

RECORD IN PROFIT, NET SALES AND NUMBER OF EMPLOYEES

JANUARY – JUNE 2016

- Net sales total SEK 846.9 (782.4) million
- Operating profit (EBIT) is SEK 104.5 (89.6) million, equivalent to an operating margin of 12.3 per cent
- Pre-tax profit of SEK 104.1 (89.4) million
- Profit after tax of SEK 80.9 (69.4) million
- Earnings per share of SEK 1.50 (1.30)
- Cash flow from operations of SEK 86.4 (83.0) million
- Liquid assets of SEK 149.1 million

APRIL – JUNE 2016

- Net sales total SEK 442.8 (391.0) million
- Operating profit (EBIT) is SEK 61.4 (43.6) million, equivalent to an operating margin of 13.9 per cent
- Pre-tax profit of SEK 61.0 (43.5) million
- Profit after tax of SEK 47.5 (33.7) million
- Earnings per share of SEK 0.88 (0.63)
- Cash flow from operations of SEK 51.1 (56.9) million

SIGNIFICANT EVENTS DURING THE FIRST HALF OF THE YEAR

- HiQ helps Volvofinans Bank to simplify for one million car owners with the new service “CarPay”
- HiQ wins the assignment as strategic partner to DEKRA Industrial, with a focus on digitalisation
- HiQ develops Finland’s most comprehensive mobile health center for the healthcare company Diacor – during the spring, the service is nominated for a “Digital Disruption” award in Finland
- HiQ helps Västtrafik with digital presence and customer experience through the new service “Västtrafik to go”, which reaches 100,000 downloads already during its first month
- HiQ is in charge for the technical realisation when the Finnish S-Bank and ABC group launch an innovative solution making it possible to pay for gas with your smartphone
- HiQ helps the telecom company Polystar to streamline its operations
- HiQ wins frame agreements concerning development of digital solutions with e.g. SVT and Viaplay
- HiQ and 3nine develop an IoT solution that simplifies for operators within the engineering industry
- HiQ develops Diabetes Tools’ digital solutions, which simplify for diabetes patients, families, and healthcare providers
- HiQ helps the Swedish Transport Administration to simplify travel for visually impaired people, with the new service “Tågprator”
- HiQ distributes a shareholders’ dividend of SEK 2.90 per share, totalling approximately SEK 156 million
- The Annual General Meeting elects Gunnel Duveblad as new chair of the Board of HiQ
- HiQ is recognized as a representative vendor in the April 2016 Market Guide for “Hybrid Integration Platform-enabling Technologies” by Gartner, Inc
- HiQ is named one of Sweden’s *Career Companies* for the second year in a row

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- HiQ is responsible for the new communication concept for the Match Cup Sweden sailing competition at Marstrand in July – yet another step in a successful collaboration

This information is information that HiQ International AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out, at 07.30 CET on 11 August 2016.

HiQ helps to make the world a better place by making people’s lives simpler through technology and communication. We are the perfect partner for everyone eager to achieve results that make a difference in a digital world. Founded in 1995, HiQ has 1,500 specialists in four countries and is listed on the Nasdaq Stockholm Mid Cap List. For more information and inspiration, visit www.hiq.se

PRESIDENT'S STATEMENT

We at HiQ continue the year the same way we started it – growing and creating winning results. The second quarter is summarized with a record in net sales, profit, and number of employees – we are now more than 1,500 at HiQ. Net sales increase to SEK 442.8 million, our highest net sales ever in a single quarter, and we increase profits with 41 per cent compared to the same period last year. Our financial position continues to be strong, with a cash flow of SEK 51.1 million and liquid assets of SEK 149.1 million. During the quarter we distribute a dividend of SEK 2.90, totalling SEK 156 million, to our shareholders.

Summer has soon passed and we have enjoyed sunny and warm days. For myself, the summer included a trip to Finland, where HiQ is most definitely involved in driving the digital development. I was reminded of one of all the cool projects each time I passed on of the ABC group's gas stations. Together with the S-Bank, we at HiQ have made it possible to pay for gas at ABC with a few simple taps in the mobile service "S-mobile", a service that HiQ developed for the S-Bank already in 2014. We are seeing more and more of this; players from different industries who work together to create better customer experiences, as well as platforms and services that are developed and expanded over time.

Another trend during the beginning of the year, not least in the second quarter, is that concepts like "Industry 4.0" and IoT within the industry sector are going from opportunity to reality. As an example, we work with companies such as DEKRA Industrial and 3nine with a focus on simplicity and digitalisation. Together with 3nine we have developed an IoT solution that simplifies for machine operators within the engineering industry. For DEKRA, we are a strategic partner on a transformation journey that will strengthen the inspection company's business and simplify operations out in the field, which will eventually lead to increased safety for all of us.

The common denominator is to create value for the users and customers. There are now both possibilities and tools to realize the ideas that would have stayed on the sketch board just five years ago – this thanks to the technical development and digitalisation that continues to transform all industries. But merely smart and cool technology isn't enough. The crucial factor for reaching success is to use technology to create real value and usefulness – making people's everyday lives simpler,

safer and more fun. Exactly what we at HiQ are passionate about.

