YEAR-END REPORT

FOURTH QUARTER OCTOBER 1-DECEMBER 31, 2016

- Net sales of SEK 633 m (565)
- Operating profit SEK 82 m (62)
- Operating margin 12.9% (10.9)
- Profit after tax was SEK 67 m (60)
- Earnings per share were SEK 0.65 (0.59)

ACCUMULATED JANUARY 1-DECEMBER 31, 2016

- Net sales of SEK 2,206 m (2,115)
- Operating profit SEK 210 m (168)
- Operating margin 9.5% (7.9)
- Profit after tax was SEK 180 m (131)
- Earnings per share were SEK 1.75 (1.27)
- Cash and cash equivalents totaled SEK 72 m (93)
- The Board intends to propose that the AGM resolve to distribute a dividend of SEK 1.30 (1.20) per share, corresponding to a total of about SEK 134 m (123).

Statement by Carl-Magnus Månsson, CEO

We ended the year with continued strong financial trends in all geographies. We continue to grow and raise our margin, and we are proud to deliver the highest operating profit in Acando's history, representing an increase in profit of 25 percent for the full year. Sales for the fourth quarter of SEK 633 m corresponded to fourth-quarter growth of 12 percent and an operating margin of 12.9 percent made this one of the strongest ever quarters.

Technology is far more than an enabler, it is a driver that creates innovation and efficiency in entirely new ways — for us and for our customers. We have noted in an increasing number of our assignments that the digitalization of products and services coordinates with opportunities in traditional business-process-driven IT. We are noticing how increasingly complex value chains and solutions are being built in shorter timeframes. At these speeds, focus on user behavior becomes an increasingly important element in how solutions are defined and implemented. The pace of change is high and the ability of organizations to mature digitally and maximize the leverage of their investments is becoming a journey of change in itself.

At Acando, we have a unique, collective ability, whereby we combine deep technical expertise with insight into customer and user behavior, where our experience of driving complex, strategic transformative processes at high speed in partnership with our customers becomes the norm, and where our culture of strong individual ownership and a high collective ability give us a unique advantage in how we relate to our customers and partners. Altogether, our perception is that we have never been better positioned to leverage the increasingly rapid digital reality that we live in. We have high credibility with our customers and we attract talent, and these factors have never been more relevant. But we are not resting on our laurels — we continue to challenge ourselves to always be defining new possibilities where we can make a difference.

Over the last year, we have driven driverless buses in Norway, built a digital innovation agency, Itch, created an entirely new digital transformation offering in Germany, put 100 trainees through our program and delivered a modern digital workplace to 100,000 people. We have won all the framework-agreement renewals in Norway, delivered our most complex Microsoft Dynamics project on time and on budget, and won the SAP S4 upgrade project. We have implemented our two largest ever project assignments, created customer insight through advanced data-driven analysis, established industrial IoT and machine learning as skills areas and much more besides.

Acando's vision is "A more capable world," and through each assignment we create greater capabilities; in ourselves, our employees, our customers and in our operating environment, and we have only just got started!

Significant events during and after the quarter

In October, Acando in Germany acquired a majority holding in the company Brickmakers Gmbh. Brickmakers are specialists in app development and web-based solutions. Through this acquisition, Acando Germany acquired a further 25 senior consultants, mainly skilled in the design, development and usability of mobile and web-based applications.

In Norway, Acando has signed an agreement with Sopra Steria regarding case management projects for the Norwegian Labour and Welfare Service (NAV). Acando is supplying skills and capacity in the fields of architecture and system development. The agreement applies for an initial period of three years and is maximized at seven years.

In Sweden, Acando has signed an agreement with Electrolux to implement a new global digital workplace. The contract extends for three years with an option to extend for a further two years and covers realization and administration. The new digital workplace is based on Microsoft Office 365 and Acando's packaged solution Acando Collaboration Platform (ACP).

Acando in Norway signed a framework agreement with the Norwegian Public Roads Administration (NPRA) for IT consulting services. The framework agreement applies for IT delivery assignments, skills assignments and specialized services assignments. The agreement runs for two years with the possibility of extension for two further years. The agreement aims to cover the skills need in terms of IT services and the need for independent external assignments, and can also be used when extra capacity is needed. The NPRA has been a customer of Acando for several years and Acando possesses extensive industry experience from many years of collaboration.

Acando has signed a framework agreement with Stockholm County Council for IT consultants for assignments. The agreement covers three areas of assignment consultancy services, and entails Acando taking primary responsibility for the result of a defined, specific assignment. The framework agreement encompasses the county council's administration, companies and foundations (with the exception of AB SL/Traffic Committee), Region Gotland, TioHundra AB, the Swedish Association of Local Authorities and Regions, and Inera AB. The agreement extends for a maximum of three years and covers services for system development and business intelligence, as well as implementations.

