were treasury shares. These treasury shares are expected to be used for future allotment in ongoing share-savings programs.

Share-savings program

The 2015 AGM resolved to implement a new share-savings program for a maximum of 50 senior executives and other key personnel employed by the Acando Group. The 2015/2018 share-savings program is structured similarly to the share-savings programs that were adopted by the 2013 and 2014 AGMs. Based on the fulfillment of specific performance criteria related to Acando's earnings per share before tax and after dilution for the 2015-2017 fiscal years, participants will have the option of receiving, without compensation, additional Acando shares, the number of which depends on the number of Acando shares in their own investment and on the fulfillment of certain performance requirements.

In connection with the acquisition of Connecta in the preceding year, an Extraordinary General Meeting in July 2014, resolved to implement an additional share-savings program for a maximum of 30 senior executives and other key personnel employed by the Acando Group. This was primarily directed at employees of Connecta with holdings in Connecta AB's previous share-savings program. The 2014/2017 share-savings program II is structured similarly to Acando's share-savings program that was adopted by the 2014 AGM. Based on the fulfillment of specific performance criteria related to Acando's earnings per share after tax and after dilution for the 2014-2016 fiscal years, participants will have the option of receiving, without compensation, additional Acando shares, the number of which depends on the number of Acando shares in their own investment and on the fulfillment of certain performance requirements.

The 2014 AGM resolved to implement a new share-savings program for a maximum of 50 senior executives and other key personnel employed by the Acando Group. The 2014/2017 share-savings program is structured similarly to the share-savings programs that were adopted by the 2012 and 2013 AGMs. Based on the fulfillment of specific performance criteria related to Acando's earnings per share after tax and after dilution for the 2014-2016 fiscal years, participants will have the option of receiving, without compensation, additional Acando shares, the number of which depends on the number of Acando shares in their own investment and on the fulfillment of certain performance requirements.

These are the three share-savings programs outstanding in Acando as of September 30, 2015.

Employees

The number of employees at the end of the quarter was 1,742 (1,836). Of these, 1,045 (1,108) were in Sweden, 280 (271) in Germany, 187 (174) in Norway and 230 (283) in Other countries. The average number of employees during the third quarter of 2015 was 1,735 (1,477).

The acquisition of Connecta resulted in an increase in the number of employees of 720, of whom 520 in Sweden and the remainder in the delivery centers that were included in the acquisition. In conjunction with the take-over, 30 individuals in Sweden terminated their employment before the acquisition date and in connection with the integration in the autumn, employment ended for some 40 further employees, primarily in management and administration. In the first quarter, Acando divested the operation in the UK, which had 30 employees, and the operations in Titan IT in Sweden, which had 20 employees.

Parent Company

The Parent Company provides certain Group-wide functions to other companies in the Group. Essentially, the risks faced by the Parent Company consist of operations conducted in the subsidiaries (see the description below for the Group).
The Parent Company's financial position is stated on page 23.

Acando's financial targets and dividend policy

Acando's financial targets are divided into four parts:

- Growth

In the markets in which it operates, Acando will outgrow the market for management and IT consulting services, primarily through organic growth complemented by strategic acquisitions.

- Margins

Acando's margin target is to reach a sustainable operating margin in excess of 10 percent, measured as operating profit before amortization of intangible assets (EBITA) as a percentage of net sales.

- Earnings per share

Acando's principal financial target is to increase earnings per share (EPS) by at least 10 percent per year.

- Indebtedness

Net debt as a percentage of EBITDA should maintain a value of less than 1.5.

Acando's dividend policy is as follows:
Not less than half of profit after tax is to be distributed to shareholders by way of dividends, share buy-backs or other corresponding measures.

Outlook

Acando will continue to develop as a company in pace with its customers and their demands. The company is expected to capture a clear position in Sweden and, from that position, generate further growth in Sweden and in relevant geographies outside of Sweden. The objective of the acquisition was to create the leading consulting company based in the Nordic region. The merger of Connecta and Acando is estimated to unlock substantial market potential and create a key force in the Nordic consulting market in parallel with creating attractive values for both companies' customers, employees and shareholders.

Acando does not provide earnings or sales forecasts.