Healthcare is an area in which the connection to people's day-to-day lives is especially clear, and an area in which technology offers great potential to simplify and improve. HiQ works e.g. in the SUCCE project in Karlskrona, with the vision to enable healthcare staff to see patient information in "smart glasses", wherever they are. Some of the aims are increased patient safety, more efficient care, and decreased stress thanks to fewer alarms. Overall, a better environment for both patients and staff.

In a digitalised and connected world it is also easier to provide accessibility. An example during the spring is the eHealth service that HiQ has developed for Diacor in Finland – a service that makes it possible to meet the doctor via live chat or video, and access your own patient data. A convenient tool for someone who, for various reasons, can't or doesn't want to visit a healthcare centre.

Results, responsibility, simplicity, and joy are our values that are with us in every project, every day. We are now more than 1 500 employees and I see this as proof that we at HiQ enjoy our work. I'm proud and happy that we are seen as an attractive employer, and that so many driven and skilled people want to be a part of continuing to build and develop HiQ.

Together with our clients and partners we have built a strong market position, in which we at HiQ deliver the entire chain from R&D to digital and back. We have the experience and know-how within advance technology as well as the understanding for the users and the business – always with a focus on simplicity.

Our range and offer is more relevant than ever, and with strong finances and the best employees in the business we look forward to continue to simplify and create value. Regardless if the target is to make it easier to refuel your car or meet the doctor. What we know is that we will keep focusing on contributing to a better and more joyful world.

Lars Stugemo, President and CEO of HiQ

MARKET AND OFFER

HiQ's domestic market is the Nordics and we also win assignments globally. We work with clients in for example London and California. With profound know-how about technology, users, and business, we help our clients to utilise the potential of digitalisation and to tackle the challenges in our surrounding world.

HiQ wins many assignments that involve assuming overall responsibility for specific areas. Traditionally, typical examples include software development, testing and quality assurance. Today, we have the range to also deliver everything from digital strategies to design and concept development.

We master the entire chain from R&D to digital and back, and can therefore help our clients from idea to operation. Because of this, we often embark on partnerships with companies that see digitalisation as a crucial factor for success. HiQ is, in these cases, bringing both innovative power and technical know-how to the development of the company and its business, always with the user in focus.

EVENTS DURING THE QUARTER

Examples of published news during the second quarter:

- HiQ develops a new eHealth service for Diacor, which makes it possible to meet the doctor via chat or video, and access one's personal patient data. In short, the service works like a mobile healthcare centre and the aim is that "DiacorPlus" will be Diacor's largest healthcare centre in 2020. At the Blue Arrow digital gala in Finland, the service and project is nominated for "Digital Disruption" and "Best performing team".
- With a focus on digital presence and customer experience, HiQ helps Västtrafik to simplify the travel experience. The first public result of the collaboration, "Västtrafik to go", moves your ticket into your mobile and is downloaded by more than 100,000 customers already during the first month.
- HiQ helps Volvofinans Bank on their digital journey, through the development of the new service "CarPay", which gives full overview of purchases and payments, as well as a new range of benefits. The new solution simplifies for around one million car owners.

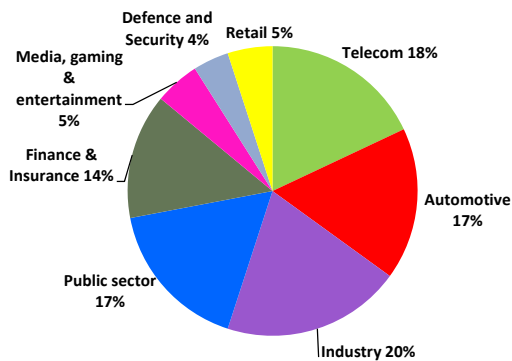
- HiQ is in charge of the technology when the Finnish S-Bank and ABC group launch an innovative solution for paying your gas via the "S-mobile" service. With the new solution, customers can pay for refuelling with a few simple taps on their smartphones. In June, the solution is presented with the *Insight European Technology Implementation Award*.
- HiQ wins a major assignment as strategic partner to the inspection company DEKRA Industrial AB. The focus is digitalisation and development of DEKRA's business and operations, e.g. through the creation of new digital tools that simplify work out in the field.
- HiQ and technology company 3nine develop an IoT solution for the engineering industry. The solution simplifies for the operators' by constantly gathering data and presenting operational status in real-time.
- HiQ wins the assignment to help Polystar to streamline their operations, in the role as strategic partner. Polystar is a leading global supplier within surveillance and optimisation of telecom networks.
- HiQ signs a framework agreement with Viaplay concerning development of digital solutions. The agreement can also be utilised by other companies within the Modern Times Group (MTG).
- HiQ is recognized in the Gartner, Inc Market Guide for "Hybrid Integration Platform-enabling Technologies", as a representative vendor within the iPaaS category, focusing on integration platforms.
- HiQ signs a framework agreement with Sveriges Television regarding development of digital services. The two-year agreement includes an option to extend for two more and also covers Utbildningsradion.

Examples of events after the end of the period:

- The Match Cup Sweden sailing event attracts around 100,000 visitors to Marstrand every summer. At this year's competition in July, HiQ is in charge of a new concept for communication, with for example a new graphic profile. The assignment is yet another step in a successful partnership, in which HiQ has previously e.g. developed a user-friendly digital communications platform for the event.

