

YEAR-END REPORT

FOURTH QUARTER OCTOBER 1 - DECEMBER 31, 2015

- > Net sales of SEK 565 m (620)
- > Operating profit SEK 62 m (loss: 35*)
- > Operating margin 10.9% (5.7)
- > Profit after tax was SEK 60 m (26)
- > Earnings per share were SEK 0.59 (0.25)

ACCUMULATED JANUARY 1 - DECEMBER 31, 2015

- > Net sales of SEK 2,115 m (1,856)
- > Operating profit SEK 168 m (43*)
- > Operating margin 7.9% (2.3)
- > Profit after tax was SEK 131 m (30)
- > Earnings per share were SEK 1.27 (0.35)
- > Cash and cash equivalents totaled SEK 93 m (76)
- > The Board of Directors intends to propose that the Annual General Meeting resolve on a dividend of SEK 1.20 per share (1.00), corresponding to a total of approximately SEK 123 m (103).

Statement by Carl-Magnus Månsson, CEO

In 2015, Acando continued its transition toward becoming northern Europe's leading consulting company. In terms of financial performance, for the first time, the Group's sales surpassed SEK 2 billion and, an operating profit of SEK 168 m means we posted the largest profit in the company's history. Profitability has been continuously strengthened during the year in all of our key geographies. Over the last few years, the structural changes in Germany and Norway, with changed customer bases, operational efficiency enhancements and a focus on services with high growth potential, have contributed to Acando's strong market position and increased profitability on a full-year basis. The synergies we expected in Sweden from the fusion of Acando and Connecta, both in terms of efficiency enhancements and new customer opportunities, were fully realized during the year and have created increased profitability driven by higher utilization rates through large project-driven deliveries and a broad offering in the most interesting industries.

We are continuing to develop into a distinct digital transformation partner. The breadth of our offering, spanning strategic insight to digital innovation together with a high implementation capacity, generates new opportunities on a daily basis.

Industries and sectors that we previously perceived as traditional are now digital pioneers and our most important digital partners. We work with intelligent transport systems, advanced map and traffic information services and autonomous vehicles in Norway. We are simplifying the communication between drivers and vehicles at one of our German customers, and analyzing the consequences of digital scenarios at one of our Swedish transport-sector customers. We are also proud to have won the Swedish Transport Administration's confidence and, together with our partners, have been entrusted with enhancing the efficiency and increasing the precision of maintenance work through improved and more standardized information management. The project is one of Acando's largest and was awarded in the face of competition from global competitors. Our ability to identify the most relevant technical solution, our experience of complex projects and close interaction with customers and partners gives us an advantage. Naturally, the fact that the project also contributes to increased public welfare makes us particularly proud.

We believe in a world with greater ability, where we contribute to creating greater value by accelerating talents and making talent available to our customers. We are proud of everyone who has chosen to be part of Acando, of all the initiatives that are taken and all the times customers invest their trust in us. The power of our collective ability and the ambition in each and every one of us, sets us apart.

* In 2014, Acando completed the acquisition of Connecta, which resulted in extraordinary expenses.

Sometimes, what we represent can really make one stand tall. For instance, when an employee took the initiative to use a hackathon in Norway, a UN conference and an award in Abu Dhabi to, in some mysterious way, arrive at a press conference on Mauritius with the Mauritian Minister of the Environment, which was covered by all the national media, to discuss digital innovation as a support for biological diversity. Read more about biocaching at www.biocaching.com and at facebook.com/biocaching.

Significant events

Fourth quarter, 2015

Acando signed an agreement with the Swedish Transport Administration covering the implementation of a new IT solution to manage construction data for the road and rail networks in Sweden. The solution is being implemented under the framework of the Swedish Transport Administration's ANDA project and is intended to partially replace existing systems and, moreover, add new functionality. The solution will enable the Swedish Transport Administration to introduce new traffic management, maintenance and planning processes that require an enhanced and more standardized assets register. Furthermore, the solution will create possibilities for more efficient administration of the Swedish Transport Administration's information needs through shared solutions and procedures. The implementation will also allow increased precision with regard to maintenance measures.