Acando in Norway has won a framework agreement with Hälsa Innkjøpsservice AS (HINAS). The framework agreement with Acando covers IT services. The agreement runs for two years with the possibility of extension for two further years. The contract with HINAS is an important confirmation of our earlier deliveries and expertise in the area. The healthcare sector is facing major digitalization projects. Efficient and user-friendly IT solutions can liberate more time for primary tasks and enable improved patient treatment and services. Together with Acando, Metier and IT-Consult have formed a partnership based on harnessing the companies' combined capacity and expertise to provide optimal deliveries to HINAS. This joint constellation with Acando as main contractor together with subcontractors results in a unit comprising 3,000 employees in Scandinavia, of which more than 1,000 are employed in Norway.

Business activities

Introduction

Acando is a consulting company whose business concept is, in partnership with its customers, to create business value through innovation and 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, insight into user behavior and deep understanding of how organizations and change function. The Group has approximately 1,700 employees allocated over four countries in Europe and a delivery center in 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 all 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:

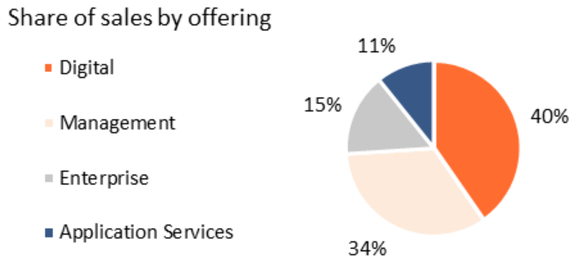
Management Consulting pertains to consulting services and accelerated implementation in connection with strategic change and includes innovation and optimizing the use of technology as key elements of the offering. Disruptive business models, enhanced customer experiences and structured use of new technology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

Within **Enterprise** projects are driven 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, products and services 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. These are always conducted with a focus on end-user and consumer behavior. The area has substantial growth potential and Acando is well-positioned in several of the most rapidly growing areas. Acando's digital innovation agency, Itch, is a key element in developing Acando's offering within digital services and product innovation.

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 in both Sweden and Germany, and with intelligent transport system assignments in Norway.

The company's position in the retail segment is strong with an offering where digital customer interaction and e-commerce drive development. Changed customer interaction patterns also drive the need for a more flexible and agile supply chain together with associated system and process changes. Acando has major full-service assignments with several Swedish retail chains and a growing customer base in Germany and Norway.

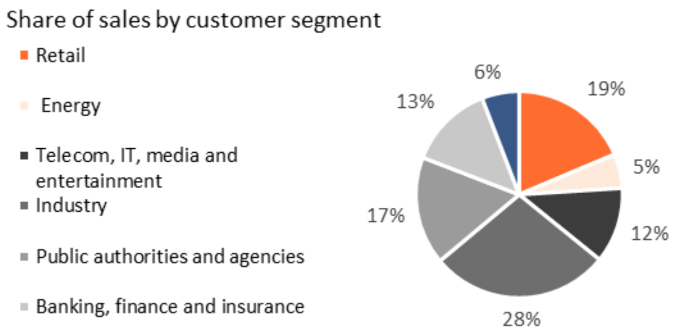
In the financial segment, particularly banking and insurance, a continued increase in demand has been noted that is driven by a need for modernization in terms of technical platforms and digital relationships with customers. In combination with regulatory requirements, this gives rise to the need for structured transformation programs at many companies in the sector. In several cases, Acando runs assignments linked to leading the transformation and development of digital services, particularly in Sweden and Germany.

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. Given historically low oil prices, a declining propensity for investment has been noted in the oil and gas segment. Acando has extensive experience and a strong position with several of northern Europe's largest energy companies and a number of smaller local companies.

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. Acando's strong position in Norway comprises the base for continued expansion in terms of content and geographical coverage.

The health care segment remains at an early stage of implementing digitalization. Investments are focused on efficient information management, new methods with clear digital components and a greater degree of digital interaction. Acando aims to capture a leading role and has a number of key assignments in the segment in both Sweden and Norway.

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. Acando's main position is linked to the operator segment.



Market trend in the fourth quarter

Demand in Sweden remained healthy and stable throughout 2016. All regions in Sweden trended positively driven by the need for digitalization. In Germany, demand remained normal during the period. The market in Norway was characterized by continued public sector investments in parallel with a 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 albeit with a slight positive trend.

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

Net sales and earnings

Fourth quarter October-December 2016

Net sales and operating profit before goodwill impairment (EBITA) for the fourth quarter of 2016 are shown in the table below:

SEKm	2016 Net sales	2015 Net sales	2016 Operating profit	2015 Operating profit	2016 Operating margin	2015 Operating margin
Sweden	419.5	374.3	60.4	43.3	14.4%	11.6%
Norway	108.0	90.2	12.9	9.8	11.9%	10.9%
Germany	108.5	91.3	17.5	15.1	16.1%	16.5%
Discontinued operations	-	20.2	-	-3.5	neg.	neg.
Group adjustments	-2.8	-10.5	-8.7	-3.0	-	-
Total	**633.3**	**565.5**	**82.1**	**61.7**	**13.0%**	**10.9%**

Consolidated net sales for the quarter amounted to SEK 633 m (565). EBITA was SEK 82 m (62), corresponding to a margin of 13 percent (10.9).