MARKET SEGMENTS

We divide our market areas into eight different segments, in which HiQ in various ways creates successful results together with clients and partners. Our broadening and balanced market mix is a big advantage for us as a company, for our clients, and for our employees.



HiQ sales per industry over the past 12 months.

TELECOM

Since 1995, HiQ has a very strong standing in this segment and we collaborate with global and market-leading clients. For more than 20 years we have worked with suppliers, operators, users, and the legislative authorities. This has provided us with extensive know-how within telecommunication systems, from both a technical and a commercial perspective.

Today we work broadly with the clients in this segment; with advanced technological systems, with digital channels and with solutions aimed directly to the end users. We also win strategic assignments in which we help our clients to identify new possibilities and streamline operations. As an example, HiQ works with Polystar, a leading company within analytics, services and products for improved network performance, which helps telecom companies worldwide to optimise their customer experience. In order to offer even quicker and better service, Polystar has chosen HiQ as its strategic partner.

Mobility and network connection are today a given. Our experience and know-how within telecom therefore creates great value for clients and projects in all industries, as digitalisation is influencing one area after the other.

Some of our clients in this segment are Ascom Wireless Solutions, Com Hem, Doro, Ericsson, Microsoft Devices, Nokia, Polystar, Telenor, TDC and Tele2.

AUTOMOTIVE

Vehicles and their components are nowadays connected and communicating with each other. The car is no longer only a means of transportation, the focus is more and more on related services. Technology simplifies for people, contributes to environmentally friendlier vehicles, and increases safety on our roads.

The innovative power is strong and the perhaps most significant trend is Autonomous Drive – the technology behind self-driving cars. Together with connectivity it is driving the development forward with huge leaps. Now everything can be connected in the cloud – road trains, active safety systems, Internet of Things solutions, and infotainment. The focus is shifting from the product into different services, such as Volvo's In-car Delivery that enables delivery of goods directly to your car.

HiQ delivers both technical expertise and acts as a partner within innovation. We have for example worked with both technology and concept development in two concepts from Volvo Cars. "Concept 26" focuses on what we as drivers want to do with our time as the car takes over the wheel – a project with safety as a key factor. The other concept uses "mixed reality", taking both the buyer experience and driver experience to a new level.

HiQ is also involved in developing eco-friendlier vehicles. In this area technology plays a crucial part in finding new and effective solutions.

Some of our clients in this segment are Autoliv, BorgWarner, Scania, Volvo Cars and Volvo Group.

INDUSTRY

The drive to simplify and improve is strong within the industry segment and a growing number of companies are dependent on, and open to, the possibilities of digitalisation. In this development, HiQ has the know-how and experience to strengthen businesses. A common denominator is the demand many companies have to become more cost-effective and to identify new offers – all with the aim to stay competitive. As everything is becoming connected there is a lot of talk about the possibilities with Internet of Things. The challenge is detecting the possibilities that create real value. Not innovating for the sake of innovation, but with the user and result in focus.

HiQ has a strong position in this segment and we help many clients to develop and digitalise their operations, for example the inspection company DEKRA Industrial. With the help of digital tools, simplified processes and smart connections to other systems, DEKRA's business is strengthened and the employees' work-life simplified.

Another example of simplicity is the IoT solution that HiQ has helped 3nine to develop for the engineering industry. The solution simplifies for the operators by continuously gathering operational data and, in real-time, presenting information about needed actions on 3nine's oil mist separators as well as information about the operational environment.

Some of our clients are 3nine, ABB, Assa Abloy, Atlas Copco, Bombardier, Cactus, DEKRA, Destia, Electrolux, Finnair, Jeppesen Systems, Kuusakoski, and SAS.

PUBLIC SECTOR

Authorities and public organisations are constantly striving to increase accessibility and improve service to the citizens, for example through digital tools and solutions. HiQ has vast experience from these kinds of critical solutions and of the challenges that our clients are struggling with - challenges that can concern everything from out-dated systems and managing large data volumes, to security and integrity issues.

In practice, simplifying for the citizens can be to make sure that a patient's medical records are available digitally regardless of healthcare unit. It's also when we help municipalities to improve communication and contact with their inhabitants, or when we're helping an authority to streamline its internal operations.

HiQ has framework agreements with the central purchasing authorities in both Finland and Sweden: Hansel and Kammarkollegiet. This gives us a strong platform for continued growth within this important segment. We also continue to strengthen our position within healthcare, using strategy and technology to simplify for both patients and healthcare providers.

Some of our clients are the Swedish Public Employment Service, Kungälv municipality, the Swedish Association of Local Authorities and Regions, the Swedish Civil Contingencies Agency, the Swedish Enforcement Authority, the Swedish Post and Telecom Authority, the

Government of Sweden, the Swedish Tax Agency, the city of Västerås, and the Finnish customs.

FINANCE AND INSURANCE

Today, we take for granted that we can manage our bank errands easily, quickly and securely – with a mobile device. At HiQ, we combine our financial know-how with expertise in digitalisation to create competitive offers within mobile payments and banking services. An area in which HiQ continues being the leading player in the Nordics. We are proud of the figures showing that millions of people are using the different services that HiQ works with.