Risks and uncertainties

Acando's business risks include price levels, customer undertakings, changed customer requirements, weaker demand for consulting services, customer concentration and changes in the behavior of competitors, as well as currency, credit and interest-rate risks. Continued growth will depend on Acando's ability to develop, retain and recruit qualified employees and maintain personnel costs at a reasonable level in relation to prices offered to customers. A strong economy entails intensified competition for qualified employees. Acando's general view of business risks has not changed, compared with the detailed statement contained in the "Risks and Opportunities" section in the Directors' Report under the 2014 Annual Report. However, through the acquisition of Connecta in 2014, risks have arisen in conjunction with the integration of the operations in Sweden including increased dependence on the Swedish market trend and a risk of increased employee turnover.

Estimates and assessments

In preparing the financial reports, the Board of Directors and company management make assessments and assumptions that affect the company's earnings and financial position, as well as published information in other respects.
Estimates and assessments are continuously evaluated and are based on historical experience and other factors, including expectations regarding future events deemed reasonable under prevailing conditions. Actual outcomes may differ from the assessments made.

The areas in which estimates and assumptions could involve significant risk of adjustments of carrying amounts for earnings and financial position in future reporting periods are primarily assessments of market conditions, assessment of the useful lives of the Group's intangible and tangible assets, impairment testing of goodwill, measurement of deferred tax assets, measurement of accounts receivable and revenue recognition for fixed-price projects.
For a complete account of the important estimates and assessments affecting the Group, refer to the 2014 Annual Report.

Accounting policies

Group

The Group's interim report was prepared in accordance with IAS 34 Interim Reporting and the Swedish Annual Accounts Act. Application of IFRS complies with the accounting policies set out in Acando's 2014 Annual Report.

Parent Company

This interim report for the Parent Company was prepared in accordance with the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities issued by the Swedish Financial Reporting Board. The application of RFR 2 means that the Parent Company, in the interim report for a legal entity, applies all IFRS and statements approved by the EU as far as possible within the framework of the Swedish Annual Accounts Act and the Pension Obligations Vesting Act, with consideration taken to the relationship between accounting and taxation. The same accounting and calculation policies were applied as in the 2014 Annual Report.

Report of Review of Interim Financial Information

Introduction

We have reviewed the condensed interim financial information (interim report) of Acando AB (publ) as of 30th of September 2015 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, November 11, 2015

Öhrlings PricewaterhouseCoopers AB

Tobias Stråhle
Authorized Public Accountant
Auditor in Charge

Bo Hjalmarsson
Authorized Public Accountant

Assurance by the Board of Directors

The Board of Directors and the President provide their assurance that the interim report for January – September 2015 provides a fair and accurate view of the Parent Company's and the Group's operations, financial position and earnings, and describes the material risks and uncertainties faced by the Parent Company and other companies in the Group.

Stockholm, November 11, 2015

Acando AB (publ.)

Ulf J Johansson
Chairman

Carl-Magnus Månsson
President and CEO

Caroline af Ugglas
Board member

Magnus Groth
Board member

Birgitta Klasén
Board member

Mats O Paulsson
Board member

Anders Skarin
Board member

Alf Svedulf
Board member

Mija Jelonek
Employee representative

Lennart Karlsson
Employee representative

Additional information

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Upcoming reporting dates

REPORTING DATES

Year-end report 2015	February 12, 2016
Annual General Meeting 2016	April 28, 2016
Interim report January – March 2016	April 28, 2016
Interim report January – June 2016	August 16, 2016
Interim report January – September 2016	October 27, 2016

Note

This is information that Acando AB (publ) is obligated to disclose under the Securities Market Act and/or the Financial Instruments Trading Act. This information was submitted for publication on November 11, 2015.

www.acando.com Ticker: ACAN

Acando is a consulting company whose business concept is, in partnership with its customers, to create business value by enhancing and streamlining processes, organizations and digital solutions. We stand out due to our ability to combine skills in strategy and business operations with sound technical expertise and deep understanding of how organizations function. The Group has approximately 1,800 employees allocated over four countries. Acando had sales of close to SEK 2 billion in 2014 and is listed on the Nasdaq Stockholm.

