

# Interim report

## Second quarter April 1–June 30, 2018

- > Net sales totaled SEK 736 m (613)
- > Operating profit amounted to SEK 74 m (55)
- > Operating margin 10.1% (9.0)
- > Profit after tax was SEK 56 m (41)
- > Earnings per share were SEK 0.54 (0.40)

## Accumulated January 1–June 30, 2018

- > Net sales totaled SEK 1,439 m (1,234)
- > Operating profit amounted to SEK 151 m (130)
- > Profit before non-recurring items SEK 155 m
- > Operating margin 10.5% (10.5)
- > Profit after tax was SEK 115 m (95)
- > Earnings per share were SEK 1.11 (0.93)
- > Cash and cash equivalents totaled SEK 27 m (56)

## Statement by Carl-Magnus Månsson, CEO

The second quarter of 2018 remained positive; we grew by 20 percent compared with the year-earlier period, and growth for the first half of the year was 17 percent. Operating profit increased 35 percent in the quarter, and operating profit for the first half of the year totaled SEK 155 m, the highest result for a first half-year in Acando's history. While all geographies contributed both growth and increased profit, we have the potential to capitalize further on the strong market in which we operate, above all by remaining an attractive company for highly talented employees. Our trainee program continues to attract talents; during the summer the largest batch of trainees ever began their careers at Acando. We are proud that they chose us.

The world around us is being driven more and more quickly by the opportunities technology provides. At the same time, understanding human behavior and applying that knowledge in our everyday operations is key to creating the best solutions. Regulatory requirements and the importance of creating public benefit with staying power are becoming increasingly important components in many of our assignments. Acando's strategy of being "Technology Driven and Behavior Centric" remains highly relevant, and we continue to deepen and broaden our offering in order to retain that relevance in a rapidly changing world.

A completely new solution, built on cloud-based components with both in-store and internet-based traffic, was launched for one of Acando's largest customers in the retail segment during the quarter — a project implemented in record time. This is one of many examples of how the combination of system integration ability, an agile working method and insights into industry-specific challenges can shorten lead times and create scalable solutions.

Rapidity in terms of implementing and managing insights from available data is becoming more and more important to our customers. Through the acquisition of September BI in Norway, we have gained access to an established informational and analytical platform specifically adapted to the retail industry and the opportunity to pursue growth in that segment both in Norway and in other geographies. Acando's focus cloud-based business systems is also being reinforced through the acquisition of Alterview, who in partnership with Acando's own operations is creating the leading partner for implementing Netsuite solutions in northern Europe.

The health sector is one of Acando's most rapidly growing segments, and we are proud to have contributed to the digitalization and automation of the processes for patient journeys in Norway. In addition to creating cost efficiency and more rapid handling, the project has also resulted in more equal treatment. This is one of many examples of how technology not only provides efficiency and new opportunities, but also creates greater value.

## Significant events during and after the quarter

Through its subsidiary Brickmakers, Acando Germany has digitized the first step in the manufacture of brake linings at TMD Friction. This was done with the help of interactive 3D projections based on augmented reality. Using Microsoft's HoloLens AR glasses, Acando and Brickmakers have developed a virtual weighing app where navigation occurs through modern controls using voice, eyes and gestures.

In Norway, in partnership with the Norwegian directorate for e-health, Acando led the "Mina patientresor" (My Patient Journeys) project that makes it possible for users to apply for reimbursement of patient journeys online at helsenorge.no. The project has helped to digitize and automate the application process, which in turn has led to more rapid handling, more equal treatment and a higher level of cost efficiency.

During the quarter, Acando won a framework agreement for management consulting services with a multinational supplier of information and communication technologies (ICT), thereby entering the company's Preferred Supplier List. Acando is one of ten consulting companies on the list globally.

Posten Norge AS signed a framework agreement with Acando for the delivery of consulting services in strategy and business development. In the procurement process, Acando displayed its strength in the fields of innovation strategy, logistics and value chain development, cost efficiency and improvement as well as digital strategy. The framework agreement will cover the future needs of the entire Group.

Acando helped a leading airline enhance its efficiency and automate its sales of advertising space and the production of marketing materials. By using the Brand Relations for Dynamics 365 solution, the entire process was integrated into one solution, making it simpler for customers and employees.

Anywhere.24, part of the Acando Group, helped trade fair organizer DLG Service optimize its trade fair planning. With its Event Relations industry solution, designed by Anywhere.24 and built on Microsoft Dynamics 365, DLG Service's project management and trade fair planning has been optimized through a 360-degree view of exhibitors and customers.

During Microsoft's "Microsoft Inspire" global partner conference, its partner organization IAMCP awarded prizes as part of its IAMCP Awards Program competition. The prizes went to companies that had implemented creative solutions and demonstrated successful collaboration with other partners. This year, Acando was one of the finalists, presenting an implementation of a business system for a customer in the fashion industry. The focus was on creating a clear transformation solution, making use of the collaborating partner's competence and striving to achieve a working process that built relationships. In particular, the goal was to improve the experience for the company's own customers.

On April 25, the Board of Directors of Acando AB, on the back of an authorization from the 2017 AGM, resolved to carry out a new share issue, immediately thereafter buying back 900,000 Series C shares. This was carried out through a private placement for cash of 900,000 Series C shares to the Swedish branch of Danske Bank A/S, Denmark and an immediate buy-back in the second quarter. The subscription price for the shares corresponded to their quotient value. The aim of the issue and buy-back of Series C shares is, following conversion to Series B shares, to secure the provision of Series B shares to Group employees participating in the 2017 share-savings program adopted at the AGM on May 4, 2017. The allocation of shares under the 2017 share-savings program will take place in August 2020.

During the second quarter, September BI was acquired in the Norway segment. September BI specializes in retail business intelligence and has a great deal of knowledge in business intelligence and chain management.

All of the shares in Alterview Net Solution AB were acquired after the end of the period. This acquisition reinforces Acando's focus on cloud-based business systems and in partnership with Acando's own operations, is creating the leading partner for implementing Netsuite solutions in northern Europe. The new operations will be consolidated into the Acando Group from September 1, 2018.

## Business activities

### Introduction

Acando is a consulting company that leverages an equal balance of specialist technical expertise and human behavioral insight to innovate, streamline and mobilize organizations for sustainable change. Our customers come from every sector and include a mix of major global organizations as well as medium-sized regional companies. We operate in a Northern European market with offices in Sweden, Finland, Norway, Germany and Latvia, and have a total of 2,000 employees.