The operations in Finland and the delivery center in Latvia are reported together with Sweden, since the customers are mainly located in this geographic region. Previously reported values for other countries have been moved to the row for Sweden for the comparative period in 2015. The outcome for previous years is reported under the item discontinued operations in the 2015 column.

Consolidated profit after tax totaled SEK 67 m (60). Earnings per share after dilution amounted to SEK 0.64 (0.59).

Accumulated, January-December 2016

Net sales and EBITA for the period are shown in the following table:

SEKm	2016 Net sales	2015 Net sales	2016 Operating profit	2015 Operating profit	2016 Operating margin	2015 Operating margin
Sweden	1,485.6	1,424.6	164.4	132.5	11.1%	9.3%
Norway	362.1	314.2	35.2	30.3	9.7%	9.6%
Germany	371.5	325.7	42.5	34.8	11.4%	10.7%
Discontinued operations	3.1	73.1	-3.9	-6.4	neg.	neg.
Group adjustments	-16.1	-22.4	-27.3	-23.3	-	-
Total	**2,206.2**	**2,115.3**	**211.0**	**167.9**	**9.6%**	**7.9%**

Consolidated net sales for 2016 amounted to SEK 2,206 m (2,115). EBITA was SEK 211 m (168), corresponding to a margin of 9.6 percent (7.9).

Sweden began the year with a relatively weak utilization rate, but posted a clear recovery in the latter part of the year. Germany reported even utilization rates and growth of 13 percent in local currency for the period. Norway had a slightly weaker end to the year. The operations in Finland and the delivery center in Latvia are reported together with Sweden, since the customers are mainly located in this geographic region. Previously reported values for other countries have been moved to the row for Sweden for the comparative period in 2015 and discontinued operations are reported on their own row. The item, Discontinued operations, includes Acando's previous operations in India, which were discontinued as of March 1 contingent on a formal resolution at the AGM; refer to Note 6 for more information.

During the first quarter, the discontinuation of Acando's operations in India generated negative earnings of SEK 3.9 m as shown in the above table and goodwill impairment of a further SEK 1 m. In the second quarter, the purchase consideration for the redemption of minority shares pertaining to the acquisition of Connecta was settled through arbitration, which impacted net financial items, see the information in Note 5.

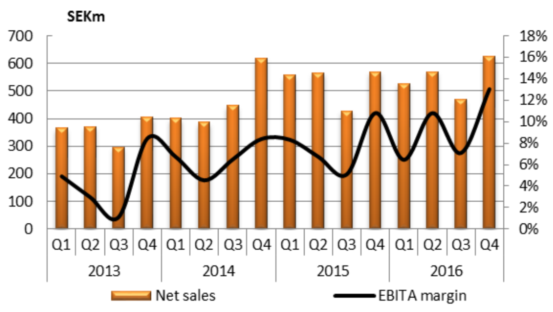
Consolidated profit after tax totaled SEK 180 m (131). Earnings per share after dilution amounted to SEK 1.72 (1.27).

Seasonal variations

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 calendar effect from Easter results in a shift in working days between the first and second quarters.

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. In the fourth quarter, all geographies in Sweden trended positively, with the strongest performance by Gothenburg, which posted healthy growth and increasing profitability during the year. Stockholm also trended favorably during the year, as did the Malmö region and Västerås, driven by established and new customers.

Demand was mainly driven by digitalization and innovation, but also by efficiency enhancements and the creation of sustainable foundations for continued development through more highly scalable and modern platforms. Both major established customers and new customers in traditional industries and new segments have a notable need to understand and realize digital opportunities —in terms of processes, customer relationships. value chains, products and services. The importance of realizing new opportunities in the existing context is crucial and is driving high demand for services in architecture, integration, and IT governance and transformation. Large digital transformation programs are being driven in sectors including, retail, industry, and banking and finance, and where Acando often comprises a natural partner due to the breadth of our offering.

Digital interaction and understanding of user behavior comprise a crucial ability in customer-centric operations. During the year, Acando in Sweden developed capabilities within service design, user interfaces and e-commerce to become an even more relevant partner in these areas. The establishment of Acando's digital innovation agency, Itch, and a strong organic trend in the Customer Experience, and e-commerce offering areas resulted in a significant position shift and Acando is now a natural partner in these areas.