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CONSOLIDATED INCOME STATEMENT

(SEK m)	Note	Jul - Sep 2015	Jul - Sep 2014	Jan - Sep 2015	Jan - Sep 2014	Oct 2014 - Sep 2015	Jan - Dec 2014
Net sales		427	447	1 550	1 236	2 171	1 856
Other operating income		1	1	2	2	4	3
Total income		**427**	**448**	**1 552**	**1 238**	**2 174**	**1 860**
Operating expenses							
Other external expenses		-103	-123	-382	-351	-559	-528
Personnel expenses		-299	-295	-1 055	-812	-1 444	-1 200
Items affecting comparability		-	-52	-	-59	-9	-68
Amortization and impairment of intangible assets and depreciation of tangible assets [1)]		-3	-3	-10	-9	-21	-21
Operating profit		**22**	**-25**	**106**	**8**	**142**	**43**
Profit from financial items							
Financial income		1	1	1	5	1	4
Financial expenses		-2	-1	-10	-3	-10	-3
Profit after financial items		**20**	**-25**	**98**	**10**	**132**	**44**
Taxes on profit for the year		-6	3	-28	-6	-36	-14
Net profit for the period		**14**	**-22**	**71**	**4**	**96**	**30**
Of which, attributable to shareholders of Acando AB (publ.)		14	-22	71	4	96	30
Earnings per share							
Before dilution, SEK		0,14	-0,24	0,68	0,05	0,96	0,35
After dilution, SEK		0,14	-0,24	0,68	0,05	0,96	0,35
Average number of shares before dilution		102 865 419	92 006 662	102 865 419	77 840 108	100 693 668	84 147 858
Average number of shares after dilution		102 865 419	92 006 662	102 865 419	77 840 108	100 693 668	84 147 858
Number of shares outstanding at end of period before dilution		102 865 419	102 865 419	102 865 419	102 865 419	102 865 419	102 865 419
Number of shares outstanding at end of period after dilution		102 865 419	102 865 419	102 865 419	102 865 419	102 865 419	102 865 419

Treasury shares are not included in the number of shares above. At September 30, 2015, 1,542,000 shares are owned by Acando.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(SEK m)	Note	Jul - Sep 2015	Jul - Sep 2014	Jan - Sep 2015	Jan - Sep 2014	Oct 2014 - Sep 2015	Jan - Dec 2014
Net profit for the period		14	-22	71	4	96	30
Other comprehensive income							
Items that will not be reclassified subsequently to profit or loss							
Pension liabilities, actuarial gains on liabilities		-	-	-	1	-6	-5
Income tax pertaining to items in other comprehensive income		-	-	-	-0	1	1
Total items that will not be reclassified subsequently to profit or los		**-**	**-**	**-**	**1**	**-4**	**-4**
Items that may be reclassified subsequently to profit or loss							
Change in accumulated translation differences		-4	3	-7	10	-10	7
Total items that may be reclassified subsequently to profit or loss		**-4**	**3**	**-7**	**10**	**-10**	**7**
Other comprehensive income for the period, net after tax		**-4**	**3**	**-7**	**11**	**-15**	**3**
Total comprehensive income for the period		**10**	**-19**	**63**	**15**	**82**	**33**
Total comprehensive income attributable to:							
Parent Company's shareholders		10	-19	63	15	82	33

CONSOLIDATED BALANCE SHEET

(SEK m)	Note	30 Sep 2015	30 Sep 2014	31 Dec 2014
Non-current assets				
Intangible assets				
Goodwill	1	973	946	940
Other intangible assets		4	4	4
Tangible assets				
Tangible assets		20	14	17
Financial assets				
Deferred tax assets [1)]		35	54	52
Other non-current financial assets		8	7	6
Total non-current assets		**1 040**	**1 024**	**1 019**
Current assets				
Accounts receivable		405	442	554
Other receivables		8	26	9
Current tax assets		22	29	16
Prepaid expenses and accrued income		82	162	116
Cash and cash equivalents		45	41	76
Total current assets		**562**	**700**	**771**
Total assets		**1 602**	**1 725**	**1 790**
Equity				
Share capital	2	143	143	144
Other capital contributions		736	739	739
Reserves		-32	-22	-25
Retained earnings including profit for the period		174	189	205
Total equity		**1 021**	**1 049**	**1 063**
Liabilities				
Non-current liabilities	3	84	46	67
Current liabilities	3	497	629	661
Total liabilites		**581**	**675**	**727**
Total equity and liabilities		**1 602**	**1 725**	**1 790**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		Attributable to Parent company shareholders				
(SEK m)	**Note**	Share capital	Other capital contr.	Reserves	Retained earnings	Total
Opening balance at January 1, 2014		**99**	**368**	**-32**	**262**	**697**
Profit for the period		-	-	-	4	4
Other comprehensive income for the period		-	-	10	1	11
Total comprehensive income for the period		**-**	**-**	**10**	**5**	**15**
Dividend paid to Parent Company shareholders		-	-	-	-71	-71
New share issue		44	371	-	-	416
Issue expenses		-	-	-	-8	-8
Closing balance at September 30, 2014		**143**	**739**	**-22**	**189**	**1 049**
Profit for the period		-	-	-	26	26
Other comprehensive income for the period		-	-	-3	-5	-8
Total comprehensive income		**-**	**-**	**-3**	**21**	**18**
New share issue		-	-	-	-	-
Issue expenses		-	-	-	-4	-4
Closing balance at December 31, 2014		**143**	**739**	**-25**	**205**	**1 063**
Profit for the period		-	-	-	71	71
Other comprehensive income for the period		-	-	-7	-	-7
Total comprehensive income for the period		**-**	**-**	**-7**	**71**	**63**
Dividend paid to Parent Company shareholders		-	-	-	-103	-103
Incentive programs		-	-	-	1	1
Issue expenses		-	-3	-	-	-3
		-	-	-	-	-
Closing balance at September 30, 2015		**143**	**736**	**-32**	**174**	**1 021**