In the fourth quarter, Acando in Norway was awarded a framework agreement with the Norwegian Labour and Welfare Service (NAV), for architecture and software requirement specification consulting services. Acando is ranked first in this skills area. The aim of the agreement is to help NAV with consulting services pertaining to architecture and software requirement specification in a number of areas. The framework agreement extends for a period of four years.

Acando launched Acando Digital Insights 2015, this is one of the key insights ahead of 2016 and is based on a study of 200 large Swedish companies. Despite a positive trend in development, the companies' efforts have led to surprisingly few results. Those companies that have progressed furthest in the digital area have integrated digital issues with their business strategy. However, of the worst performers, only one in ten have succeeded in formulating a digital objective.

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. In Norway, extensive, long-term development efforts are ongoing in the justice sector, particularly within the police. Together with the Norwegian Police ICT Services (PIT), the Norwegian National Police Directorate (POD) is responsible for extensive and varied projects aimed at development and renewal.

The digital integration of the judicial system is a prioritized area and the aim is to achieve improved coordination, thereby achieving efficiency and quality gains. The framework agreement runs for two years with an option to extend for a further two years.

Significant events after the end of the period

Acando has been contracted to conduct a larger study on streamlining flows in the health sector.

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 1,700 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:

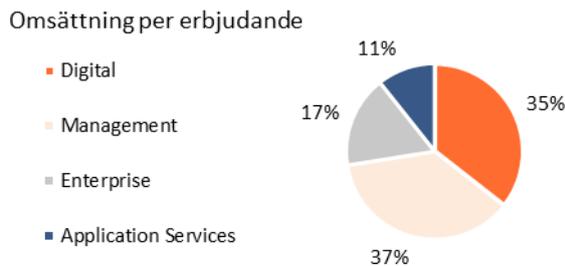
Management pertains to consulting services and accelerated implementation in connection with strategic change and includes innovation and optimizing the use of technology as key elements of the offering. Disruptive business models, enhanced customer experiences and structured use of new technology are 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.

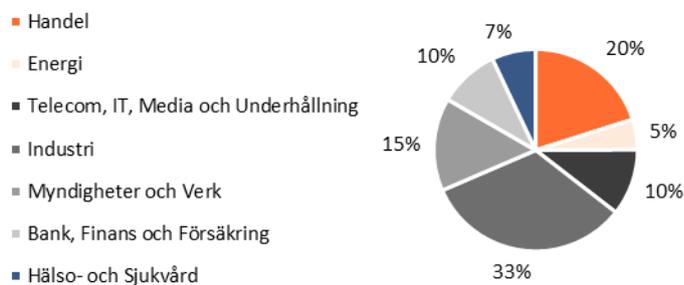
The energy segment is typified by a need for streamlining and change driven by electricity prices and external factors. In parallel, new distribution forms, advanced control and measurement systems, and more highly integrated services aimed at customers are driving the need for more advanced digital 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 by demands for efficiency, increased transparency and 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 operators.

Omsättning per kundsegment



Market trend in the fourth quarter

Demand in Sweden remains healthy and on a par with 2015, albeit with certain geographical differences where Stockholm and the Mälars Valley region comprise growth areas. In Germany, the demand situation remained normal for the full year. The market in Norway was characterized by continued public sector investments in parallel with an increasingly noticeable decline in the willingness to invest in oil-related sectors, thus resulting in increasing competition for available assignments. The weakest market is Finland, where the market remains cautious. The assessment is that the conditions and the trends noted at the end of 2015 will continue into 2016, however, uncertainty in the macro environment could impact demand.

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.

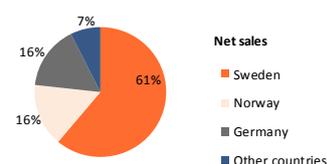
Net sales and earnings

Fourth quarter October - December 2015

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

MSEK	October -December					
	2015 Net sales	2014 Net sales	2015 Operating profit	2014 Operating profit	2015 Operating margin	2014 Operating margin
Sweden	351.9	442.6	42.1	39.6	12.0%	8.9%
Norway	90.2	78.9	9.8	10.6	10.9%	13.4%
Germany	91.3	82.3	15.1	11.9	16.5%	14.4%
Other countries	42.6	39.3	-2.4	0.5	-5.7%	1.2%
Group adjustments	-10.5	-22.9	-3.0	-10.8	-	-
Total	565.5	620.2	61.6	51.7	10.9%	8.4%
Items affecting comparability ¹⁾	-	-	-	-9.0	-	-
Total	565.5	620.2	61.6	42.7	10.9%	6.9%

¹⁾ Refers to 2014



Consolidated net sales for the quarter amounted to SEK 566 m (620). EBITA was SEK 62 m (43), corresponding to a margin of 10.9 percent (6.9).

