

CONTINUED GROWTH WITH STRONG PROFITABILITY

JANUARY – SEPTEMBER 2016

- Net sales total SEK 1,199.0 (1,098.9) million
- Operating profit (EBIT) is SEK 151.4 (128.3) million, equivalent to an operating margin of 12.6 per cent
- Pre-tax profit of SEK 151.0 (128.1) million
- Profit after tax of SEK 117.6 (99.6) million
- Earnings per share of SEK 2.17 (1.87)
- Cash flow from operations of SEK 102.1 (97.8) million
- Liquid assets of SEK 159.4 million

JULY – SEPTEMBER 2016

- Net sales total SEK 352.1 (316.6) million
- Operating profit (EBIT) is SEK 46.9 (38.7) million, equivalent to an operating margin of 13.3 per cent
- Pre-tax profit of SEK 46.8 (38.7) million
- Profit after tax of SEK 36.7 (30.1) million
- Earnings per share of SEK 0.68 (0.56)
- Cash flow from operations of SEK 15.7 (14.7) million

EVENTS DURING THE THIRD QUARTER

- HiQ acquires Great Apes Oy, a digital design- and development agency in Helsinki. The company employs 15 specialists and the acquisition strengthens HiQ's overall offer and position.
- HiQ helps the Finnish electricity company Elenia to offer renewed and even better service to its 417,000 customers.
- HiQ is responsible for the new communications concept for the Match Cup Sweden sailing competition at Marstrand in July – yet another step in a successful collaboration.
- HiQ and Volvofinans Bank are nominated in the Swedish Design Awards for CarPay – the successful service that moves the Volvo card into your mobile, and that reached over 120,000 users already in its first five months.
- HiQ is nominated in the Swedish Publishing Awards together with the municipality of Kungälv, in the "Public sector sites" category. The nominee list for the category also includes the municipality of Enköping's new communications platform, also developed by HiQ.
- HiQ's publication HiQ Magazine is nominated in both the Swedish Design Awards and the Swedish Publishing Awards - for the fourth year in a row.

EVENTS AFTER THE END OF THE PERIOD

- HiQ develops a communications platform for Secure Our Oceans – an initiative created to protect the oceans. HiQ's work helps to visualise the initiative and create global publicity.

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 19 October 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 more than 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, setting records, and creating winning results. The third quarter is summarized with a record in both net sales and number of employees; we are now 1,542 at HiQ. Net sales increase with 11 per cent to SEK 352.1 million, our highest ever in a third quarter. Our financial position is strong, with a cash flow of SEK 102.1 million during the first nine months, and liquid assets of SEK 159.4 million. During the quarter we acquire Great Apes Oy in Finland, a design- and digital agency with 15 specialists within areas such as concept development and UX.

Technology should be used to create a simpler everyday life for people, and thereby a better and more joyful world. During all of 2016, it has been evident how that driving force and HiQ's wide offer is more relevant than ever. In the creation of modern society, the IT industry will be the driving facilitator. We at HiQ are proud to be at the forefront of that development, together with brave and forward-thinking clients.

Today everyone is talking about the possibilities and challenges with digitalisation. New value chains and behaviours are affecting all businesses, regardless of industry. Because of this, HiQ's broadening is also visible in our client base – we have never been as large in as many industries as we are now. In the Nordics we are a leading partner within both the automotive industry and the financial sector, to mention just a couple areas in which millions of people are using services developed by HiQ. Our range is an advantage for us and for our clients, not least as major players are increasingly collaborating over industry borders, and as product companies are becoming service companies, which requires new competence and innovation ability.

Digitalisation is entering more and more areas, which creates an increased need for expertise and experience within the entire chain from idea to complete solution. We at HiQ have that know-how. We master the entire spectra from concept and design, via user experience and technical realisation, on to launch and further development. We receive proof of this when we are nominated in both the Swedish Design Awards and the Swedish Publishing Awards together with our clients – for the mobile service CarPay and the new communications platforms for the municipalities of Kungälv and Enköping.