### Acando's offering

Acando's offering is focused on actual results, and value for the customer achieved through a combination of all of Acando's skills and our long-term relationships with customers. 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:

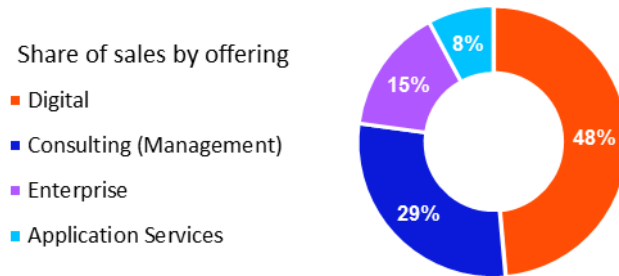
**Digital** guides customers and realizes solutions linked to digital innovation and transformation. Projects are driven by a combination of digital business understanding and deep technical know-how in solutions based on modern technology and platforms. The area has substantial growth potential and Acando is well-positioned in several of the most rapidly growing areas in terms of user-centric solutions and digital product innovation as well as industrial transformation through digitalization. We are entering a new era, when work processes are partially replaced or expanded with digital solutions, which means that IT is no longer just business support, but also functions as an expansion or integrated part of our customers' processes, products, services and entire business. Acando's Business Design Studio is part of the operations, whereby customer-centric strategies and digital innovation are core elements for creating the best customer experiences.

**Consulting** is active in all major industries and offers in-depth expertise in Strategy, Operational Control, Sales & Marketing, Supply Chain and Operations. Acando's broad knowledge base and cross-functional business teams ensure a holistic perspective and good understanding of the customers, which means that we can offer innovative perspectives and solutions that generate unexpected added value. Acando's absolute strength is the transformation process and its high speed of implementation.

**Enterprise** is the leading Swedish supplier of platform-related services on selected platforms: SAP, Dynamics AX and Netsuite. Together with our customers, we ensure that maximum value is created from platform investments. We combine extensive operational expertise and well-tried methodology with functional and technical platform competence.

**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. A high level of innovation and efficiency enhancement in traditional industrial companies is enabled by digital capabilities in product content, business models and processes. Acando is well-positioned to create completely new possibilities in the segment, together with its customers, through a combination of transformative implementations and deep technical expertise.

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 create 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 as a result of the 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 increasing the need for more advanced digital platforms. Acando has extensive experience and a strong position with several of northern Europe's largest energy companies as well as 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.

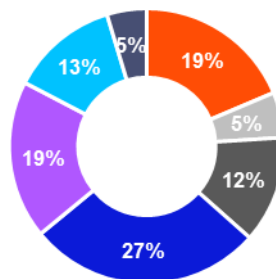
The healthcare segment remains at an early stage of implementing digitalization. Investments are focused on efficient information management, new methods with clear digital components and a greater degree of digital interaction. Acando aims to capture a leading role and has a number of key assignments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

See below for the share of sales by customer segment.

Share of sales by customer segment

- Retail
- Energy
- Telecom, IT, media and entertainment
- Industry
- Public authorities and agencies
- Banking, finance and insurance
- Health and medical care



## Market 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

### Second quarter April–June 2018

Net sales and operating profit before amortization and impairment of intangible assets (EBITA) for Q2 2018 are shown in the table below:

SEKm	Net sales		EBITA		EBITA margin	
	2018	2017	2018	2017	2018	2017
Sweden	451.1	407.5	60.0	49.9	13.3%	12.2%
Norway	145.9	104.6	14.6	4.9	10.0%	4.8%
Germany	139.2	101.6	9.4	7.6	6.7%	7.5%
Group adjustments	-0.4	-0.1	-8.7	-6.9	-	-
<b>Total</b>	<b>735.7</b>	<b>613.6</b>	<b>75.2</b>	<b>55.5</b>	<b>10.2%</b>	<b>9.0%</b>
Items affecting comparability						
<b>Total</b>	<b>735.7</b>	<b>613.6</b>	<b>75.2</b>	<b>55.5</b>	<b>10.2%</b>	<b>9.0%</b>

Consolidated net sales for the quarter amounted to SEK 736 m (614). Operating profit was SEK 75 m (56), corresponding to an operating margin of 10.2 percent (9.0). The margin in Germany was impacted negatively by a weaker utilization rate due to strong recruitment during the first half of the year.

Consolidated profit after tax totaled SEK 56 m (41). Earnings per share amounted to SEK 0.53 (0.39) after dilution and SEK 0.54 (0.40) before dilution.

### Accumulated January–June 2018

Net sales and operating profit before amortization and impairment of intangible assets (EBITA) for the H1 2018 are shown in the table below:

SEKm	Net sales		EBITA		EBITA margin	
	2018	2017	2018	2017	2018	2017
Sweden	887.6	809.0	122.1	104.3	13.8%	12.9%
Norway	285.1	221.5	30.1	17.2	10.6%	7.7%
Germany	267.8	204.4	19.0	22.6	7.1%	11.0%
Group adjustments	-1.7	-0.4	-16.2	-13.5	-	-
<b>Total</b>	<b>1,438.8</b>	<b>1,234.4</b>	<b>155.0</b>	<b>130.5</b>	<b>10.8%</b>	<b>10.6%</b>
Items affecting comparability			-3.5			
<b>Total</b>	<b>1,438.8</b>	<b>1,234.4</b>	<b>151.5</b>	<b>130.5</b>	<b>10.5%</b>	<b>10.6%</b>

Consolidated net sales for H1 amounted to SEK 703 m (1,234). Operating profit was SEK 155 m (131), corresponding to an operating margin of 10.8 percent (10.6) before extraordinary items pertaining to completed acquisitions.