Earnings in Sweden trended favorably year-on-year, with a constant utilization rate and broadened offering at existing customers. Compared with last year, sales were lower since Acando chose to refocus activities in conjunction with the fusion with Connecta, and a number of employees ended their employment in the last quarter of 2014. Refer to the Employees section for more information. Norway continued to post healthy earnings even if the utilization rate was slightly down on the preceding year's strong ending. Germany ended the year positively with a number of fixed-price projects completed in the last quarter. The item Other countries includes Acando's operations in Finland and the delivery centers in India and Latvia. Utilization rates in Finland continued to be 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.

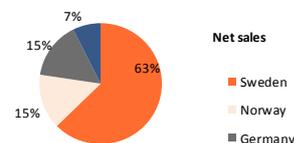
Consolidated profit after tax totaled SEK 60 m (26). Earnings per share after dilution amounted to SEK 0.59 (0.25).

Accumulated, January - December 2015

Net sales and operating profit before goodwill impairment (EBITA) for the period are shown in the following table:

MSEK	January - December					
	2015 Net sales	2014 Net sales	2015 Operating profit	2014 Operating profit	2015 Operating margin	2014 Operating margin
Sweden	1,339.7	1,142.1	130.9	93.8	9.8%	8.2%
Norway	314.2	295.5	30.3	21.5	9.6%	7.3%
Germany	325.7	294.7	34.8	23.8	10.7%	8.1%
Other countries	158.0	158.4	-4.7	3.9	-3.0%	2.5%
Group adjustments	-22.4	-34.3	-23.3	-24.8	-	-
Total	2,115.3	1,856.5	167.9	118.1	7.9%	6.4%
Items affecting comparability ¹⁾	-	-	-	-67.9	-	-
Total	2,115.3	1,856.5	167.9	50.2	7.9%	2.7%

¹⁾ Refers to 2014



Consolidated net sales for the full-year 2015 amounted to SEK 2,115 m (1,856). EBITA was SEK 168 m (50), corresponding to a margin of 7.9 percent (2.7).

During the year, earnings strengthened at all large units due to improved utilization rates and the structural measures implemented at the end of last year. The item Other countries includes Acando's operations in Finland and the delivery centers in India and Latvia. 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, however, the trend for these units was unsatisfactory in 2015.

Consolidated profit after tax totaled SEK 131 m (30). 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 1.27 (0.35).

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 healthy market conditions. During the quarter, all geographies trended positively driven by increased utilization. Demand was primarily driven by digitization and innovation, but also by efficiency enhancements and the creation of sustainable foundations for continued development through more highly scalable and modern platforms.

In terms of earnings, the fourth quarter posted healthy demand, which led to increased utilization rates for both the IT Management and the Digital areas. Both of these areas have strong links to digitization, from strategy to realization. Rising utilization rates and improved earnings were also noted for the Management area. Altogether, the combined effect of cost synergies, large projects and deeper relations with the most important key customers led to increasing margins.

Acando's position as a digital transformation partner has been strengthened through increased capacity, a clear position and increasingly qualified and complex assignments during the year. The strength of Acando's total offering and realization capacity was supplemented during the year with several assignments comprising substantial digital innovation content. Mobility, cloud-based solutions, the Internet of Things (IoT) and big data are all integrated elements in Acando's deliveries.

Acando's position in healthcare has been strengthened, and several assignments linked to efficiency enhancements and improvements were initiated in the sector during the quarter. Digital expertise is playing an increasingly large part in everything from information efficiency to improved diagnostic flows. The retail segment is one of Acando's strongest segments and is driven by complex supply-chain assignments together with digital channels and an increasingly rapid pace of innovation. Several of Acando's largest customers are in this segment, and an increasing number of our assignments are of a clear project assignment nature.