CONSOLIDATED CASH FLOW STATEMENT

(SEK m)	**Note**	**Jan - Sep 2015**	**Jan - Sep 2014**	**Jan - Dec 2014**
Operating activities				
Profit after financial items		98	10	44
Adjustment for items not included in the cash flow		18	53	69
Income tax paid		-12	-15	-16
Cash flow from operating activities				
before changes in working capital		**104**	**48**	**97**
Net change in working capital		-38	-58	-13
Cash flow from operating activities		**66**	**-10**	**84**
Cash flow from investment activities		**-23**	**-9**	**-16**
Cash flow from financing activities		**-73**	**-45**	**-100**
Cash flow for the period		**-30**	**-64**	**-32**
Cash and cash equivalents at the beginning of the period		76	99	99
Exchange-rate differences in cash and cash equivalents		0	6	9
Cash and cash equivalents at the end of the period		**45**	**41**	**76**

OPERATING SEGMENTS

(SEK m)	Note	Sweden	Germany	Norway	Other countries	Total	Group adjustment	Group total
Jul - Sep 2015								
Net sales		**254**	**82**	**65**	**33**	**434**	**-7**	**427**
Operating profit		**11**	**10**	**5**	**0**	**27**	**-6**	**22**
Financial income								1
Financial expenses								-2
Profit after financial items								**20**
Taxes								-6
Net profit for the period								**14**
Jul - Sep 2014								
Net sales		**268**	**70**	**63**	**51**	**452**	**-5**	**447**
Operating profit		**18**	**5**	**5**	**3**	**31**	**-56**	**-25**
Financial income								1
Financial expenses								-1
Profit after financial items								**-25**
Taxes								3
Net profit for the period								**-22**
Jan - Sep 2015								
Net sales		**988**	**234**	**224**	**116**	**1 562**	**-11**	**1 550**
Operating profit		**89**	**20**	**21**	**-2**	**127**	**-21**	**106**
Financial income								**1**
Financial expenses								**-10**
Profit after financial items								**98**
Taxes								**-28**
Net profit for the period								**71**
Jan - Sep 2014								
Net sales		**687**	**212**	**217**	**132**	**1 248**	**-12**	**1 236**
Operating profit		**52**	**12**	**11**	**6**	**80**	**-72**	**8**
Financial income								**5**
Financial expenses								**-3**
Profit after financial items								**10**
Taxes								**-6**
Net profit for the period								**4**
Oct - Sep 2015								
Net sales		**1 401**	**317**	**302**	**184**	**2 204**	**-33**	**2 170**
Operating profit 1)		**125**	**32**	**32**	**2**	**190**	**-41**	**148**
Financial income								1
Financial expenses								-10
Profit after financial items								**139**
Taxes								-36
Net profit for the period								**103**
Jan - Dec 2014								
Net sales		**1 100**	**295**	**295**	**200**	**1 890**	**-34**	**1 856**
Operating profit 1)		**88**	**24**	**22**	**10**	**144**	**-93**	**51**
Financial income								4
Financial expenses								-3
Profit after financial items								**52**
Taxes								-14
Net profit for the period								**38**