We also work with several assignments that are connected to the development of smart and sustainable cities, in which domains such as self-driving cars and more efficient energy consumption are in focus. During the year we are, for example, helping the Finnish electricity company Elenia to offer increased operational reliability and improved service to its approximately 400,000 customers. Being able to follow one's energy consumption on an hourly basis, creates vast advantages for both the individual and the environment.

The common denominator in everything we do is to create value for the user and customer, which is an important reason as to why HiQ continues to grow strongly in the public sector and within healthcare. These are areas 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. We work with authorities and leading players in both Sweden and Finland when we create successful services that have an emphasis on accessibility and simplicity.

The fact that we at HiQ continue creating strong results has a simple explanation: every great employee in this company works hard every day to create value for our clients and for our clients' customers. Results, responsibility, simplicity, and joy are our values that are with us in everything we do, every day. We are now more employees than ever at HiQ and I see this as proof that we enjoy our work. When I recently met the majority of our employees during a group activity, it made me proud and happy that so many driven, skilled, and great people want to be a part of building and developing HiQ.

A few years back I got the question "Where will HiQ be in three years?" I answered jokingly that I didn't have a clue, but that we will as usual have done a lot of exciting and good things, and that we will be bigger, better, and more relevant for our clients and our employees. And that's the way it is. To predict exactly what will happen is impossible, but we know that the opportunities are endless. We believe in the future and we believe in simplicity. With strong finances and the best employees in the business we look forward to continue 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

News published during the third quarter:

- HiQ acquires Great Apes Oy, a digital design- and development agency in Helsinki, Finland. The company has 15 specialists in areas such as service design, concept development, and UX, and the acquisition makes HiQ's position even stronger and more relevant. Great Apes has a strong client base and it's also one of the most internationally awarded digital agencies in Finland.
- The successful service CarPay is nominated in the prestigious Swedish Design Awards in the "Identity – digital" category. The innovative service moves the Volvo card into your mobile and is developed by HiQ together with Volvofinans Bank. At the time of launch in April, a target was set to reach 120,000 users by the end of the year. That number was reached already in August.
- Elenia has 417,000 customers in an area spanning over around 100 municipalities in Finland. An integration partnership with HiQ helps the electricity company to offer renewed and even better service to its customers, as well as operational reliability.

Elenia builds power grids and information systems into a single smart grid and enables customers to receive information about their energy consumption on hourly, daily, and monthly basis.

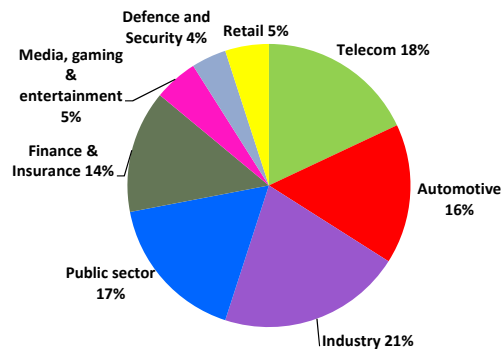
- HiQ has delivered many successful projects within digital communication, out of which several in the municipality sector. In September, two of these are nominated in the Swedish Publishing Awards in the category "Public sector sites"; [enkoping.se](#) for the municipality of Enköping and [kungalv.se](#) for the municipality of Kungälv. The keywords in the latter project were re-thinking, courage, and creativity, and one of the changes is that the old web site's 15 000 pages have shrunk to 800 pages in the new solution.
- 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 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.
- For the fourth year in a row, the HiQ Magazine is nominated in both the Swedish Design Awards (Editorial – Customer magazine – Print) and the Swedish Publishing Awards (Customer magazines B2B). The magazine won both awards in 2015, back then in combination with the HiQ Annual Report. The nominations are proof that HiQ continues to create winning communication that pushes the limits.