During the year, Acando has completed more successful projects and go-lives than ever before in the Business Systems area. Acando's high partner status with both Microsoft and SAP confirms the company's position as Sweden's leading business systems partner. As one of 60 partners worldwide, Acando was invited to join the Microsoft Dynamics Inner Circle. The ability to deliver international projects and efficient delivery models, with access to both business and technical competence, has led to assignments of an international nature in competition with global players. The most important example is the project we implemented together with Ascom Wireless during the year. In SAP, Acando has captured a clear position for leading the market in terms of SAP S4/HANA. In 2016, the business systems market is expected to develop positively, driven by needs for modernization and requirements for more flexible solutions.

Attracting talent is a prerequisite for success and Acando needs to continue recruiting in all areas to succeed. In 2015, the focus has been on creating foundations for growth across the organization. Acando's trainee program, academies and other programs build the company's attractiveness and create the preconditions for growth.

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 was also 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 the 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. Acando has one of Norway's strongest architecture environments, which is a decisive skill when implementing transformation and digitization projects in complex environments. During the quarter, Acando won a framework agreement with the Norwegian Labour and Welfare Service (NAV) and, in this case, was ranked first in the architecture skills area.

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.

Expansion is also taking place through the newly established Digital Strategy consultancy area and Transformation continues to grow at the same time as Acando's trainee program is being expanded internationally starting in Norway in August 2016.

Germany

Operations in Germany continued to trend positively, with organic growth and rising margins. The fourth quarter was marked by customary seasonal variations with several project closeouts and high utilization rates in all geographies and skills areas.

The trend was primarily driven by the continued expansion of assignments with the existing customer base where new areas were addressed. Demand was stable and unchanged throughout 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 Volkswagen's savings program or other measures have been noted.

The digitization agenda being initiated by several of Acando's customers in Germany is generating entirely new possibilities. Acando's skills and capacity in areas such as cloud-based solutions, mobility, information management and web portals create new possibilities. Together with the experience gained from major digitization projects and

the digital strategy capacity in Sweden, in those sectors where Acando is well represented, conditions are in place to be able to capture a leading position in digital transformation in the German market.

Other countries and delivery centers

Finland:

The SAP market in Finland remains soft, with few new projects and restraint being exercised by the majority of customers. During the year, a number of structural measures were implemented, which resulted in improved profitability in the second half of the year. One key measure comprises more integrated collaboration with operations in Sweden. This was implemented from the first quarter of 2016.

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, primarily in the operations in India. 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. Continued structural measures were charged to earnings in the fourth quarter, which was also impacted by slightly lower utilization than the preceding quarter.

Financial information

Financial position

Acando has a continued strong financial position with an equity/assets ratio of 65 percent (59). Consolidated cash and cash equivalents amounted to SEK 93 m (76) at December 31, 2015. In addition, the Group has unutilized overdraft facilities of SEK 180 m (164), most of which are in SEK. During the year, agreements were signed to further increase the Group's borrowings as part of changing the capital structure and in total the credit facility increased to SEK 180 m.

SEK m	Dec 31 2015	Dec 31 2014	Change
Cash & cash equivalents	93	76	17
Interest-bearing short-term debt	-27	-85	58
Interest-bearing long-term debt 1)	-54	-36	-18
Net cash	12	-45	57
Unutilized overdraft facility	153	91	62
Equity/assets ratio	65%	59%	6%

1) Interest-bearing debt applies to pension commitments of SEK 21 m and long-term acquisition credit of SEK 33 m.

Cash flow

SEK m	Jan-Dec 2015	Jan-Dec 2014	Change
Cash flow from:			
Operating activities	195	84	111
Investment activities	-64	-16	-48
Financing activities	-116	-100	-16
Total cash flow	16	-32	48
Cash and cash equivalents at the beginning of the period	76	99	-23
Translation difference in cash and cash equivalents	2	9	-7
Cash and cash equivalents at the end of period	93	76	17

Total cash flow in 2015 was SEK 16 m (neg: 32). Cash flow from operating activities of SEK 195 m (84) comprised positive cash flow from operations of SEK 184 m (97) and a change in working capital of SEK 11 m (neg: 13).