We are, for example, helping the Finnish S-Bank in the work to simplify for their 2.9 million customers. HiQ is in charge of technology when the S-Bank, together with the ABC group, launch a new solution for paying for your gas via "S-mobile" – a service that HiQ helped to develop in 2014, at that point with a focus on customer loyalty points and benefits. With the innovative solution, customers pay for refuelling with a few simple taps on their smartphone.

HiQ also helps Volvofinans Bank on their digital journey, through the creation of the new service "CarPay" that gives a full overview of purchases and payments, as well as a new range of benefits. The service simplifies for around one million car owners.

Some of our clients in this segment are Bankgirot, Collector, Fennia, Handelsbanken, LähiTapiola, Nordea, OP Pohjola Group, the S Group, SEB, Swedbank, the Traffic Assurance Association, Varma and Volvofinans Bank.

MEDIA, GAMING AND ENTERTAINMENT

This segment has changed rapidly. Today, we decide for ourselves where, when and how we want to watch TV, gamble or follow the news.

The players in this area are all struggling with the same challenges. Competition is strong and the offer of choices is huge, which sets high demands on interesting content and usability. Those who offer quality content and deliver it through simple and user-friendly platforms will be successful. On top of this, a winning strategy for business and marketing is required in order to reach out.

These challenges are well in line with HiQ's position within technology, people, and business. We use technical know-how in combination with interaction design and user behaviour when working with both experienced and new players. As an example we collaborate with a world-renowned company within the area of toys, experiences and entertainment. We have also worked with gamification and digital learning for several years, an area of which we have only seen the beginning.

Within the gaming sector the Nordic companies are successful in the global market and HiQ works with a number of leading gaming companies. We are also involved in the development of sports betting solutions, for example an award-winning service for horse and harness racing and betting in Finland.

Some of our clients in this segment are Channel 4, DICE, Fintoto, GTECH, King, MTG, MTV 3 Finland, Rovio, Spotify, Sveriges Television, TV4, Utbildningsradion, Veikkaus, and Viaplay.

DEFENCE AND SECURITY

We live in a time in which defence and security are more and more important, and in which also surveillance and external monitoring are included. As the view of the world is uncertain the question of defence is put higher on the agenda – not least is IT security an increasingly important issue for our clients. HiQ's experience in this area is extensive, as it has been since we started in 1995.

For more than 20 years we have worked with developing training and development simulators for JAS – high-tech solutions that have been used for educating and training hundreds of pilots worldwide. Simulation technology is something we can use in other segments as well, for example within the industry sector.

HiQ is also helping the Swedish Defence Materiel Administration (FMV) to simplify tracking of equipment using RFID technology - a collaboration that has won international recognition. The tracking streamlines and provides FMV with better control, which gives positive effects from an economic and environmental perspective.

Some of our clients in this segment are the Swedish Defence Materiel Administration (FMV), the Swedish Armed Forces and SAAB.

RETAIL

Retail has been in the middle of an enormous shift for years. Today, e-commerce represents a large part of our total consumption and is constantly setting new records. It's time to erase the "e" and see everything as commerce, but through various channels and platforms. Shopping online is standard today and we are also purchasing more from companies in other countries. For the players in the Nordics this creates new demands and challenges regarding user experience and the complete customer journey.

HiQ has an extensive understanding of the industry and we supply leading retail chains with services ranging from idea and design to quality assurance. HiQ works within a broad range that includes everything from procurement and logistics systems to tools for marketing and sales. Our expertise within payment solutions is valuable for meeting new demands of simplified buying processes in order to increase conversion.

HiQ is for example helping Suomen Lähikauppa (SLK) in Finland to improve its services to loyalty customers. Thanks to the integration solution that HiQ implements, shoppers receive extensive customer loyalty benefits in SLK's nearly 700 stores around Finland.

Some of our clients in this segment are ICA, Jula, Suomen Lähikauppa, Stockmann and Vianor.

THE GROUP'S DEVELOPMENT

We keep on creating winning results and strengthening our position in the market. The trend from the beginning of the year continues, and all HiQ subsidiaries perform a better second quarter compared to the same period 2015. The demand for digitalisation and IT services continues to be good overall and we work persistently to meet the needs of our clients. We are hiring, growing, and winning new clients and assignments in all market segments in which we operate.

HiQ in Finland delivers a strong second quarter. The company grows in several segments and delivers many successful projects.

In Stockholm, HiQ continues being a leading player with presence in all market segments. The company makes a good quarter and wins new assignments in, for example, the industry sector.

HiQ in Mälardalen, with offices in Västerås and Örebro, delivers a solid second quarter. The company has a clear presence within, for example, industry and defence.

In Gothenburg, HiQ continues being the leading innovation and technology company, with strong presence in many market segments. The company performs a very good second quarter and delivers successfully in its assignments.

In Skåne, HiQ moves from Lund to Malmö during the spring. The company thereby continues its change process, with a focus on broadening the operations and winning new clients in new segments.

HiQ in Östergötland, with business in Linköping and Norrköping, continues to reach good results. The company delivers a strong quarter and has a strong presence within e.g. telecom and automotive.