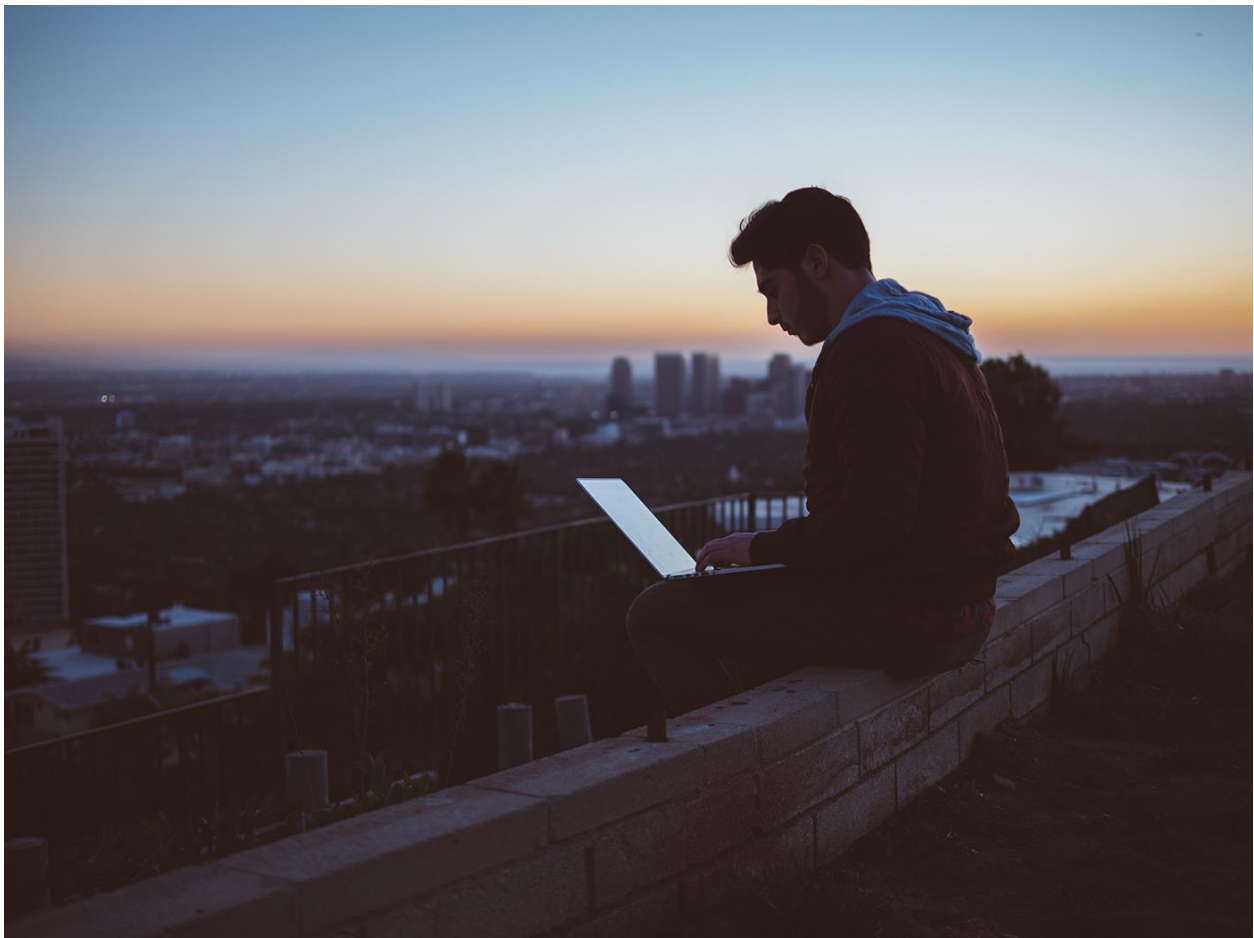
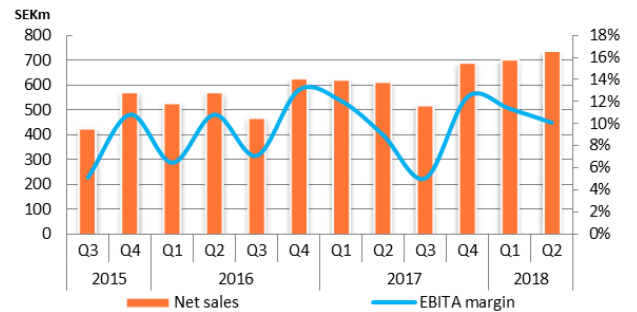
Consolidated profit after tax totaled SEK 115 m (95). Earnings per share amounted to SEK 1.09 (0.91) after dilution and SEK 1.92 (0.93) before dilution.

**Seasonal variations**

The graph on the right shows net sales and operating profit for the past three 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, with Easter taking place in Q1 2018.

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 all skills areas. The geographic areas of Gothenburg and Stockholm continued to trend extremely favorably with healthy profitability and continued growth. The Malmö region and Västerås also continued to trend positively.

In the first half of the year, the Swedish operations grew 10 percent and operating profit by 17 percent. The operating margin in Sweden was 13.8 percent, the highest ever for a first half-year. At the same time, a high degree of competition for talent was noted. To meet this demand, Acando is accelerating its trainee and talent program and creating two concentrations: one towards digital business development and one towards in-depth digital technology content. In August, Acando began its largest program ever, with participants from all geographies in Sweden and Norway.

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 cloud-based platforms. Both major established customers and new customers in traditional industries and new segments have a notable need to understand and realize digital opportunities.

Retail, health and medical care, and industry — primarily in Västerås and Gothenburg — are experiencing strong growth with healthy demand. Several new projects and assignments with advanced technological content improved customer experiences through digital interaction, and data analysis was begun during the quarter.

Acando's position in modern business system platforms in Sweden is becoming progressively stronger. Today, Acando is a clear leader in SAP and Microsoft-based platforms, and continues to develop both partnerships with platform developers and its own service content. Through the acquisition of Alterview, a third platform pillar was created, enabling Acando to assume a leading position as a supplier of Netsuite-based solutions. Netsuite is a fully cloud-based suite of business systems, adapted to the need for rapid international expansion and with a high degree of scalability. With a basis in its Swedish operations, all of Acando's geographies will be addressed.

Itch — Sweden's largest business design and development studio — continues to develop, winning deals in pure service design, digital strategy and several innovation initiatives in which Acando and Acando's customers are constructing joint innovation hubs. Essentially, Acando's business is based on creating unforgettable customer experiences. Unifying our extensive expertise under the itch brand will be a natural part of continuing to deliver impact and value across the chain. Experience-driven design is based on understanding users — on being relevant in all parts of the user trip to add long-term value in a manner that a static product or delivery could never achieve. Acando's compiled expertise under the itch brand supports the speed and scalability of digital services.