Cash flow from investment activities amounted to a negative SEK 64 m (neg: 16) of which a negative SEK 5 m pertained to the divestment of operations in 2015, a negative SEK 33 m pertained to the acquisition of Connecta

AB, a negative SEK 4 m pertained to the acquisition of the operations in the Antares Group and, the remainder, a negative SEK 12 m to investments in customary IT and office equipment.

Cash flow from financing activities amounted to a negative SEK 116 m (neg: 77), of which a negative SEK 103 m (neg: 71) pertained to dividends, a negative SEK 92 m (neg: 13) comprised amortization of previous acquisition financing and a positive SEK 80 m pertained to new borrowings.

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, which comprised 22 percent of the loss carry-forward of SEK 220 m.

In 2015, SEK 105 m (30) of the loss carry-forwards in Sweden was changed, the value of the remaining, unutilized loss carry-forwards for Sweden amounted to SEK 115 m (220) at the end of the period. Deferred tax assets amounted to SEK 25 m, or 22 percent of SEK 115 m at December 31, 2015.

Investments

The Group's net investment in assets in 2015 was SEK 56 m (468). 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 December 31, 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 December 31, 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.

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These are the three share-savings programs outstanding in Acando as of December 31, 2015.

Employees

The number of employees at the end of the quarter was 1,743 (1,826). Of these, 1,038 (1,107) were in Sweden, 289 (273) in Germany, 190 (176) in Norway and 226 (270) in Other countries. The average number of employees during the last quarter of 2015 was 1,741 (1,831). In 2014, employees at the delivery centers in India and Latvia were reported under the Sweden segment. The comparative figures above figures have been adjusted for this change and, accordingly, the figures for Other countries including India and Latvia totaled 270 as compared with 87 previously.

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 25.

Proposed dividend

The Board of Directors intends to propose that the AGM resolve on a dividend of SEK 1.20 per share, corresponding to a total of approximately SEK 123 m.

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.

Review report

This report was not audited.

Assurance by the Board of Directors

The Board of Directors and the President provide their assurance that the interim report for January - December 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, February 12, 2016

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

Annual report

The Annual Report for 2015 will be published in April 2016 and will be available on the company's website, www.acando.com, and at the company's office at Malmskillnadsgatan 32, in Stockholm.

Annual General Meeting

The Annual General Meeting will be held on Thursday, April 28, 2016, at 4:00 p.m. in Stockholm.

Reporting dates

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 February 12, 2016.

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 1,700 employees allocated over four countries. Acando had sales of more than SEK 2 billion in 2015 and is listed on the Nasdaq Stockholm.

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CONSOLIDATED INCOME STATEMENT

(SEK m)	Note	Oct - Dec 2015	Oct - Dec 2014	Jan - Dec 2015	Jan - Dec 2014
Net sales		565	620	2 115	1 856
Other operating income		3	2	4	3
Total income		567	622	2 120	1 860
Operating expenses					
Other external expenses		-137	-177	-519	-528
Personnel expenses		-365	-389	-1 420	-1 200
Items affecting comparability		-	-9	-	-68
Amortization and impairment of intangible assets and depreciation of tangible assets ¹⁾		-3	-11	-13	-21
Operating profit		62	35	168	43
Profit from financial items					
Financial income		13	0	14	4
Financial expenses		-1	-1	-11	-3
Profit after financial items		73	34	171	44
Taxes on profit for the year		-13	-8	-40	-14
Net profit for the period		60	26	131	30
Of which, attributable to shareholders of Acando AB (publ.)		60	26	131	30
Earnings per share					
Before dilution, SEK		0,59	0,25	1,27	0,35
After dilution, SEK		0,59	0,25	1,27	0,35
Average number of shares before dilution		102 865 419	102 865 419	102 865 419	84 147 858
Average number of shares after dilution		102 865 419	102 865 419	102 865 419	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
Number of shares outstanding at end of period					
after dilution		102 865 419	102 865 419	102 865 419	102 865 419