1) Excluding goodwill impairment of SEK 7.3 m

KEY RATIOS

(SEK m)	Note	Jul - Sep 2015	Jul - Sep 2014	Jan - Sep 2015	Jan - Sep 2014	Oct 2014 - Sep 2015	Jan - Dec 2014
Result							
Net sales		427	447	1 550	1 236	2 171	1 856
Operating profit (EBIT)		22	-25	106	8	142	43
Net profit for the period		14	-22	71	4	96	30
Margins							
Operating margin (EBIT), %		5,1	neg.	6,9	0,6	6,5	2,3
Profit margin, %		4,8	neg.	6,3	0,8	6,1	2,3
Profitability							
Return on capital employed, %		2	neg.	9	1	12	5
Return on equity, %		1	neg.	7	0	9	3
Financial position							
Equity/assets ratio, %		64	61	64	61	64	59
Interest coverage ratio, multiple		26	neg.	39	5	50	18
Per share							
Equity per share, SEK		9,93	10,20	9,93	10,20	9,93	10,33
Cash flow per share, SEK		0,09	-0,06	-0,29	-0,82	0,01	-0,62
Earnings per share after dilution, SEK		0,14	-0,24	0,68	0,05	0,96	0,35
Employees							
Number of employees at end of the period		1 742	1 836	1 742	1 836	1 742	1 826
Average number of employees		1 735	1 477	1 740	1 294	1 762	1 377
Net sales per employee, SEK thousands		246	303	891	955	1 232	1 348
Net investments	5	**7**	**450**	**16**	**460**	**24**	**468**

PARENT COMPANY INCOME STATEMENT

(SEK m)	Note	Jul - Sep 2015	Jul - Sep 2014	Jan - Sep 2015	Jan - Sep 2014	Oct 2014 - Sep 2015	Jan - Dec 2014
Net sales		26	9	60	35	78	53
Total income		**26**	**9**	**60**	**35**	**78**	**53**
Operating expenses							
Other external expenses		-10	-9	-35	-21	-44	-31
Personnel expenses		-3	-2	-9	-7	-18	-15
Amortization and impairment of intangible assets and depreciation of tangible assets		-2	-2	-6	-5	-7	-7
Operating profit		**10**	**-4**	**10**	**2**	**8**	**1**
Profit from financial items							
Other interest income and similar items	4	0	2	39	76	38	76
Interest expenses and similar items	4	-2	0	-8	-1	-9	-2
Profit after financial items		**9**	**-3**	**41**	**77**	**38**	**75**
Taxes on profit for the year		-2	1	0	-1	1	-1
Net profit for the period		**7**	**-2**	**41**	**76**	**39**	**74**

Net profit for the period corresponds to comprehensive income for the period.

PARENT COMPANY BALANCE SHEET

(SEK m)	Note	30 Sep 2015	30 Sep 2014	31 Dec 2014
Non-current assets				
Intangible assets				
Other intangible assets		4	3	4
Tangible assets				
Tangible assets		12	6	10
Financial assets				
Financial assets		1 403	1 379	1 379
Total non-current assets		**1 418**	**1 388**	**1 393**
Current assets				
Receivables from Group companies		78	76	61
Accounts receivable		0	-	-
Other receivables		0	0	0
Prepaid expenses and accrued income		6	3	3
Cash and cash equivalents		0	0	16
Total current assets		**84**	**79**	**80**
Total assets		**1 502**	**1 467**	**1 473**
Equity				
Share capital	2	144	144	144
Statutory reserve		110	110	110
Share premium reserve		632	632	632
Retained earnings including profit for the period		311	380	374
Total equity		**1 197**	**1 266**	**1 260**
Libilities				
Long-term liabilities		40	13	10
Liabilities to Group companies		150	99	110
Current liabilities		115	90	94
Total liabilities		**305**	**201**	**214**
Total equity and liabilities		**1 502**	**1 467**	**1 473**

Notes

Note 1 Goodwill

Compared with September 30, 2014, goodwill increased by a total of SEK 27 m. In connection with the acquisition calculations done in the third quarter 2015 for the acquisition of Connecta, which was acquired in the third quarter of 2014, the final estimated purchase price increased by 33 million. In the fourth quarter of 2014, a SEK 7 m impairment of goodwill was carried out for Acando's UK operations based on the valuation conducted in conjunction with the sale which was completed after the end of the period. The remainder of the change pertained to currency effects.

Note 2 Equity

At September 30, 2015, the total number of shares in the company amounted to 104,407,419, of which 100,767,429 were Series B shares and 3,639,990 were Series A shares.

No buybacks have taken place in 2015. The total number of treasury shares thus amounted to 1,542,000 Series B shares as of September 30, 2015.