The Dynamics 365 area, which is part of the Enterprise offering, has trended strongly in both CRM and AX-related assignments. Acando's ability to combine solution and implementation expertise has proved decisive in a number of successful projects, which also included advising on business models and processes as part of Acando's integrated offering. In SAP, we are now seeing more dialogs regarding modernization and the linking of traditional business systems together with new digital capabilities in terms of products, services and operating processes. During the quarter, Acando won a larger upgrade project in which an international group chose to upgrade to SAP S/4 as part of its efficiency enhancement.

In the public and healthcare sectors, Acando's position has gradually strengthened with more assignments linked to both strategic procurements of new solutions and as a transformation partner.

Retail continues to be one of Acando's strongest segments in Sweden and, during the quarter, several projects have expanded to include customer data driven analysis and prototypes for automatic learning in processes for customer relationship management.

Attracting talent is a prerequisite for success and Acando needs to continue recruiting in all areas to succeed. Acando's strategy is to create tomorrow's leading consultants through a well-developed trainee program. Acando's program has a unique position and won several awards during the quarter.

Norway

Acando's operations in Norway are continuing to develop favorably, in terms of growth and the nature of assignments. During the year, all of the framework agreements were successfully renewed and several new framework agreements were entered into for new skills areas. Public sector demand is assessed as remaining healthy and Acando has a strong position and track record as both a framework agreement and a project assignment supplier. The project to digitalize the parental benefits process that was won during the quarter is Acando Norway's largest ever digitalization undertaking.

During the year, several new business areas were established and Acando has captured an increasingly clear position as an innovative digitalization partner for disruptive processes. Areas such as digital strategy and transformation, machine learning, smart city and industrial IoT are just a few examples of where Acando's position has been significantly strengthened during the year.

A stronger focus on Customer Experience and e-commerce solutions was initiated during the quarter and Acando's digital innovation agency, Itch, is now opening in Oslo.

Altogether, this results in a strong position for continued development and, during the year, Acando's trainee program was also established in Norway as part of accelerating growth.

Germany

Acando's operations in Germany gradually developed over the year to post increasing profitability and strong growth. In terms of the margin, the fourth quarter was on a par with the end of 2015 and was showing continued growth.

In the south of Germany, demand and the customer base posted strong trends and the north and west of Germany also trended favorably during the quarter. A number of established customers expanded assignments and new customers were added primarily in digital transformation.

Acando's tailored portfolio offering, aimed at capturing a stronger position as digitalization partner in the German market, had a strong breakthrough with a number of initial projects won at new customers. The acquisition of Brickmakers with a focus on mobile and web-based applications has also positively contributed to defining the position as a digital innovation partner.

Demand in the German the market is stable and expected to remain unchanged. Through its well-distributed customer base and available expertise, Acando has excellent prerequisites to continue growing organically. The digitalization agenda is growing at several customers and Acando's skills are well-adapted to meet these needs.

Financial information

Financial position

Acando has a strong financial position with an equity/assets ratio of 68 percent (66). Consolidated cash and cash equivalents amounted to SEK 72 m (93) at December 31, 2016. In addition, the Group has overdraft facilities of SEK 180 m (180), of which SEK 10 m were utilized at December 31, 2016.

SEK m	Dec 31 2016	Dec 31 2015	Change
Cash & cash equivalents	72	93	-21
Interest-bearing short-term debt	-37	-27	-10
Interest-bearing long-term debt 1)	-33	-54	21
Net cash	2	12	-10
Unutilized overdraft facility	170	153	17
Equity/assets ratio	68%	66%	2%

1) Interest-bearing debt applies to pension commitments of SEK 27 m and long-term acquisition credit of SEK 6 m.

Cash flow

Total cash flow in 2016 was a negative SEK 30 m (pos: 16). Cash flow from operating activities was SEK 124 m (196) and comprised positive cash flow from operations of SEK 197 m (186) and a negative change in working capital of SEK 73 m (pos: 10).

SEK m	Jan-Dec 2016	Jan-Dec 2015	Change
Cash flow from:			
Operating activities	124	196	-72
Investment activities	-14	-64	50
Financing activities	-140	-116	-24
Total cash flow	**-30**	**16**	**-46**
Cash and cash equivalents at the beginning of the period	93	76	17
Translation difference in cash and cash equivalents	9	2	7
Cash and cash equivalents at the the end of period	**72**	**93**	**-21**

Cash flow from investment activities amounted to a negative SEK 14 m (neg: 64) of which negative SEK 1 m pertained to the discontinuation of operations in India and the remainder to investments in customary IT and office equipment.

The comparative period included the acquisition of the minority shareholding in Connecta AB (neg: 33) and the acquisition of operations in the Antares Group (neg: 4), in addition to investments in customary IT and office equipment.

Cash flow from financing activities amounted to a negative SEK 140 m (neg: 116), of which a negative SEK 123 m (neg: 103) pertained to dividends, a negative SEK 27 m (neg: 92) comprised amortization of previous acquisition financing and a positive SEK 10 m (80) pertained to utilized borrowings.