Treasury shares are not included in the number of shares above. At December 31, 2015, 1,542,000 shares are owned by Acando.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(SEK m)	Note	Oct - Dec 2015	Oct - Dec 2014	Jan - Dec 2015	Jan - Dec 2014
Net profit for the period		60	26	131	30
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Pension liabilities, actuarial gains on liabilities		-	-5	-4	-5
Income tax pertaining to items in other comprehensive income		-	1	-	1
Total items that will not be reclassified subsequently to profit or loss		-	-4	-4	-4
Items that may be reclassified subsequently to profit or loss					
Change in accumulated translation differences		0	-3	-7	7
Total items that may be reclassified subsequently to profit or loss		0	-3	-7	7
Other comprehensive income for the period, net after tax		0	-7	-11	3
Total comprehensive income for the period		60	19	120	33
Total comprehensive income attributable to:					
Parent Company's shareholders		60	19	120	33

CONSOLIDATED BALANCE SHEET

(SEK m)	Note	30 Sep 2015	31 Dec 2014
Non-current assets			
<i>Intangible assets</i>			
Goodwill	1	969	940
Other intangible assets		4	4
<i>Tangible assets</i>			
Tangible assets		0	0
<i>Financial assets</i>			
Deferred tax assets ¹⁾		19	17
Other non-current financial assets		0	0
		28	52
		12	6
Total non-current assets		1 031	1 019
Current assets			
Accounts receivable		446	554
Other receivables		5	9
Current tax assets		3	16
Prepaid expenses and accrued income		49	116
Cash and cash equivalents		93	76
Total current assets		596	771
Total assets		1 627	1 790
Equity			
Share capital	2	144	144
Other capital contributions		739	739
Reserves		-25	-25
Retained earnings including profit for the period		220	205
Total equity		1 078	1 063
Liabilities			
Non-current liabilities	3	63	67
Current liabilities	3	486	661
Total liabilities		548	727
Total equity and liabilities		1 627	1 790

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(SEK m)	Note	Attributable to Parent company shareholders				Total
		Share capital	Other capital contr.	Reserves	Retained earnings	
Opening balance at January 1		99	368	-32	262	697
Profit for the period		-	-	-	30	30
Other comprehensive income for the period		-	-	7	-4	3
Total comprehensive income for the period		-	-	7	26	33
Dividend paid to Parent Company shareholders		-	-	-	-71	-71
Incentive programs		0	0	-	0	0
New share issue		45	371	-	-	416
Issue expenses		-	-	-	-12	-12
Buyback of treasury share	2	-	-	-	-	-
Closing balance at December 31		144	739	-25	205	1 063
Profit for the period		-	-	-	131	131
Other comprehensive income for the period		-	-	-	-11	-11
Total comprehensive income		-	-	-	119	119
Dividend paid to Parent Company shareholders		-	-	-	-103	-103
Incentive programs		-	-	-	1	1
New share issue		-	-	-	0	0
Issue expenses		-	-	-	-3	-3
Buyback of treasury share	2	-	-	-	0	0
Closing balance at December 31		144	739	-25	220	1 078

CONSOLIDATED CASH FLOW STATEMENT

(SEK m)	Note	Jan - Dec 2015	Jan - Dec 2014
Operating activities			
Profit after financial items		171	44
Adjustment for items not included in the cash flow		15	69
Income tax paid		-2	-16
Cash flow from operating activities before changes in working capital		184	97
Net change in working capital		11	-13
Cash flow from operating activities		195	84
Cash flow from investment activities		-64	-16
Cash flow from financing activities		-116	-100
Cash flow for the period		16	-32
Cash and cash equivalents at the beginning of the period		76	99
Exchange-rate differences in cash and cash equivalents		2	9
Cash and cash equivalents at the end of the period		93	76

OPERATING SEGMENTS

(SEK m)	Note	Sweden	Germany	Norway	Other countries	Total	Group adjustment	Group total
Oct - Dec 2015								
Net sales		352	91	90	42	575	-8	567
Operating profit		42	15	10	-2	65	-3	62
Financial income								13
Financial expenses								-1
Profit after financial items								73
Taxes								-13
Net profit for the period								60
Oct - Dec 2014								
Net sales		443	82	79	39	643	-23	620
Operating profit		40	12	10	1	63	-20	43
Financial income								0
Financial expenses								-1
Profit after financial items								42
Taxes								-8
Net profit for the period								34
Jan - Dec 2015								
Net sales		1 340	326	314	158	2 138	-23	2 115
Operating profit		131	30	35	-5	191	-23	168
Financial income								14
Financial expenses								-11
Profit after financial items								171
Taxes								-40
Net profit for the period								131
Jan - Sep 2014								
Net sales		1 142	295	295	158	1 890	-34	1 856
Operating profit		94	24	22	4	144	-101	43
Financial income								4
Financial expenses								-3
Profit after financial items								44
Taxes								-14
Net profit for the period								30