Events after the end of the period:

- Our oceans are a source of food and livelihood for more than one billion people. At the same time, 90 per cent of the world's fisheries are overfished due to illegal fishing. The Secure Our Oceans initiative helps decision makers worldwide to find the right technology for safeguarding marine protected areas. To make the initiative accessible and create global exposure, the initiator has chosen to work with HiQ in the creation of a new communications platform. HiQ's work within design and development has already contributed to creating results for the initiative, in the form of collaborations with authorities as well as new pilot projects.

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.

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 companies' demand to be more cost-efficient and to identify new offers – all with the aim to stay competitive.

As everything is becoming connected there is also a lot of talk about Industry 4.0 and the potential 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. As an example, we work with DEKRA Industrial in the creation of digital tools, simplified processes and smart connections to other systems. The aim is to strengthen the inspection company's business and to give the employees' a simpler work life.

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, Elenia, Finnair, Jeppesen Systems, Kuusakoski, and SAS.

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.

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, with maintained confidentiality. 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. During the third quarter we continue to strengthen our position within healthcare, using strategy and technology to simplify for both patients and healthcare providers.

Some of our clients are Diacor, Enköping municipality, 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, and the Finnish customs.

AUTOMOTIVE

Vehicles and their components are nowadays connected and communicating with each other. The car is more than simply a means of transportation; it's more and more about related services, such as Volvo's In-car Delivery that enables delivery of goods directly to your car. All in all we see that technology simplifies for people, contributes to environmentally friendlier vehicles, and increases safety on our roads.

The innovative power is strong in this segment 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. In this development, 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 – with safety and user experience as key factors. The other concept uses "mixed reality" to take 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.

FINANCE AND INSURANCE

Today, we take for granted that we can manage our bank errands easily, quickly and securely – preferably 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, both in Sweden and in Finland.

We are, for example, helping the Finnish S-Bank to simplify everyday life for its 2.9 million customers. HiQ is in charge of technology when the S-Bank together with the ABC group create a new solution for paying for 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 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 and also wins a nomination in the Swedish Design Awards during the year.

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 design and user behaviour when collaborating with both experienced and new players. As an example we are working with a world-renowned company within the area of toys, experiences, and entertainment. HiQ has also worked with gamification and digital learning for several years, an area of which we have only seen the beginning.

The Nordic companies are successful in the global market of betting and gaming, and HiQ works with a number of leading companies in this exciting industry.

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.

RETAIL

Retail today is something completely different than it was ten years ago. 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, through various channels and platforms. Shopping online is standard 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.

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.

THE GROUP'S DEVELOPMENT

At HiQ we keep on creating winning results and strengthening our position in the market. The positive trend from the beginning of the year continues, and all subsidiaries employ many new HiQ'ers and win new assignments during the quarter. The demand for digitalisation and IT services continues to be strong 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 third quarter. The company continues to grow and delivers many successful projects. In Finland, HiQ also acquires the design- and digital agency Great Apes during the quarter.

In Stockholm, HiQ continues being a leading player with presence in all market segments. The company performs

a good quarter and wins new assignments in, for example, the industry segment and healthcare sector.

HiQ in Mälardalen, with offices in Västerås and Örebro, delivers a solid third quarter. The company has a clear presence within, for example, industry and defence, and also broadens its digital business within the public sector.

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

In Skåne, HiQ has moved from Lund to Malmö during the year. The company continues to grow, broaden the operations, and win new clients in new segments.

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

In Karlskrona, HiQ performs a strong result in 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

HiQ works actively to strengthen the brand through marketing, PR, and different activities.

During the year, the fourth issue of the award-winning HiQ Magazine is released, in which we dig deeper into the potential 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 third quarter the HiQ Magazine is nominated in both the Swedish Design Awards and the Swedish Publishing Awards. It makes us

proud to be recognized for our ambition to push the limits regarding winning communication.