Tax

At the start of 2016, the Group had unutilized loss carry-forwards totaling approximately SEK 125 m (242). The loss carry-forwards attributable to operations in Sweden, SEK 115 m (220), are expected to be possible to utilize in the next few years. For this reason, a deferred tax asset of SEK 25 m (48) was recognized in the balance sheet at the start of the year, which comprised 22 percent of the loss carry-forward of SEK 115 m.

In 2016, SEK 115 m (105) of the loss carry-forwards in Sweden were utilized, no unutilized loss carry-forwards remain for Sweden at the end of the period.

Investments

The Group's net investment in assets in 2016 was SEK 33 m (56). The investments pertained to minor investments in tangible assets SEK 15 m and in intangible assets SEK 8 m and SEK 1 m for the divestment of the Indian operations remaining is due to exchange rates. In the comparative period in 2015, a further provision of SEK 33 m was made for acquiring minority shares in Connecta, where the compulsory acquisition process was ongoing, the remaining investments pertained to tangible and intangible assets.

The share

Share capital and shares

The number of Acando shares totaled 104,407,419 on December 31, 2016, of which 1,542,000 Series B shares were treasury shares and comprised 1.5 percent of the total number of shares. These treasury shares are expected to be used for future allotment in ongoing share-savings programs.

Buy-back of shares

Acando's Board was authorized by the 2016 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 2017 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. No buy-back of treasury shares was implemented in 2015 or in 2016.

Share-savings programs

The 2016 AGM resolved to implement a share-savings program for a maximum of 50 senior executives and other key personnel employed by the Acando Group. The 2016/2019 share-savings program is structured similarly to the share-savings programs that were adopted by the 2014 and 2015 AGMs. Based on the fulfillment of specific performance criteria related to Acando's earnings per share before tax and after dilution for the 2016-2018 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 2015 AGM resolved to implement a 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 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 four share-savings programs outstanding in Acando as of December 31, 2016.

Employees

The number of employees at the end of the quarter was 1,698 (1,743). Of these, 1,051 (1,038) were in Sweden, 359 (289) in Germany, 217 (190) in Norway and 71 (226) in Other countries. The average number of employees during the last quarter of 2016 was 1,679 (1,741).

In the first quarter of 2016, Acando discontinued operations in India, which included 160 employees. In the comparative figures for 2015, these employees were reported under Other countries.

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.

Proposed dividend

The Board of Directors intends to propose that the AGM resolve on a dividend of SEK 1.30 per share, corresponding to a total of approximately SEK 134 m.

Acando's financial targets and dividend policy

Acando's financial targets are divided into four sections:

- 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's overall assessment is that demand in the markets where the company operates is adequate, and is primarily driven by an increasing need for digitization. The company holds a leading position in the northern European market for Digitization, Business System Solutions and Management Consulting with a well-established and diversified customer base spread over different sectors, which provides the preconditions for creating attractive values for the company's 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 2015 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–September 2016 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 8, 2017

Acando AB (publ.)

Ulf J Johansson *Chairman*	Carl-Magnus Månsson *President and CEO*	
Caroline af Ugglas *Board member*	Cecilia Beck-Friis *Board member*	Lena Eliasson *Board member*
Magnus Groth *Board member*	Mats O Paulsson *Board member*	Anders Skarin *Board member*
Alf Svedulf *Board member*	Mija Jelonek *Employee representative*	Åsa Lindström *Employee representative*

Additional information

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Upcoming reporting dates

Annual report

The Annual Report for 2016 will be published in April 2017, week 15 and will be available on the company's website, www.acando.com, and at the company's office at Vasagatan 16, in Stockholm.

Annual General Meeting

The Annual General Meeting will be held on Thursday, May 4, 2017, at 4:00 p.m. in Stockholm.

Reporting dates

2017 Annual General Meeting	May 4, 2017
Interim report January–March 2017	May 4, 2017
Interim report January–June 2017	August 17, 2017
Interim report January–September 2017	October 27, 2017

Note

This report comprises information that Acando AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Market Act. This information was submitted through the agency of the above contacts for publication on February 8, 2017 at 8:00 a.m. (CET).

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 five countries. Acando had sales of more than SEK 2 billion in 2016 and is listed on Nasdaq Stockholm.