KEY RATIOS

(SEK m)	Note	Oct - Dec 2015	Oct - Dec 2014	Jan - Dec 2015	Jan - Dec 2014
Result					
Net sales		565	620	2 115	1 856
Operating profit (EBIT)		62	35	168	43
Net profit for the period		60	26	131	30
Margins					
Operating margin (EBIT), %		10,9	5,7	7,9	2,3
Profit margin, %		13,0	5,5	8,1	2,3
Profitability					
Return on capital employed, %		6	3	15	5
Return on equity, %		6	2	12	3
Financial position					
Equity/assets ratio, %		66	59	66	59
Interest coverage ratio, multiple		597	38	64	18
Per share					
Equity per share, SEK		10,48	10,33	10,48	10,33
Cash flow per share, SEK		0,45	0,30	0,16	-0,39
Earnings per share after dilution, SEK		0,59	0,25	1,27	0,35
Employees					
Number of employees at end of the period		1 743	1 826	1 743	1 826
Average number of employees		1 737	1 831	1 737	1 377
Net sales per employee, SEK thousands		325	339	1 218	1 348
Net investments	5	7	8	56	468

PARENT COMPANY INCOME STATEMENT

(SEK m)	Note	Oct - Dec 2015	Oct - Dec 2014	Jan - Dec 2015	Jan - Dec 2014
Net sales		19	18	79	53
Total income		19	18	79	53
Operating expenses					
Other external expenses		-12	-9	-47	-31
Personnel expenses		-2	-9	-12	-15
Amortization and impairment of intangible assets and depreciation of tangible assets		-2	-1	-8	-7
Operating profit		3	-1	13	1
Profit from financial items					
Other interest income and similar items	4	2	0	40	76
Interest expenses and similar items	4	-1	-1	-9	-2
Profit after financial items		4	-3	44	75
Taxes on profit for the year		0	1	0	-1
Net profit for the period		4	-2	44	74

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

PARENT COMPANY BALANCE SHEET

(SEK m)	Note	30 Sep 2015	31 Dec 2014
Non-current assets			
<i>Intangible assets</i>			
Other intangible assets		4	4
<i>Tangible assets</i>			
Tangible assets		11	10
<i>Financial assets</i>			
Financial assets		1 394	1 379
Total non-current assets		1 408	1 393
Current assets			
Receivables from Group companies		30	61
Accounts receivable		0	-
Other receivables		0	0
Prepaid expenses and accrued income		3	3
Cash and cash equivalents		27	16
Total current assets		60	80
Total assets		1 468	1 473
Equity			
Share capital	2	144	144
Statutory reserve		110	110
Share premium reserve		632	632
Retained earnings including profit for the period		315	374
Total equity		1 201	1 260
Liabilities			
Long-term liabilities		33	10
Liabilities to Group companies		162	110
Current liabilities		73	94
Total liabilities		267	214
Total equity and liabilities		1 468	1 473

Notes

Note 1 Goodwill

Compared with December 31, 2014, goodwill increased by a total of SEK 29 m. In conjunction with the adoption of the acquisition calculation, which was prepared in the third quarter of 2014, for the acquisition of Connecta in the third quarter of 2015, the final estimated purchase consideration increased by SEK 33 m, the remainder of the change pertained to currency effects.

In the comparative year 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 start of 2015.

Note 2 Equity

At December 31, 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 December 31, 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 486 m, SEK 54 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

On July 10, 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	Preliminar y carrying amount
	<hr/>	<hr/>
Total purchase consideration	481	448
<u>Assets acquired and liabilities taken over</u>		
Non-current assets	6	6
Current assets	250	250
Cash and cash equivalents	-	-
Current liabilities	-249	-249
Fair value of net assets	<hr/> 7	<hr/> 7
Goodwill	474	441
Total cash flow attributable to investment	<hr/> -	<hr/> -

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 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.

Equity/assets ratio

Equity on the closing date divided by total assets.

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.