## Norway

Acando Norway continues to grow; sales increased almost 40 percent and profit tripled compared to the same quarter last year. The market remains healthy and demand is expected to remain unchanged. An increase in willingness to invest was noted in the offshore and oil industry.

Acando holds a strong position in the public sector with a broad framework agreement portfolio that allows expertise-driven business and project assignments. Acando has chosen to meet strong demand through both accelerated recruitment and an expanded sub-consultant business. Long-standing experience in the public sector and an efficient matching and bidding process increases the possibilities of finding the right skills for each assignment.

Acando won a new framework agreement with Norwegian Post during the quarter, which further strengthens its framework agreement position in the Norwegian market.

The acquisition of September BI in Norway is part of Acando's ambition to be a clear leader in industries driven by a transformative course of events. September BI's expertise in customer data collection and analysis in the retail industry, built on a proprietary Microsoft-based platform, combined with Acando's strong presence in the retail segment will provide positive opportunities for accelerated growth both in Norway and in the Group's other geographies. September BI also fits in as a part of Acando Norway's role in leading the Group's work on advanced information analysis.

Several new projects with advanced technological content were won during the quarter; projects around the smart city concept, digital twins in the construction industry and smart sensor networks in health and medical care are a few examples.

## Germany

Operations in Germany grew 36 percent year-on-year, both through continued organic growth and through the acquisition of Anywhere.<sup>24</sup> All geographies contributed to the positive trend with respect to growth. The utilization rate remained somewhat weaker than in the year-earlier period, which resulted in a slightly less favorable margin than in the second quarter of 2017.

The market remains healthy and is expected to stay unchanged. High demand exists in several of Acando's core areas and is driven by modernization programs in several industry segments. Automotive, Retail and Bank are three segments in which Acando's position in Germany is strong. Several projects, primarily concerning technological solutions for e-commerce, were secured with a rapidly growing customer in the retail segment.

Acando Germany, under its proprietary brand Brickmakers, has delivered technologically advanced mobility and customer experience solutions in several areas. Some examples are AR/VR experience environments for automobile passengers for a global car manufacturer, in-flight entertainment solutions and production process efficiency enhancements through the use of movement detection and integrated AR technology.

The acquisition of Anywhere.<sup>24</sup> was completed on January 1, 2018 and creates a strong position in Microsoft Dynamics, in line with the Group's strategy of becoming the leading Microsoft partner in the region. The integration among the Group's Microsoft operations, for the purpose of increasing collaboration and opportunities for the reuse of proprietary solutions, is proceeding according to plan. Anywhere.<sup>24</sup> was nominated as one of the finalists in the Microsoft Platform Partner of the Year Awards, and several new projects were begun during the quarter. These include deliveries of planning solutions for trade fair facilities and sales of advertising time.

## Financial information

### Financial position

Acando has a strong financial position, with an equity/assets ratio of 58 percent (64). Consolidated cash and cash equivalents amounted to SEK 27 m (56) at June 30, 2018. In addition, the Group has unutilized overdraft facilities of SEK 180 m (180), of which SEK 87 m (64) was utilized at June 30, 2018.

SEK m	Jun 30, 2018	Jun 30, 2017	Change	Dec 31, 2017
Cash & cash equivalents	27	56	-29	90
Interest-bearing short-term debt	-115	-83	-32	-79
Interest-bearing long-term debt <sup>1)</sup>	-77	-28	-49	-30
<b>Net cash</b>	<b>-165</b>	<b>-55</b>	<b>-110</b>	<b>-19</b>
Unutilized overdraft facility	93	116	-23	107
Equity/assets ratio	58%	64%	-5%	62%

<sup>1)</sup> Interest-bearing debt applies to pension commitments of SEK 30 m (28) and long-term acquisition of SEK 47 m.

### Cash flow

During the first half of 2018, total cash flow amounted to an outflow of SEK 69 m (outflow: 16). Cash flow from operating activities was SEK 75 m (96) and comprised positive cash flow from operations of SEK 122 m (123) and a negative change in working capital of SEK 47 m (neg: 27).

Cash flow from investment activities amounted to an outflow of SEK 82 m (outflow: 19), of which SEK 67 m pertained to investments in subsidiaries and the remainder to customary IT and office equipment.

Cash flow from financing activities amounted to an outflow of SEK 62 m (outflow: 93), of which an outflow of SEK 145 m (outflow: 134) pertained to dividends, an outflow of SEK 12 m (outflow: 14) pertained to the repayment of liabilities, an inflow of SEK 15 m pertained to the utilization of overdraft facilities and an inflow of SEK 80 m pertained to acquisition financing.

SEK m	Jan-Jun 2018	Jan-Jun 2017	Change	Full-year 2017
<b>Cash flow from:</b>				
Operating activities	75	96	-21	190
Investment activities	-82	-19	-63	-76
Financing activities	-62	-93	31	-98
<b>Total cash flow</b>	<b>-69</b>	<b>-16</b>	<b>-53</b>	<b>16</b>
Opening cash and cash equivalents	90	72	18	72
Translation difference	6	0	6	1.8
<b>Closing cash and cash equivalents</b>	<b>27</b>	<b>56</b>	<b>-29</b>	<b>90</b>

### Tax

A tax expense of SEK 39 m (34) was recognized for H1. This recognized tax expense corresponded to a tax rate of 25.2 percent for the period. The tax rate is affected by the share of earnings contributed by the respective countries, since tax rates differ between the countries.

**Investments**

The Group's net investment in assets in the first half of 2018 was SEK 63 m (13). SEK 9 m pertained to investments in tangible assets and SEK 54 m pertained to investments in intangible assets.

## The share

**Share capital and shares**

On June 30, 2018, the number of shares in Acando amounted to 105,857,419 shares, of which 1,163,048 Series B shares and 900,000 Series C shares were treasury shares, comprising 1.95 percent of the total number of shares. These treasury shares are expected to be used for future allotment in ongoing share-savings programs. The number of shares outstanding was 103,794,371.

**Authorizations**

Acando's Board was authorized by the 2018 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. Furthermore, the Board was authorized to decide on the new issue of shares to be used for funding company acquisitions. The authorization to issue new shares is limited to a maximum of 10 percent of all shares outstanding in the company and applies in combination with the above authorization. The authorization is valid until the 2019 AGM.

No buy-back of treasury shares or new share issues was implemented on the back of this authorization.

**Share-savings programs**

At June 30, 2017, Acando had three share-savings programs outstanding. Details of the 2016/2019 and 2017/2020 programs are given in Acando's 2017 annual report on pages 57–58.