In Karlskrona, HiQ performs a good result on a market dominated by telecom and shipping, while also continuing to broaden the market mix.

DELIVERY MODELS

HiQ offers a flexible delivery model with the client in focus. We provide specialist expertise for projects on site and also undertake projects at our own facilities and via our near shore office.

We also offer complete teams that are both efficient and successful in creating results. These teams are increasingly being requested.

MARKETING & COMMUNICATIONS

We work actively to strengthen the HiQ brand through marketing, PR and different actions. During the spring, we release the fourth issue of the award-winning HiQ Magazine, in which we dig deeper into the opportunities of digitalisation and talk about simplicity with people who want to make a difference. The latest magazine includes articles about, for example, the jobs of the future, the stars of the digital arena, coding in school, and why UX is so important.

During the second quarter we also finish this year's tour of the Knowledge Bar – HiQ's appreciated event that visits our different sites and gathers clients, employees and other HiQ friends for an evening of knowledge, inspiration,

exciting guests and music. More than 3,000 guests visited this year's Knowledge Bars, in which they had the chance to listen to exciting talks about topics such as Industry 4.0, Big Data, self-driving vehicles, digitalisation in the public sector, and much more. Always with a focus on simplicity and how technology can contribute to a better and more joyful world, of course with a large amount of joy and energy.

FUTURE PROSPECTS

HiQ contributes to the development of modern society, in which digitalisation and a connected lifestyle are rapidly driving the demand for new products, services and business models.

Our expertise and sustained strong financial position allow us to identify opportunities to advance our positions even further in the market segments and areas in which we operate.

HiQ's overall strategy is to be an innovative and leading specialised service company with the core of its operations in the Nordic region.

HiQ's growth strategy is to grow organically and to complement organic growth with strategic acquisitions. HiQ's acquisition strategy aims to strengthen the company's geographical reach by increasing its Nordic presence and we seek to acquire companies that add new areas of expertise to HiQ.

We are convinced that there will be long-term growth in all segments in which HiQ is active. We also believe the future will see a steady rise in the number of industries for which digitalisation and new technology are critical factors for success.

Our strategy is to:

- Help our clients to simplify and contribute to a better world, by using our know-how within the entire chain of technology, people, and business
- Be the leading company in the Nordic region within our industry
- Create value and winning results for our clients, employees, and shareholders
- Be profitable, generate good growth and strong cash flow, and to create good long-term yield

HiQ prioritises quality, profitability and growth – in that order. HiQ does not provide any forecasts.

EMPLOYEES

At the end of the reporting period, HiQ has 1 529 (1 398) employees, of which 1 394 (1 278) were on active duty.

SALES AND PROFIT

HiQ's net sales total SEK 846.9 (782.4) million.

Operating profit (EBIT) is SEK 104.5 (89.6) million, equivalent to a margin of 12.3 (11.5) per cent.

Group net financials for the period total SEK -0.4 (-0.2) million.

Pre-tax profit (PTP) is SEK 104.1 (89.4) million.

INVESTMENTS

Group net investment in fixed assets during the period total SEK 9.3 (4.3) million. SEK 0.8 (0.4) million of this total is invested in new premises, SEK 2.1 (0.3) million in equipment and SEK 6.4 (3.6) million in financial leasing.

FINANCIAL POSITION

Cash flow from operations total SEK 86.4 (83.0) million.

Group liquid assets at 30 June total SEK 149.1 (139.2) million. This is a decrease in liquid assets of SEK 97 million compared to 31 March 2016. The decrease is attributable to the paid out dividend, 6 May of SEK 2.90 per share, in total SEK 156 million. This was done by a split with a mandatory redemption.

Interest-bearing net assets total SEK 117.7 (111.9) million at the end of the reporting period.

Owner's equity at the end of the reporting period total SEK 663.9 (640.3) million, and the equity/assets ratio as a measure of solidity is 66.2 (67.2) per cent.

SHARES

On 30 June 2016 there was a total of 54,153,273 shares in HiQ International AB (publ). This is an increase of 229,000 shares from the number of shares on 1 January 2016. The increase is a result of exercise of outstanding warrants. The proceeds from the issue of shares amounts to SEK 8.8 million.

REDEMPTION OF SHARES

On 22 March 2016 the Annual General Meeting approved a shareholders' dividend of SEK 2.90 per share (totalling

approximately SEK 156 million) in the form of a split and a mandatory redemption programme. Trading in the redemption shares took place from 12 April up to and including 25 April. Payment took place on 6 May 2016. This decision is above HiQ's long-term dividend policy, which states that the long-term dividend level should amount to around 50 per cent of HiQ's profit after tax.

OPTIONS

On 22 March 2016 the Annual General Meeting approved a share warrant programme for HiQ employees.

The programme consists of two series. The first was issued in May and the second is issued in November. Both are available for all employees in Sweden, Finland, and Denmark. In the May series a total of 420,000 warrants were subscribed. In total, a maximum of 1,000,000 warrants could be

Considering previously adopted incentive programmes for employees, including full subscription of this year's program, the total dilution amounts to approximately 4.4 per cent.

PARENT COMPANY

Profit after tax for HiQ International AB (publ) total SEK 41.5 (48.4) million.