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CONSOLIDATED INCOME STATEMENT

(SEK m)	Note	Oct-Dec 2016	Oct-Dec 2015	Jan - Dec 2016	Jan - Dec 2015
Net sales		633	565	2,206	2,115
Other operating income		3	3	4	4
Total income		636	567	2,210	2,120
Operating expenses					
Other external expenses		-144	-137	-492	-519
Personnel expenses		-407	-365	-1,494	-1,420
Items affecting comparability					
Amortization/deprication and impairment of intangible and tangible assets		-4	-3	-14	-13
Operating profit		**82**	**62**	**210**	**168**
Profit from financial items					
Financial income	**5**	1	13	22	14
Financial expenses	5	-1	-1	-3	-11
Profit after financial items		**81**	**73**	**230**	**171**
Taxes on profit for the year		-15	-13	-50	-40
Net profit for the period		**67**	**60**	**180**	**131**
Of which, attributable to shareholders of Acando AB (publ.)		67	60	180	131
Earnings per share					
Before dilution, SEK		0.65	0.59	1.75	1.27
After dilution, SEK		0.64	0.59	1.72	1.27
Average number of shares before dilution		102,865,419	102,865,419	102,865,419	102,865,419
Average number of shares after dilution		104,407,419	102,865,419	104,407,419	102,865,419
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		104,407,419	102,865,419	104,407,419	102,865,419

Treasury shares are not included in the number of shares above. At December 31, 2016, 1,542,000 shares are owned by Acando.
These treasury shares are expected to be used for future allotment in ongoing share-savings programs.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(SEK m)	Note	Oct-Dec 2016	Oct-Dec 2015	Jan - Dec 2016	Jan - Dec 2015
Net profit for the period		**67**	**60**	**180**	**131**
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Pension liabilities, actuarial gains on liabilities		-6	-	-6	5
Income tax pertaining to items in other comprehensive income		1	-	1	-1
Total items that will not be reclassified subsequently to profit or loss		**-5**	**-**	**-4**	**4**
Items that may be reclassified subsequently to profit or loss					
Change in accumulated translation differences		-2	-	18	-15
Total items that may be reclassified subsequently to profit or loss		**-2**	**-**	**18**	**-15**
Other comprehensive income for the period, net after tax		**-7**	**-**	**14**	**-11**
Comprehensive income for the period		**60**	**60**	**193**	**120**
Attributable to:					
Parent Company's shareholders		60	60	193	120

CONSOLIDATED BALANCE SHEET

(SEK m)	Note	31 Dec 2016	31 Dec 2015
Non-current assets			
Intangible assets			
Goodwill	1	986	969
Other intangible assets		4	4
Tangible assets			
Tangible assets		20	19
Financial assets			
Deferred tax assets [1)]		9	28
Other non-current financial assets		5	12
Total non-current assets		**1,025**	**1,031**
Current assets			
Accounts receivable		537	446
Other receivables		9	5
Current tax assets		3	3
Prepaid expenses and accrued income		56	49
Cash and cash equivalents		72	93
Total current assets		**678**	**596**
Total assets		**1,703**	**1,627**
Equity			
Share capital	2	144	144
Other capital contributions		741	740
Reserves		-22	-40
Retained earnings including profit for the period		290	235
Total equity		**1,152**	**1,078**
Liabilities			
Non-current liabilities	3	37	63
Current liabilities	3	514	486
Total liabilites		**551**	**548**
Total equity and liabilities		**1,703**	**1,627**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(SEK m)	Note	Attributable to Parent company shareholders Share capital	Other capital contr.	Reserves	Retained earnings	Non-controlling interests	Total
Opening balance at January 1, 2015		**144**	**739**	**-25**	**205**	**-**	**1,063**
Profit for the period		-	-	-	131	-	**131**
Other comprehensive income for the period		-	-	-15	4	-	**-11**
Total comprehensive income for the period		-	-	-15	135	-	**120**
Changes in ownership interests in subsidiaries		-	-	-	0	0	**0**
Dividend* paid to Parent Company shareholders		-	-	-	-103	-	**-103**
Incentive programs		-	-	-	1	-	**1**
Issue expenses		-	-	-	-3	-	**-3**
Closing balance at September 30, 2015		**144**	**739**	**-40**	**235**	**0**	**1,078**
Profit for the period		-	-	-	180	1	**181**
Other comprehensive income for the period		-	-	18	-4	-	**14**
Total comprehensive income for the period		**-**	**-**	**18**	**175**	**1**	**194**
Dividend* paid to Parent Company shareholders		-	-	-	-123	-	**-123**
Incentive programs		-	-	-	3	-	**3**
Closing balance at September 30, 2016		**144**	**739**	**-22**	**290**	**1**	**1,152**

* Dividends payable on ordinary shares

CONSOLIDATED CASH-FLOW STATEMENT

(SEK m)	Note	Jan - Dec 2016	Jan - Dec 2015
Operating activities			
Profit after financial items		230	171
Adjustment for items not included in the cash flow		-15	17
Income tax paid		-17	-2
Cash flow from operating activities			
before changes in working capital		**197**	**186**
Net change in working capital		-73	10
Cash flow from operating activities		**124**	**196**
Cash flow from investment activities		**-14**	**-64**
Cash flow from financing activities		**-140**	**-116**
Cash flow for the period		**-30**	**16**
Cash and cash equivalents at the beginning of the period		93	76
Exchange-rate differences in cash and cash equivalents		9	2
Cash and cash equivalents at the end of the period		**72**	**93**