The 2018 AGM resolved to implement a new 2018/2021 share-savings program for a maximum of 50 senior executives and other key personnel employed by the Acando Group. The share-savings program is structured similarly to the share-savings programs that were adopted by the 2015, 2016 and 2017 AGMs. Based on the fulfillment of specific performance criteria related to Acando's earnings per share before tax and after dilution for the 2018–2020 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.

**Issue concerning share-savings programs**

On April 25, on the back of the authorization from the 2017 AGM, the Board resolved to carry out a new share issue and immediately thereafter to buy back 900,000 Series C shares. This was carried out through a private placement for cash of 900,000 Series C shares to the Swedish branch of Danske Bank A/S, Denmark. The subscription price for the shares is SEK 1.3792 per share, which corresponds to its quotient value. Moreover, the Board has decided to immediately buy back all 900,000 Series C shares from the Swedish branch of Danske Bank A/S, Denmark at a price corresponding to the subscription price. The aim of the issue and buy-back of Series C shares is, following conversion to Series B shares, to secure the provision of Series B shares to Group employees participating in the 2017 share-savings program adopted at the AGM on May 4, 2017. The allocation of shares under the 2017 share-savings program will take place in August 2020.

## Employees

The number of employees at the end of the quarter was 2,056 (1,785). Of these, 1,169 (1,069) were in Sweden, 493 (383) in Germany, 333 (255) in Norway and 61 (78) in Other countries. The average number of employees during the second quarter of 2018 was 2,042 (1,768).

## 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 20.

## 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 grow faster than the market for management and IT consulting services, primarily through organic growth complemented by strategic acquisitions.

### **Margin**

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.

### **Debt/EBITDA ratio**

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 digitalization. The company holds a leading position in the northern European market for Digitalization, 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.

## 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–March 2018 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, August 17, 2018

Acando AB (publ.)

Ulf J Johansson

Chairman

Carl-Magnus Månsson

President and CEO

Caroline af Ugglas

Board member

Lena Eliasson

Board member

Magnus Groth

Board member

Anders Skarin

Board member

Alf Svedulf

Board member

Åsa Lindström

Employee representative

## Upcoming reporting dates

**Reporting dates**

Interim report January–September 2018      October 26, 2018

Year-end report 2018      February 8, 2019

**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 August 17, 2018 at 08:00 p.m. (CET).

[www.acando.com](http://www.acando.com)

Ticker: ACAN

**Additional information**

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Acando is a consulting company that leverages an equal balance of specialist technical expertise and human behavioral insight to innovate, streamline and mobilize organizations for sustainable change. The Group has approximately 2,000 employees allocated over five countries. Acando had sales of more than SEK 2.4 billion in 2017 and is listed on Nasdaq Stockholm.

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## CONSOLIDATED INCOME STATEMENT

(SEK m)	Note	Apr - Jun 2018	Apr - Jun 2017	Jan - Jun 2018	Jan - Jun 2017	Jul 2017 - Jun 2018	Jan - Dec 2017
Net sales		736	613	1,439	1,234	2,649	2,444
Other operating income		0	0	1	1	3	3
<b>Total income</b>		<b>736</b>	<b>614</b>	<b>1,440</b>	<b>1,235</b>	<b>2,651</b>	<b>2,446</b>
<b>Operating expenses</b>							
Other external expenses		-147	-127	-285	-251	-534	-500
Personnel expenses		-509	-429	-993	-846	-1,833	-1,686
Depreciation of tangible assets		-5	-4	-10	-7	-18	-15
Amortization of intangible assets		-1	0	-1	-1	-2	-2
<b>Operating profit</b>		<b>74</b>	<b>55</b>	<b>151</b>	<b>130</b>	<b>264</b>	<b>243</b>
<b>Profit from financial items</b>							
Financial income	8	2	0	5	1	6	2
Financial expenses		-1	-1	-1	-2	-2	-3
<b>Profit after financial items</b>		<b>75</b>	<b>55</b>	<b>154</b>	<b>128</b>	<b>268</b>	<b>243</b>
Taxes on profit for the year		-19	-14	-39	-34	-68	-63
<b>Net profit for the period</b>		<b>56</b>	<b>41</b>	<b>115</b>	<b>95</b>	<b>200</b>	<b>180</b>
Of which, attributable to shareholders of Acando AB (publ.)		56	41	115	95	199	179
<b>Earnings per share</b>							
Before dilution, SEK		0.54	0.40	1.11	0.93	1.92	1.73
After dilution, SEK		0.53	0.39	1.09	0.91	1.88	1.70
Average number of shares before dilution		103,794,371	102,865,419	103,794,371	102,865,419	103,608,581	103,237,000
Average number of shares after dilution		105,701,799	104,407,419	105,701,799	104,407,419	105,432,046	104,919,751
Number of shares outstanding at end of period						0	0
before dilution		103,794,371	102,865,419	103,794,371	102,865,419	103,794,371	103,794,371
Number of shares outstanding at end of period						0	0
after dilution		105,675,223	104,407,419	105,675,223	104,407,419	105,675,223	105,729,085

Treasury shares are not included in the number of shares above. At June 30, 2018, 1,163,048 shares are owned by Acando.

These treasury shares are expected to be used for future allotment in ongoing share-savings programs.

During the second quarter of 2018 an issue and buy-back of 900,000 Series C shares was carried out; these shares have not been admitted to trading.

