

HiQ REACHES A SETTLEMENT WITH THE BANKRUPTCY ESTATE FOR SAAB AUTOMOBILE

At the end of February a settlement was reached between HiQ and the bankruptcy estate for Saab Automobile. Under the terms of this settlement the administrators relinquish their original claim for the recovery of SEK 5.7 million; this was a claim that HiQ had contested ever since it was first submitted in 2012. The settlement has a negative impact of SEK 1.9 million on the company's result.

"I am satisfied that we have reached a settlement on a figure that is far lower than the administrators' initial demand," says Lars Stugemo, President and CEO of HiQ.

"Nevertheless, it does seem totally unjustified that HiQ should be compelled to return fees paid for work that we have duly carried out and services we have duly delivered. The receiver is of the opinion that as early as in the spring of 2011 we should have understood that Saab Automobile AB was, in effect, insolvent – despite the fact that this is something that the administrators themselves became aware of only after a lengthy investigation, access to internal documentation and substantial amounts of expert help from auditors and lawyers. The assumption is quite absurd."

Stugemo points out that HiQ, as an expanding business with robust finances and the right internal competence, has been able to stand firm in the face of the extensive litigation processes conducted by the administrators. However, it is presumably by no means every company that has the resources to respond in this way to lengthy and complex court cases with spiralling costs for legal representation and litigation expenses.

"We cannot afford to have a system here in Sweden where suppliers who have remained firmly on the side of their customers in difficult times are punished by the official receivers for their loyalty. At least, not as long as we also want to see Swedish companies to continue to be successful and to contribute to growth and employment," says Lars Stugemo. "Our job here at HiQ is to deliver value to our customers, not to take part in costly and time-consuming lawsuits."

For Stugemo, the consequences of the Saab Automobile bankruptcy provide a clear illustration of the weaknesses of Sweden's current bankruptcy laws.

"The legal framework should be constructed in a way that seeks to find solutions by promoting collaboration rather than encouraging complex, protracted and expensive legal action," he says.

"Now, however, it's time to turn the page and to focus our attention fully on making the world a better place. That's what we at HiQ do best," Lars Stugemo concludes.

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