OPERATING SEGMENTS

(SEK m)	Note	Sweden	Germany	Norway	Discontinued Operations	Total	Group adjustment	Group total
Oct-Dec 2016								
Net sales		**419**	**109**	**108**	**0**	**636**	**-3**	**633**
Operating profit		**60**	**18**	**13**	**0**	**91**	**-9**	**82**
Financial income								**1**
Financial expenses								**-1**
Profit after financial items								**81**
Taxes								**-15**
Net profit for the period								**67**
Oct-Dec 2015								
Net sales		**394**	**91**	**90**	**0**	**575**	**-8**	**565**
Operating profit		**40**	**15**	**10**	**0**	**65**	**-3**	**62**
Financial income								**13**
Financial expenses								**-1**
Profit after financial items								**73**
Taxes								**-13**
Net profit for the period								**60**
Jan - Dec 2016								
Net sales		**1,486**	**372**	**362**	**3**	**2,223**	**-16**	**2,206**
Operating profit		**164**	**43**	**35**	**-4**	**238**	**-28**	**210**
Financial income								**1**
Financial expenses								**-10**
Profit after financial items								**179**
Taxes								**-42**
Net profit for the period								**137**
Jan - Dec 2015								
Net sales		**1,498**	**326**	**314**	**0**	**2,138**	**-23**	**2,115**
Operating profit		**126**	**30**	**35**	**0**	**191**	**-23**	**168**
Financial income								**14**
Financial expenses								**-11**
Profit after financial items								**171**
Taxes								**-40**
Net profit for the period								**131**

Financial items and tax are not allocated by segment

KEY RATIOS

(SEK m)	Note	Oct-Dec 2016	Oct-Dec 2015	Jan - Dec 2016	Jan - Dec 2015
Result					
Net sales		633	565	2,206	2,115
Operating profit (EBIT)		82	62	210	168
Net profit for the period		67	60	180	131
Margins					
Operating margin (EBIT), %		12.9	10.9	9.5	7.9
Profit margin, %		12.8	13.0	10.4	8.1
Profitability					
Return on capital employed, %		7	6	20	15
Return on equity, %		6	6	16	12
Financial position					
Equity/assets ratio, %		68	66	68	66
Interest coverage ratio, multiple		194	597	82	64
Per share					
Equity per share, SEK		11.02	10.48	11.02	10.48
Cash flow per share, SEK		0.06	0.45	-0.29	0.16
Earnings per share after dilution, SEK		0.64	0.59	1.72	1.27
Employees					
Number of employees at end of the period		1,698	1,743	1,698	1,743
Average number of employees		1,679	1,743	1,721	1,785
Net sales per employee, SEK thousands		377	324	1,282	1,185
Investments					
Net investments	6	9	7	33	56

PARENT COMPANY INCOME STATEMENT

(SEK m)	Note	Oct-Dec 2016	Oct-Dec 2015	Jan - Dec 2016	Jan - Dec 2015
Net sales		25	19	90	79
Total income		**25**	**19**	**91**	**79**
Operating expenses					
Other external expenses		-14	-12	-46	-47
Personnel expenses		-5	-2	-22	-12
Amortization/deprication and impairment of intangible and tangible assets		-3	-2	-9	-8
Operating profit		**4**	**3**	**13**	**13**
Profit from financial items					
Other interest income and similar items	4	22	2	44	40
Interest expenses and similar items	4	-1	-1	-2	-9
Profit/loss after financial items		**25**	**4**	**55**	**44**
Taxes on profit for the year		-1	0	-5	0
Net profit/loss for the period		**24**	**4**	**50**	**44**

PARENT COMPANY BALANCE SHEET

(SEK m)	Note	31 Dec 2016	31-dec 2015
Non-current assets			
Intangible assets			
Other intangible assets		3	4
Tangible assets			
Tangible assets		10	11
Financial assets			
Financial assets		1,405	1,394
Total non-current assets		**1,417**	**1,408**
Current assets			
Receivables from Group companies		14	30
Accounts receivable		0	0
Other receivables		0	0
Prepaid expenses and accrued income		3	3
Cash and cash equivalents		0	27
Total current assets		**17**	**60**
Total assets		**1,434**	**1,468**
		0	0
Equity		0	0
Share capital	2	144	144
Statutory reserve		110	110
Share premium reserve		632	632
Retained earnings including profit for the period		245	315
Total equity		**1,131**	**1,201**
Libilities			
Long-term liabilities		6	33
Liabilities to Group companies		242	162
Current liabilities		56	73
Total liabilities		**304**	**267**
Total equity and liabilities		**1,434**	**1,468**

Policies and disclosures

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 2015 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 2015 Annual Report.