The shares will be converted to Series B shares for allocation under the 2017 share-savings program for employees at Acando. The allocation of shares will take place in August 2020.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(SEK m)	Note	Apr - Jun 2018	Apr - Jun 2017	Jan - Jun 2018	Jan - Jun 2017	Jul 2017 - Jun 2018	Jan - Dec 2017
<b>Net profit for the period</b>		<b>56</b>	<b>41</b>	<b>115</b>	<b>95</b>	<b>200</b>	<b>180</b>
Other comprehensive income							
<b>Items that will not be reclassified subsequently to profit or loss</b>							
Pension liabilities, actuarial gains on liabilities		-	0	-	0	-2	-2
Income tax pertaining to items in other comprehensive income		-	0	-	0	0	0
<b>Total items that will not be reclassified subsequently to profit or loss</b>		<b>-</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>-1</b>	<b>-1</b>
<b>Items that may be reclassified subsequently to profit or loss</b>							
Change in accumulated translation differences		9	-3	26	-6	27	-5
<b>Total items that may be reclassified subsequently to profit or loss</b>		<b>9</b>	<b>-3</b>	<b>26</b>	<b>-6</b>	<b>27</b>	<b>-5</b>
<b>Other comprehensive income for the period, net after tax</b>		<b>9</b>	<b>-3</b>	<b>26</b>	<b>-6</b>	<b>26</b>	<b>-7</b>
<b>Comprehensive income for the period</b>		<b>65</b>	<b>37</b>	<b>142</b>	<b>89</b>	<b>225</b>	<b>173</b>
<b>Attributable to:</b>							
Parent Company's shareholders		65	37	141	89	224	172

## CONSOLIDATED BALANCE SHEET

(SEK m)	Note	Jun 30, 2018	Jun 30, 2017	Dec 31, 2017
<b>Non-current assets</b>				
<i>Intangible assets</i>				
Goodwill	4	1,175	980	1,101
Other intangible assets		3	4	3
<i>Tangible assets</i>				
Tangible assets		41	32	38
<i>Financial assets</i>				
Deferred tax assets <sup>1)</sup>		9	8	8
Other non-current financial assets		10	5	5
<b>Total non-current assets</b>		<b>1,237</b>	<b>1,029</b>	<b>1,155</b>
<b>Current assets</b>				
Accounts receivable		661	531	637
Other receivables		36	7	13
Current tax assets		14	4	3
Prepaid expenses and accrued income		119	97	68
Cash and cash equivalents		27	56	90
<b>Total current assets</b>		<b>856</b>	<b>696</b>	<b>811</b>
<b>Total assets</b>		<b>2,094</b>	<b>1,725</b>	<b>1,966</b>
<b>Equity</b>				
Share capital	5	146	144	145
Other capital contributions		753	739	754
Reserves		-2	-28	-28
Retained earnings including profit for the period		313	254	342
<b>Total equity</b>		<b>1,213</b>	<b>1,110</b>	<b>1,214</b>
<b>Liabilities</b>				
Non-current liabilities	6	123	40	58
Current liabilities	6	757	575	695
<b>Total liabilities</b>		<b>881</b>	<b>615</b>	<b>752</b>
<b>Total equity and liabilities</b>		<b>2,094</b>	<b>1,725</b>	<b>1,966</b>



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(SEK m)	Note	Attributable to Parent company shareholders				Non-controlling interests	Total
		Share capital	Other capital contr.	Reserves	Retained earnings		
<b>Opening balance at January 1, 2017</b>		<b>144</b>	<b>739</b>	<b>-22</b>	<b>291</b>	<b>1</b>	<b>1,152</b>
Profit for the period		-	-	-	95	-	95
Other comprehensive income for the period		-	-	-6	0	-	-6
<b>Total comprehensive income for the period</b>		-	-	<b>-6</b>	<b>95</b>	-	<b>89</b>
Dividend* paid to Parent Company shareholders		-	-	-	-134	-	-134
Incentive programs		-	-	-	3	-	3
<b>Closing balance at June 30, 2017</b>		<b>144</b>	<b>739</b>	<b>-28</b>	<b>254</b>	<b>1</b>	<b>1,110</b>
Profit for the period		-	-	-	84	1	84
Other comprehensive income for the period		-	-	1	-1	0	-1
<b>Total comprehensive income for the period</b>		-	-	<b>1</b>	<b>82</b>	<b>1</b>	<b>84</b>
Incentive programs		-	-	-	5	-	5
New share issue		1	14	-	-	-	15
<b>Closing balance at December 31, 2017</b>		<b>145</b>	<b>753</b>	<b>-28</b>	<b>342</b>	<b>2</b>	<b>1,213</b>
Profit for the period		-	-	-	115	1	115
Other comprehensive income for the period		-	-	26	-	0	26
<b>Total comprehensive income for the period</b>		-	-	<b>26</b>	<b>115</b>	<b>1</b>	<b>142</b>
Incentive programs		-	-	-	3	-	3
<b>Closing balance at June 30, 2018</b>		<b>146</b>	<b>753</b>	<b>-2</b>	<b>313</b>	<b>3</b>	<b>1,213</b>

\* Dividends payable on ordinary shares

## CONSOLIDATED CASH-FLOW STATEMENT

(SEK m)	Note	Jan - Jun 2018	Jan - Jun 2017	Jan - Dec 2017
<b>Operating activities</b>				
Profit after financial items		154	129	243
Adjustment for items not included in the cash flow		3	11	21
Income tax paid		-35	-17	-22
<b>Cash flow from operating activities before changes in working capital</b>		<b>122</b>	<b>123</b>	<b>242</b>
Net change in working capital		-47	-27	-52
<b>Cash flow from operating activities</b>		<b>75</b>	<b>96</b>	<b>190</b>
<b>Cash flow from investment activities</b>		<b>-82</b>	<b>-19</b>	<b>-76</b>
<b>Cash flow from financing activities</b>		<b>-62</b>	<b>-93</b>	<b>-98</b>
<b>Cash flow for the period</b>		<b>-69</b>	<b>-16</b>	<b>16</b>
Cash and cash equivalents at the beginning of the period		90	72	72
Exchange-rate differences in cash and cash equivalents		6	0	1
<b>Cash and cash equivalents at the end of the period</b>		<b>27</b>	<b>56</b>	<b>90</b>

## OPERATING SEGMENTS

(SEK m)	Note	Sweden	Germany	Norway	Discontinued Operations	Total	Group adjustment	Group total
<b>Apr - Jun 2018</b>								
Net sales		451	139	146	0	736	0	736
Operating profit		60	9	14	0	82	-8	74
Financial income								2
Financial expenses								-1
Profit after financial items								75
Taxes								-19
Net profit for the period								56
<b>Apr - Jun 2017</b>								
Net sales		408	101	104	0	613	0	613
Operating profit		49	8	5	0	62	-7	55
Financial income								0
Financial expenses								-1
Profit after financial items								55
Taxes								-14
Net profit for the period								41
<b>Jan - Jun 2018</b>								
Net sales		888	268	285	0	1,441	-2	1,439
Operating profit		121	19	30	0	170	-19	151
Financial income								5
Financial expenses								-1
Profit after financial items								154
Taxes								-39
Net profit for the period								115
<b>Jan - Jun 2017</b>								
Net sales		809	204	221	0	1,234	0	1,234
Operating profit		103	23	17	0	143	-13	130
Financial income								1
Financial expenses								-2
Profit after financial items								129
Taxes								-34
Net profit for the period								95
<b>Jul 2017 - Jun 2018</b>								
Net sales		1,649	493	509	0	2,651	-2	2,649
Operating profit <sup>1)</sup>		208	45	47	0	300	-35	264
Financial income								6
Financial expenses								-2
Profit after financial items								268
Taxes								-68
Net profit for the period								200
<b>Jan - Dec 2017</b>								
Net sales		1,570	429	445	0	2,444	0	2,444
Operating profit		190	49	34	0	273	-29	243
Financial income								2
Financial expenses								-3
Profit after financial items								243
Taxes								-63
Net profit for the period								180

Financial items and tax are not allocated by segment

As license income is not a material amount, it is reported under the net sales category.