Note 3 Long-term liabilities

Long-term liabilities

Long-term liabilities primarily comprise deferred tax and pension liabilities in Sweden and the long-term portion of acquisition financing.

Current liabilities

Of the current liabilities of SEK 497 m, SEK 66 m represents interest-bearing current liabilities.

Note 4 Financial income and financial expenses

Financial income in the Parent Company primarily pertains to dividends from subsidiaries. Financial expenses in the Parent Company primarily pertain to the divestment of Acando's UK operations and Titan IT in Sweden as well as to currency fluctuations.

Note 5 Acquisitions

Connecta - 2014

In July 2014, Acando acquired 90.3 percent of the shares in Connecta AB and on July 23, 2014 a further 2.8 percent was acquired. The objective of the acquisition was to create the leading consulting company based in the Nordic region. The merger of Connecta and Acando was estimated to unlock substantial market potential and create a key force in the Nordic consulting market in parallel with creating attractive values for both companies' customers, employees and shareholders.

Connecta was consolidated as part of the Acando Group as if the acquisition took place on July 31, 2014. As a result of the ongoing compulsory redemption process for the 6.9 percent of shares outstanding, the consolidated financial statements have been prepared as if 100 percent had been acquired. The process has not yet been completed, but has impacted the final estimated purchase consideration, which has increased by SEK 33 m. The entire additional amount has been allocated to goodwill and is within the scope of the original valuation at the time of acquisition.

All assets and liabilities were measured at market value in the acquisition. Acando's primary objective with the acquisition was to release the synergies that the merger of operations at Acando and Connecta would lead to in the form of expanded skills areas and economies of scale rather than to set a value on brands or customer relations.

In summary, the acquisition calculation was completed in July 2015 and the entire amount was allocated to goodwill since the value of customer relationships was intangible. Analyses were also conducted for the Connecta brand. Following these, the conclusion was that the brand could not be allocated any significant value when merged into Acando. This was in line with the initial analysis as shown in the published prospectus. Of the goodwill item amounting to SEK 474 m, SEK 70 m comprises goodwill that was previously recognized in the Connecta group.

The final acquisition analysis follows:

	Final carrying amount	Preliminary carrying amount
Total purchase consideration	481	448
Assets acquired and liabilities taken over		
Non-current assets	6	6
Current assets	250	250
Cash and cash equivalents	-	-
Current liabilities	-249	-249
Fair value of net assets	7	7
Goodwill	474	441
Total cash flow attributable to investment	-	-

Cloudstep - 2014

At the start of 2014, 100 percent of the shares outstanding in the consulting firm Cloudstep AS in Norway were acquired. The purchase consideration paid was SEK 6 m, of which SEK 3 m was paid in cash. The remaining SEK 3 m comprises a liability for a performance-based additional purchase consideration based on expected performance in the fiscal years 2014 and 2015, for which a provision was made in 2014.

Definitions

Capital employed

Equity plus interest-bearing liabilities. Average capital employed has been calculated as opening plus closing capital employed divided by two.

Cash flow per share

Cash flow for the year divided by the weighted average number of shares during the period after dilution with outstanding warrants, share-savings programs and convertible rights. Treasury shares are excluded.

Debt/EBITDA ratio

Interest-bearing net debt divided by EBITDA calculated as rolling 12-months' earnings before amortization, depreciation and impairment. Earnings are corrected for nonrecurring costs.

Earnings per share

Net profit for the period for continuing operations divided by the weighted average number of shares during the period after dilution with outstanding warrants, share-savings programs and convertible rights. Treasury shares are excluded.

Equity/assets ratio

Equity on the closing date divided by total assets.

Equity per share

Equity on the balance-sheet date divided by the number of shares at year-end after dilution with outstanding warrants, share-savings programs and convertible rights. Treasury shares are excluded.

Interest-coverage ratio

Profit after financial items plus interest costs divided by interest expenses.

Operating margin

Operating profit divided by net sales.

Profit margin

Profit before tax divided by net sales.

Project assignments

Projects in which Acando had a higher degree of delivery responsibility for jointly established targets, often associated with close cooperation with the customer. Project assignments do not necessarily involve a higher commercial risk content in the form of a fixed-price assignment.

Return on capital employed

Profit after financial items with reversal of interest expenses, divided by average capital employed.

Return on equity

Profit after tax divided by average equity. Average equity is calculated as the sum of equity on the opening and closing dates, divided by two.