Supplementary information

Disclosures pursuant to Paragraph 16A of IAS 34 appear in the financial statements and their accompanying notes, and in other parts of the interim report.

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 circumstances. 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 2015 Annual Report.

Rounding off has been carried out in some cases, which means that tables and estimates do not always add up exactly.

Notes

Note 1 Goodwill

Compared with 2015, goodwill increased by a total of SEK 17 m, of which SEK 6 m pertained to the acquisition of Brickmakers in the Garmany segment. In conjunction with the first quarter decision to discontinue operations in India, Acando carried out a goodwill impairment of SEK 1 m for the Other countries segment, the remainder of the change was due to currency effects.

Note 2 Equity

At December 31, 2016, 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 buy-backs have taken place in 2016. The total number of treasury shares thus amounted to 1,542,000 Series B shares as of December 31, 2016.

Note 3 Long-term liabilities

Long-term liabilities

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

Current liabilities

Of the current liabilities of SEK 514 m, SEK 37 m represents interest-bearing short-term debt in the form of utilized credit of SEK 10 m and the current portion of acquisition loans of SEK 27 m.

Note 4 Financial instruments

Acando measures financial instruments at fair value or amortized cost in the balance sheet depending on the instrument's classification. Financial instruments comprise claims, and cash and cash equivalents among assets and interest-bearing liabilities, and accounts payable among liabilities.

Note 5 Financial income and financial expenses

The purchase consideration for the redemption of minority shares pertaining to the acquisition of Connecta was settled through arbitration. The arbitration board set the purchase price at the price given by Acando and which the company had paid in conjunction with advance possession. Due to uncertainty regarding the likely outcome, a higher amount had been booked as a short-term debt and this has now been reversed in full and positively impacted net financial items. The above action had no impact on Acando's liquidity.

Financial income in the Parent Company primarily pertains to dividends from subsidiaries.

Note 6 Acquisitions and discontinuations

As part of focusing all operations to the EU, Acando made an agreement to sell the delivery center in India, including the associated Swedish holding company, in the first quarter of 2016. The buyer was the management of the Indian company who acquired the holding company and the operations were transferred to the buyer as of March 1, 2016. For clarity, the outcome for the January–February 2016 period was recognized as the results of discontinued operations in the segment notes and in the table on page 6. Acando estimates that gathering all volumes into one unit in Latvia will generate economies of scale and that the proximity of outsourcing in Europe contributes actively to increased profitability for these types of deliveries. The operations are not significant for Acando.

In the fourth quarter, Acando in Germany acquired a majority holding in the company Brickmakers Gmbh. The size of the company means it has no material impact on the Group's financial statements.

Note 7 Related-party transactions

No transactions have taken place between Acando and related parties that have had any material impact on the company's position or earnings.

Note 8 Significant events after the end of the period

No significant events occurred after the end of the period.

Matching alternative performance measures

Certain financial metrics presented by Acando in the interim report, which are not defined in accordance with IFRS, are known as alternative performance measures. Acando's considered opinion is that these metrics provide complementary information to investors and the company's management, since they enable the evaluation of trends and the company's performance. Since not all companies calculate financial metrics in the same manner, these metrics are not always comparable with those used by other companies. Therefore, these financial metrics should not be viewed as replacements for metrics defined under IFRS. For definitions of the key performance indicators used by Acando, please turn to page 29.

Key performance measures

Growth

Sales growth in relation to the preceding year's sales. This metric is used to monitor year-on-year growth.

Organic growth

Sales growth excluding currency effects, acquisitions and divestments. This metric is used to monitor underlying growth that is driven by volume, price and project-mix changes for comparable units between different periods.

Operating profit before goodwill impairment

Operating profit before amortization of intangible assets, also known as EBITA. EBITA provides a compiled image of total earnings generated by operating activities.

Operating margin before goodwill impairment

EBITA as a percentage of net sales. The operating margin is a key component, together with sales growth, for monitoring value creation.

Operating profit (EBIT)

Operating profit is calculated as earnings before financial items and tax. EBIT provides an image of total earnings generated including amortization and depreciation of tangible and intangible assets.

Operating margin

Operating profit divided by net sales.

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.

Other performance measures

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.

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.

** The ratio is defined in accordance with IFRS*

EBITA

Earnings after depreciation but before impairment and amortization of intangible assets such as goodwill.

EBITDA

Earnings before depreciation and amortization.

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.

Net debt

Cash and cash equivalents on the balance-sheet date less all interest-bearing liabilities.

Net investments

Closing balance of tangible and intangible assets decreased opening balance with depreciation and amortization less any write-ups added.

Profit margin

Profit before tax divided by net sales.

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.

Definitions

Average number of employees

Number of employees at the beginning of the period added to the number of employees at the end of the period divided by two.

Net sales per employee

Net sales for the period divided by the average number of employees.

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.