(SEK m)	Digital	Consulting	Enterprise	Application Services	Total
<b>Apr - Jun 2018</b>					
Net sales	357	212	119	47	735
<b>Apr - Jun 2017</b>					
Net sales	274	175	94	71	613
<b>Jan - Jun 2018</b>					
Net sales	699	411	215	113	1,439
<b>Jan - Jun 2017</b>					
Net sales	550	355	192	136	1,234
<b>Jan - Dec 2017</b>					
Net sales	1,106	715	382	241	2,444

## KEY RATIOS

(SEK m)	Note	Apr - Jun 2018	Apr - Jun 2017	Jan - Jun 2018	Jan - Jun 2017	Jul 2017- Jun 2018	Jan - Dec 2017
<b>Result</b>							
Net sales		736	613	1,439	1,234	2,649	2,444
Earnings before depreciation and amortization (EBITDA)		80	59	161	138	284	260
Earnings before amortization of intangible assets (EBITA)		75	55	152	131	266	245
Operating profit (EBIT)		74	55	151	130	264	243
Net profit for the period		56	41	115	95	199	180
<b>Margins</b>							
EBITDA margin, %		10.8	9.6	11.2	11.1	10.7	10.6
EBITA margin, %		10.2	9.0	10.5	10.6	10.0	10.0
Operating margin (EBIT), %		10.1	9.0	10.5	10.5	10.0	10.0
Profit margin, %		10.2	8.9	10.7	10.4	10.1	9.9
<b>Profitability</b>							
Return on capital employed, %		5	4	11	11	21	19
Return on equity, %		4	4	9	8	17	15
<b>Financial position</b>							
Equity/assets ratio, %		58	64	58	64	58	62
Interest coverage ratio, multiple		93	98	122	101	123	111
Net debt in relation to EBITDA, %		2.1	0.9	1.0	0.4	1	0
<b>Per share</b>							
Equity per share, SEK		11.46	10.62	11.46	10.62	11.46	11.46
Cash flow per share, SEK		-0.17	-0.27	-0.65	-0.15	-0.36	0.15
Earnings per share after dilution, SEK		0.53	0.39	1.09	0.91	1.88	1.71
<b>Employees</b>							
Number of employees at end of the period		2,056	1,785	2,056	1,785	2,056	1,935
Average number of employees		2,042	1,768	1,996	1,742	1,921	1,817
Net sales per employee, SEK thousands		360	347	721	709	1,379	1,345
<b>Investments</b>							
Net investments		7	2	63	13	198	148

Key performance indicators are described on pages 75-76 of Acando's 2017 Annual Report.

Key performance indicators are described on page 75 of Acando's 2017 Annual Report.

## 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. The definition of performance measures are described in Acando's Annual Report for 2017 on page 75, including the full-year figures for 2017. The components of the performance measures can be found on pages 15–19 or under the heading Financial position on page 10 of this report.

## OTHER DEFINITIONS

**Average number of employees**

The total number of employees at the start of the period plus the total 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.

## PARENT COMPANY INCOME STATEMENT

(SEK m)	Note	Apr - Jun 2018	Apr - Jun 2017	Jan - Jun 2018	Jan - Jun 2017	Jul 2017- Jun 2018	Jan - Dec 2017
Net sales		29	25	56	46	105	96
<b>Total income</b>		<b>29</b>	<b>25</b>	<b>56</b>	<b>46</b>	<b>106</b>	<b>96</b>
<b>Operating expenses</b>							
Other external expenses		-18	-13	-33	-26	-60	-53
Personnel expenses		-5	-5	-10	-8	-20	-18
Amortization/depreciation and impairment of intangible and tangible assets		0	0	-1	-1	-1	-1
<b>Operating profit</b>		<b>4</b>	<b>5</b>	<b>7</b>	<b>8</b>	<b>15</b>	<b>16</b>
<b>Profit from financial items</b>							
Other interest income and similar items	8	1	39	3	39	3	40
Interest expenses and similar items		-1	-1	-1	-1	-2	-3
<b>Profit/loss after financial items</b>		<b>4</b>	<b>43</b>	<b>9</b>	<b>46</b>	<b>17</b>	<b>53</b>
<b>Appropriations</b>		<b>-1</b>	<b>0</b>	<b>-2</b>	<b>0</b>		
Taxes on profit for the year		-1	-1	-2	-2	-2	-2
<b>Net profit/loss for the period</b>		<b>2</b>	<b>42</b>	<b>5</b>	<b>44</b>	<b>7</b>	<b>46</b>

## PARENT COMPANY BALANCE SHEET

(SEK m)	Note	Jun 30, 2018	Jun 30, 2017	Dec 31, 2017
<b>Non-current assets</b>				
<i>Intangible assets</i>				
Other intangible assets		2	3	3
<i>Tangible assets</i>				
Tangible assets		22	18	21
<i>Financial assets</i>				
Financial assets		1,483	1,407	1,486
<b>Total non-current assets</b>		<b>1,508</b>	<b>1,428</b>	<b>1,510</b>
<b>Current assets</b>				
Receivables from Group companies		23	41	28
Accounts receivable		0	0	0
Other receivables		2	0	2
Prepaid expenses and accrued income		17	10	8
Cash and cash equivalents		0	0	1
<b>Total current assets</b>		<b>42</b>	<b>51</b>	<b>38</b>
<b>Total assets</b>		<b>1,550</b>	<b>1,478</b>	<b>1,548</b>
<b>Equity</b>				
Share capital	5	146	144	145
Statutory reserve		110	110	110
Share premium reserve		647	632	647
Retained earnings including profit for the period		23	158	164
<b>Total equity</b>		<b>925</b>	<b>1,044</b>	<b>1,066</b>
<b>Untaxed reserves</b>		<b>8</b>	<b>0</b>	<b>5</b>
<b>Liabilities</b>				
Long-term liabilities		46	29	0
Liabilities to Group companies		410	307	342
Current liabilities		136	100	108
<b>Total liabilities</b>		<b>617</b>	<b>435</b>	<b>477</b>
<b>Total equity and liabilities</b>		<b>1,550</b>	<b>1,478</b>	<b>1,548</b>