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 1 542 (1 387) employees, of which 1 433 (1 289) are on active duty.

SALES AND PROFIT

HiQ's net sales total SEK 1,199.0 (1,098.9) million.

Operating profit (EBIT) is SEK 151.4 (128.3) million, equivalent to a margin of 12.6 (11.7) per cent.

Group net financials for the period total SEK -0.4 (-0.3) million.

Pre-tax profit (PTP) is SEK 151.0 (128.1) million.

INVESTMENTS

Group net investment in fixed assets during the period total SEK 10.9 (5.5) million. SEK 1.4 (0.5) million of this total is invested in new premises, SEK 3.3 (0.5) million in equipment and SEK 6.2 (4.5) million in financial leasing.

FINANCIAL POSITION

Cash flow from operations total SEK 102.1 (97.8) million.

Group liquid assets at 30 September total SEK 159.4 (153.2) million. This is a decrease in liquid assets of SEK 53 million compared to 31 December 2015. 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 129.6 (126.2) million at the end of the reporting period.

Owner's equity at the end of the reporting period total SEK 723.5 (675.9) million, and the equity/assets ratio as a measure of solidity is 71.4 (71.4) per cent.

SHARES

On 30 September 2016 there was a total of 54,411,105 shares in HiQ International AB (publ). This is an increase of 486,832 shares from the number of shares on 1 January 2016. The increase is a result of exercise of outstanding warrants and in connection with the acquisition of Great Apes Oy.

ACQUISITIONS

In September, HiQ acquired Great Apes Oy in Helsinki, with around 15 employees. The acquisition price was paid in 257,832 newly issued HiQ shares, resulting in dilution of 0.5 per cent.

The book value of the shares amounts to SEK 20.3 million, (including estimated additional purchase sum). For the Group, goodwill amounts to SEK 16.7 million and acquired

client relations to SEK 3.3 million. The acquisition analysis is preliminary.

Assuming that Great Apes reaches certain set profitability goals, an additional purchase sum amounting to a maximum total of EUR 0.6 million will be paid during 2017 and 2018.

The company was consolidated from 1 September 2016.

Goodwill arising from the acquisition is mainly due to the companies' good earning capacity and strong market position.

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 can be subscribed during the year.

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 36.9 (46.3) million.

On 30 September 2016, the company's interest-bearing net assets total SEK 115.8 (96.8) million, adjusted owner's equity total SEK 404.7 (414.2) million and the equity/assets ratio is 70.3 (76.8) 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.

ANNUAL GENERAL MEETING

Annual General Meeting for 2016 will take place on 22 March 2017 at 10.00 (CET) at the company's offices, in accordance with a decision by the Board of HiQ International AB. Notice of the AGM will be published on the company website and in Post & Inrikes Tidningar no later than four weeks before this date and will also be advertised in Swedish newspaper Svenska Dagbladet.

In accordance with the decision of HiQ's Annual General Meeting on 22 March 2016, a nominating committee has been appointed consisting of Maria Rengefors, Nordea funds, Joachim Spetz, Swedbank Robur Fonder and Johan Strandberg, SEB Investment Management. Chair of the committee is Maria Rengefors. The Committee has also appointed the chair of HiQ Gunnel Duveblad as a member of the nominating committee.

Shareholders wishing to submit proposals to the nominating committee can do so by e-mail to valberedning@hiq.se or by mail to HiQ International's headquarters in Stockholm, address:

The Nominating Committee
HiQ International AB
Box 7421
SE-103 91 Stockholm
Sweden

Proposals are to be submitted by 31 January 2017.

FINANCIAL REPORTS FOR 2016/2017

Year-end report January-December 2016: 31 January 2017 (Please note the new date for the Year-end report.)
Interim report January-March 2017: 25 April 2017
Interim report January-June 2017: 18 July 2017
Interim report January-September 2017: 26 October 2017

FOR FURTHER INFORMATION, PLEASE CONTACT:

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Stockholm, 19 October 2016

The Board of HiQ International AB (publ)

This report has not 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 19 October 2016.