On 30 June 2016, the company's interest-bearing net assets total SEK 110.0 (89.3) million, adjusted owner's equity total SEK 394.8 (416.3) million and the equity/assets ratio is 73.2 (79.3) per cent.

Net investments for the period total SEK 0.0 (0.0) million.

ACCOUNTING PRINCIPLES

This interim report is produced in accordance with IAS 34 'Interim Reporting' and the Swedish Annual Accounts Act.

The same accounting principles are used for this report as for the company's most recent annual report with the exception of certain changes in standards (noted in HiQ's annual report for 2015) and interpretations that have since come into effect. These are, however, not considered to have any impact on the consolidated accounts during the reporting period.

For the parent company, the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's RFR 2 are applied.

SIGNIFICANT RISKS AND UNCERTAINTIES

HiQ's operations are influenced by a number of different factors; some of these lie within the company's control, others do not. For a consulting company such as HiQ, operations are affected by various factors including standard operational and commercial risks. Examples of these risks are recruitment, project risks, competition and pressure on prices, development prospects for major clients, bad debts, and the ability to enter into framework agreements. Market-related risks include business cycle risks. Financial risks include currency risks and interest risks.

For a detailed description of significant risks and uncertainties, please see pages 22-23 in the HiQ Annual Report for 2015.

FINANCIAL REPORTS FOR 2016:

Interim report January-September: 19 October 2016

Year-end report January-December: 25 January 2017

FOR FURTHER INFORMATION, PLEASE CONTACT:

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The Board and President of HiQ hereby declare that this interim report provides an accurate picture of the business activities, financial position and earnings of the Parent and the Group, and describes any significant risks and uncertainties faced by the Parent and the companies that form part of the Group.

Stockholm, 11 August 2016

The Board of Directors of HiQ International AB (publ)

Gunnel Duveblad
Chairman of the Board

Ken Gerhardsen
Director

Ulrika Hagdahl
Director

Erik Hallberg
Director

Johanna Fagrell Köhler
Director

Raimo Lind
Director

Lars Stugemo
CEO & President, Director

This report has been subject to scrutiny by the company's auditors.

This information is information that HiQ International AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 07.30 CET on 11 August 2016.

HiQ International Group
Company registration number 556529-3205

Statement of comprehensive income

SEK 000s	Jan-June 2016	Jan-June 2015	April-June 2016	April-June 2015	RTM	2015
Net sales	846 883	782 363	442 754	391 043	1 572 479	1 507 959
Assignment-specific external expenses	-112 749	-96 173	-59 691	-49 489	-210 544	-193 968
Staff costs	-573 396	-549 188	-293 383	-274 016	-1 061 687	-1 037 479
Other external expenses	-50 604	-42 008	-25 346	-21 322	-92 312	-83 716
Depreciation	-5 650	-5 363	-2 903	-2 659	-10 157	-9 870
Operating profit	104 484	89 631	61 431	43 557	197 779	182 926
Finance income	334	117	78	64	528	311
Finance costs	-698	-341	-552	-116	-855	-498
Pre-tax profit	104 120	89 407	60 957	43 505	197 452	182 739
Income tax	-23 267	-19 998	-13 449	-9 772	-43 759	-40 490
Profit for the period attributable to shareholders	80 853	69 409	47 508	33 733	153 693	142 249

Other comprehensive income

Items that may be subsequently reclassified to profit or loss

Exchange differences on translating foreign operations	11 505	-8 042	5 995	-1 980	5 087	-14 460
Other comprehensive income for the period	11 505	-8 042	5 995	-1 980	5 087	-14 460

Profit for the period attributable to shareholders	92 358	61 367	53 503	31 753	158 780	127 789
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Earnings per share attributable to shareholders (based upon profit for the period)

Earnings per share before dilution, SEK	1,50	1,30	0,88	0,63	2,86	2,66
Earnings per share after dilution, SEK	1,49	1,30	0,88	0,63	2,84	2,65
Average number of shares, thousands	53 962	53 219	54 001	53 299	53 816	53 444
Average number of shares, after dilution, thousands	54 211	53 335	54 241	53 499	54 064	53 701

The HiQ International Group
Company registration number 556529-3205

Balance Sheet

SEK 000s	30 June 2016	30 June 2015	31 Dec 2015
ASSETS			
FIXED ASSETS			
Tangible fixed assets	44 841	35 468	41 147
Intangible fixed assets			
Goodwill	340 819	335 807	333 317
Other intangible fixed assets	0	335	0
Financial fixed assets	16 457	17 501	14 283
Total fixed assets	402 117	389 111	388 747
CURRENT ASSETS			
Accounts receivable, trade	307 764	280 287	300 454
Current income tax assets	3 331	10 102	14 619
Other receivables	6 117	8 224	6 781
Prepaid expenses and accrued income	134 453	126 504	111 724
Liquid assets	149 104	139 195	212 414
Total current assets	600 769	564 312	645 992
Total assets	1 002 886	953 423	1 034 739
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Shareholders' equity attributable to shareholders	663 895	640 271	718 018
Total shareholders' equity	663 895	640 271	718 018
Non-current liabilities			
Long-term interest-bearing debt	24 868	21 100	23 853
Deferred tax liabilities	0	35	0
Total non-current liabilities	24 868	21 135	23 853
Current liabilities			
Short-term interest-bearing debt	6 527	6 177	5 198
Accounts payable, trade	56 368	50 522	58 446
Other liabilities	85 340	72 718	86 713
Accrued expenses and prepaid income	165 888	162 600	142 511
Total current liabilities	314 123	292 017	292 868
Total shareholders' equity and liabilities	1 002 886	953 423	1 034 739