## Notes

### Note 1 Accounting policies and disclosures

The Group's interim report was prepared in accordance with IAS 34 Interim Reporting and, for the Parent Company, RFR 2. In all other respects, the accounting policies applied correspond with that stated in the 2017 Annual Report. Disclosures pursuant to Paragraph 16A of IAS 34 appear in the financial statements and their accompanying notes, and in other parts of this interim report.

In 2018, the Group started to apply IFRS 9 Financial instruments and IFRS 15 Revenue from Contracts with Customers. The transition to IFRS 9 and IFRS 15 have not resulted in any material effects for the Group or the Parent Company. According to IFRS 15, revenue is recognized when customers gain control of services provided, instead of as previously, when risks and benefits transferred to the customer. IFRS 15 is also clearer with regard to identifying the performance obligations of customer contracts. Analysis of the effects of the transition to IFRS 15 found that it had no material impact on the consolidated sales, costs and earnings for 2017, and therefore, the comparative figures for 2017 have not been restated. IFRS 9 uses an impairment model for credit losses that is based on expected credit losses instead of on incurred credit loss events. Other information can be found under the Group's segments on page 18.

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

### Note 2 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 assets, impairment testing of goodwill and revenue recognition for fixed-price projects.

For a complete account of the important estimates and assessments affecting the Group, refer to the 2017 Annual Report.

**Note 3 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 2017 Annual Report.

**Note 4 Goodwill**

Compared with June 30, 2017, goodwill increased by a total of SEK 194 m. This comprised for goodwill of SEK 54 m pertaining to an acquisition in Q1 2018 in the Germany segment and SEK 51 m pertaining to an acquisition in Q4 2017 in the Norway segment, and goodwill of SEK 70 m pertaining to Q3 2017 acquisitions in the Sweden segment. The remainder of the change, a negative SEK 19 m, pertained to currency effects.

**Note 5 Equity**

At June 30, 2018, the total number of shares in the company amounted to 105,857,419, of which 900,000 were Series C shares not admitted to trading, 101,317,429 were Series A shares and 3,639,990 were Series A shares. In 2017, 550,000 Series B shares were issued at the market price as part of the acquisition financing of Transformator Design, one of three acquisitions completed by Acando in 2017. The total number of treasury shares at June 30, 2018 comprised 1,163,048 Series B shares and the 900,000 Series C shares. No buy-backs of treasury shares have taken place in 2018. The C shares was issued and immediate bought-back in the second quarter.

**Note 6 Liabilities*****Long-term liabilities***

Long-term liabilities of SEK 123 m include pension liabilities in Sweden of SEK 30 m, long-term acquisition of SEK 47 m. Other items are estimated earnouts for completed acquisitions of SEK 23 m and deferred taxes of 23 m.

***Current liabilities***

Of the current liabilities of SEK 757 m, SEK 115 m represents interest-bearing short-term debt in the form of utilized credit of SEK 87 m and the current portion of acquisition loans of SEK 27 m.

**Note 7 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. Earnouts are measured at fair value.

**Note 8 Financial income**

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

**Note 9 Acquisitions and discontinuations**2018

The acquisition of Anywhere.24 GmbH in the Germany segment was completed on January 1, 2018. Anywhere.24 GmbH is a company specialized in Microsoft's Dynamics 365 CRM solution and offers cloud-based solutions. Anywhere.24 is headquartered in Munich and employs 60 staff. The size of the company means it has no material impact on the Group's financial statements.

During the second quarter, September BI was acquired in the Norway segment. September BI specializes in retail business intelligence and has a great deal of knowledge in business intelligence and chain management. The size of the company means it has no material impact on the Group's financial statements.

2017

In Q4 2017, Acando acquired all of the shares in the Norwegian company Bitvis AS. The company provides highly specialized development services to a broad spectrum of customers, from start-ups to major companies in the electronics industry. Through the acquisition, Acando strengthens its digital transformation offering. Everything related to Industry 4.0 requires deep technological know-how, and the acquisition of Bitvis forms a key step in assisting our clients within IoT, embedded software and FPGA (programmable digital logic). The new operations will be consolidated into the Acando Group from October 1, 2017. The acquired operations have no material impact on the Group's earnings or financial position, and altogether, the acquired operations added sales of SEK 7.6 m in 2017, which corresponded to 1.7 percent of sales in Norway.

In Q3 2017, Acando acquired the two smaller companies Transformator Design and Daytona. The objective of the transaction is, together with Acando's own operations, to create offerings within strategy, design, technology, innovation, change management and communication. In segments that focus on consumers and users, such as the service sector, banking/finance, retailing and the public sector, there is a clear focus on user experience across all channels, both digital and physical. By compiling capabilities from Transformator Design, Daytona and Acando, a unique full-service offering for customer experiences is created. The new operations will be consolidated into the Acando Group from September 1, 2017. The acquired operations have no material impact on the Group's earnings or financial position, and altogether, the acquired operations added sales of SEK 13.6 m in 2017, which corresponded to 0.9 percent of sales in Sweden.

**Note 10 Related-party transactions**

Transactions with related parties are based on established commercial terms for the industry and are entered into under normal commercial terms.

Refer to Note 9 in Acando's 2017 Annual Report for information about salaries and other benefits, expenses and commitments in terms of pensions and similar benefits for the Board, the CEO and other senior executives.

**Note 11 Significant events after the end of the period**

All of the shares in Alterview Net Solution AB were acquired after the end of the period. This acquisition reinforces Acando's focus on cloud-based business systems and in partnership with Acando's own operations, is creating the leading partner for implementing Netsuite solutions in northern Europe. The new operations will be consolidated into the Acando Group from September 1, 2018. The size of the company means it has no material impact on the Group's financial statements.