HiQ International Group
Company registration number 556529-3205

SEK 000s	Jan-June 2016	Jan-June 2015	April-June 2016	April-June 2015	RTM	2015
Cash flow analysis						
Cash flow before change in operating capital & investments	95 958	81 765	47 569	31 675	171 668	157 475
Change in operating capital	-9 523	1 261	3 516	25 251	-11 193	-409
Cash flow before investments	86 435	83 026	51 085	56 926	160 475	157 066
Cash flow from investments	-2 763	-785	-1 439	-285	-8 817	-6 839
Cash flow after investments	83 672	82 241	49 646	56 641	151 658	150 227
Cash flow from investments activities	-146 982	-123 096	-146 624	-121 752	-141 749	-117 863
Change in liquid assets	-63 310	-40 855	-96 978	-65 111	9 909	32 364
Liquid assets at the start of the period	212 414	180 050	246 082	204 306	139 195	180 050
Liquid assets at the end of the period	149 104	139 195	149 104	139 195	149 104	212 414
Change in shareholders' equity						
Amount at the start of the period	718 018	698 169	600 493	589 622	640 271	698 169
Dividends / redemption	-156 380	-138 161	0	0	-156 380	-138 161
Warrant premiums	1 060	703	1 060	703	1 952	1 595
Share issue conversion of warrants	8 839	18 193	8 839	18 193	19 272	28 626
Total comprehensive income for the period	92 358	61 367	53 503	31 753	158 780	127 789
Amount at the end of the period	663 895	640 271	663 895	640 271	663 895	718 018
Key figures						
Operating profit (EBIT)	104 484	89 631	61 431	43 557	197 779	182 926
Operating margin	12,3%	11,5%	13,9%	11,1%	12,6%	12,1%
Profit margin	12,3%	11,4%	13,8%	11,1%	12,6%	12,1%
Capital employed	695 290	667 548	695 290	667 548	695 290	747 069
Operating capital	546 186	528 353	546 186	528 353	546 186	534 655
Return on operating capital	19,3%	16,7%	13,2%	9,3%	36,8%	33,9%
Return on shareholders' equity	11,7%	10,4%	7,5%	5,5%	23,6%	20,1%
Financial position						
Expensed investments in computers	1 985	1 239	930	494	3 223	2 477
Liquid assets	149 104	139 195	149 104	139 195	149 104	212 414
Interest-bearing net cash	117 709	111 918	117 709	111 918	117 709	183 363
Shareholders' equity	663 895	640 271	663 895	640 271	663 895	718 018
Equity/assets ratio	66,2%	67,2%	66,2%	67,2%	66,2%	69,4%
Employees						
Number of employees at end of period	1 529	1 398	1 529	1 398	1 529	1 415
Number of employees in duty at end of period	1 394	1 278	1 394	1 278	1 394	1 298
Average number of employees	1 337	1 276	1 358	1 277	1 301	1 270
Value added per employee	492	486	253	242	937	929
Turnover per employee	634	613	326	306	1 209	1 187
Operating profit per employee	78	70	45	34	152	144
Share data						
No. of shares at end of period, thousands	54 153	53 618	54 153	53 168	54 153	53 924
Average no. of shares before dilution, thousand	53 962	53 219	54 001	53 299	53 816	53 444
Average no. of shares after dilution, thousand	54 211	53 335	54 241	53 499	54 064	53 701
Profit per share before dilution, SEK	1,50	1,30	0,88	0,63	2,86	2,66
Profit per share after dilution, SEK	1,49	1,30	0,88	0,63	2,84	2,65
Shareholders' Equity per share, SEK	12,26	11,94	12,26	11,94	12,26	13,32

HiQ International Group

Company registration number 556529-3205

Segment reporting

	Jan - June 2016			
	Sweden	Finland	Group and elim	Group
Net sales from external clients	698 118	148 765		846 883
Net sales from other segments	0	348	-348	0
Net sales	698 118	149 113	-348	846 883
Operating profit	83 961	25 779	-5 256	104 484
<i>Operating margin %</i>	12,0%	17,3%		12,3%
Financial net				-364
Profit before tax				104 120
Assets*	739 500	280 690	-17 304	1 002 886
	Jan - June 2015			
	Sweden	Finland	Group and elim	Group
Net sales from external clients	651 668	130 695		782 363
Net sales from other segments	719	333	-1 052	0
Net sales	652 387	131 028	-1 052	782 363
Operating profit	72 109	24 520	-6 998	89 631
<i>Operating margin %</i>	11,1%	18,7%		11,5%
Financial net				-224
Profit before tax				89 407
Assets*	651 607	294 123	7 693	953 423
	April - June 2016			
	Sweden	Finland	Group and elim	Group
Net sales from external clients	364 241	78 513		442 754
Net sales from other segments	0	348	-348	0
Net sales	364 241	78 861	-348	442 754
Operating profit	47 313	15 587	-1 469	61 431
<i>Operating margin %</i>	13,0%	19,8%		13,9%
Financial net				-474
Profit before tax				60 957
Assets*	739 500	280 690	-17 304	1 002 886
	April - June 2015			
	Sweden	Finland	Group and elim	Group
Net sales from external clients	325 171	65 872		391 043
Net sales from other segments	719	333	-1 052	0
Net sales	325 890	66 205	-1 052	391 043
Operating profit	32 710	13 114	-2 267	43 557
<i>Operating margin %</i>	10,0%	19,8%		11,1%
Financial net				-52
Profit before tax				43 505
Assets*	651 607	294 123	7 693	953 423

* Assets per segment consists of assets used in the daily operations and that could be allocated to a specific segment. This means that tangible fixed assets and current assets are included. Financial assets have not been allocated to specific segments.

HiQ International AB, Parent Company
Company registration number 556529-3205

Income Statement

SEK 000s	Jan-June 2016	Jan-June 2015	RTM	2015
Net sales	21 806	16 294	39 161	33 649
Assignment-specific external expenses	-533	-727	-950	-1 144
Other external expenses	-14 846	-11 479	-25 099	-21 732
Staff costs	-11 527	-13 089	-21 262	-22 824
Depreciation and write-downs	-288	-294	-577	-583
Operating profit	-5 388	-9 295	-8 727	-12 634
Profit from shares in Group companies	45 900	55 304	141 900	151 304
Finance income	241	900	452	1 111
Finance costs	-550	-401	-785	-636
Pre-tax profit	40 203	46 508	132 840	139 145
Income tax	1 243	1 918	-19 177	-18 502
Profit for the period	41 446	48 426	113 663	120 643
Profit for the period attributable to shareholders	41 446	48 426	113 663	120 643

Balance Sheet

SEK 000s	30 June 2016	30 June 2015	31 Dec 2015
ASSETS			
FIXED ASSEST			
Tangible fixed assets	286	863	574
Financial fixed assets	407 724	408 318	406 481
Total fixed assets	408 010	409 181	407 055
CURRENT ASSETS			
Accounts receivable, trade	88	306	613
Receivables-Group companies	4 787	4 011	13 054
Current income tax assets	9 757	16 802	502
Other receivables	1 430	1 688	1 703
Prepaid expenses and accrued income	4 869	3 616	3 485
Liquid assets	110 041	89 254	136 565
Total current assets	130 972	115 677	155 922
Total assets	538 982	524 858	562 977
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Total restricted equity	46 835	46 781	46 812
Total non-restricted equity	347 950	369 537	453 047
Total shareholders' equity	394 785	416 318	499 859
Current liabilities			
Accounts payable, trade	3 207	1 291	1 432
Liabilities - Group companies	131 868	96 085	50 380
Other liabilities	648	739	1 118
Accrued expenses and prepaid income	8 474	10 425	10 188
Total current liabilities	144 197	108 540	63 118
Total shareholders' equity and liabilities	538 982	524 858	562 977

ALTERNATIVE KEY RATIOS

HiQ uses a number of alternative key ratios in order to convey a fair picture of HiQ's results and financial position. Below are definitions of the alternative key ratios used. The numbers written within brackets are a calculation of the key ratio for the period January – June 2016.

Operating margin: Operating profit/loss for the period, in relation to net sales for the period (104 484 / 846 883 = 12.3%)

Profit margin: Pre-tax profit of the period, in relation to net sales for the period (104 120 / 846 883 = 12.3%)

Net interest income: Financial income, less financial costs (334 – 698 = -364)

Interest bearing net funds: Liquid assets, less interest bearing debts (at the end of the period) (149 104 – 24 868 – 6 527 = 117,709)

Equity/assets ratio: Shareholders' equity as a percentage of total assets (at the end of the period) (663 895 / 1 002 886 = 66.2%)

Capital employed: Equity and interest bearing debt (at the end of the period) (663 895 + 24 868 + 6 527 = 695 290)

Operating capital: Capital employed, less liquid assets (695 290 – 149 104 = 546 186)

Return on operating capital: Operating profit/loss in relation to average operating capital (104 484 / ((546 186 + 534 655)/2) = 19.3%)

Net sales per employee: Net sales in relation to average number of employees (846 883 / 1 337 = 634)

Added value per employee: Operating profit/loss plus salaries and salary related expenses, in relation to average number of employees ((104 484 + 553 211) / 1337 = 492)

Operating profit per employee: Operating profit/loss in relation to average number of employees (104 484 / 1 337 = 78)

Equity/share: Shareholders' equity in relation to total number of outstanding shares (at the end of the period) (663 895 / 54 153 = 12.26)



Report of Review of Interim Financial Information

Introduction

We have reviewed this report of HiQ International AB (publ) (corp ID 556529-3205) as of June 30, 2016 and the six-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34, IFRS and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

The scope of the review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing practises. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance expressed based on an audit.

Conclusion

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

Stockholm August 11, 2016

PricewaterhouseCoopers AB

Nicklas Kullberg
Authorised Public Accountant