HiQ International Group
Company registration number 556529-3205

Statement of comprehensive income

SEK 000s	Jan-Sep 2016	Jan-Sep 2015	July-Sep 2016	July-Sep 2015	RTM	2015
Net sales	1 198 974	1 098 946	352 091	316 583	1 607 987	1 507 959
Assignment-specific external expenses	-160 053	-138 255	-47 304	-42 082	-215 766	-193 968
Staff costs	-806 747	-763 252	-233 351	-214 064	-1 080 974	-1 037 479
Other external expenses	-72 395	-61 366	-21 791	-19 358	-94 745	-83 716
Depreciation	-8 405	-7 730	-2 755	-2 367	-10 545	-9 870
Operating profit	151 374	128 343	46 890	38 712	205 957	182 926
Finance income	399	133	65	16	577	311
Finance costs	-817	-406	-119	-65	-909	-498
Pre-tax profit	150 956	128 070	46 836	38 663	205 625	182 739
Income tax	-33 372	-28 517	-10 105	-8 519	-45 345	-40 490
Profit for the period attributable to shareholders	117 584	99 553	36 731	30 144	160 280	142 249

Other comprehensive income

Items that may be subsequently reclassified to profit or loss

Exchange differences on translating foreign operations	20 042	-2 599	8 537	5 443	8 181	-14 460
Other comprehensive income for the period	20 042	-2 599	8 537	5 443	8 181	-14 460
Profit for the period attributable to shareholders	137 626	96 954	45 268	35 587	168 461	127 789

Earnings per share attributable to shareholders (based upon profit for the period)

Earnings per share before dilution, SEK	2,17	1,87	0,68	0,56	2,97	2,66
Earnings per share after dilution, SEK	2,16	1,86	0,67	0,56	2,95	2,65
Average number of shares, thousands	54 182	53 352	54 239	53 618	53 971	53 444
Average number of shares, after dilution, thousands	54 473	53 581	54 606	53 844	54 244	53 701

The HiQ International Group
Company registration number 556529-3205

Balance Sheet

SEK 000s	30 Sep 2016	30 Sep 2015	31 Dec 2015
ASSETS			
FIXED ASSETS			
Tangible fixed assets	43 734	34 500	41 147
Intangible fixed assets			
Goodwill	362 460	340 242	333 317
Other intangible fixed assets	3 325	108	0
Financial fixed assets	18 584	18 802	14 283
Total fixed assets	428 103	393 652	388 747
CURRENT ASSETS			
Accounts receivable, trade	244 533	234 492	300 454
Current income tax assets	6 926	15 354	14 619
Other receivables	6 896	8 277	6 781
Prepaid expenses and accrued income	167 425	141 813	111 724
Liquid assets	159 373	153 230	212 414
Total current assets	585 153	553 166	645 992
Total assets	1 013 256	946 818	1 034 739
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Shareholders' equity attributable to shareholders	723 537	675 858	718 018
Total shareholders' equity	723 537	675 858	718 018
Non-current liabilities			
Long-term interest-bearing debt	23 451	21 367	23 853
Deferred tax liabilities	419	24	0
Total non-current liabilities	23 870	21 391	23 853
Current liabilities			
Short-term interest-bearing debt	6 313	5 702	5 198
Accounts payable, trade	52 534	44 829	58 446
Other liabilities	75 460	70 184	86 713
Accrued expenses and prepaid income	131 542	128 854	142 511
Total current liabilities	265 849	249 569	292 868
Total shareholders' equity and liabilities	1 013 256	946 818	1 034 739

HiQ International Group

Company registration number 556529-3205

SEK 000s	Jan-Sep 2016	Jan-Sep 2015	July-Sep 2016	July-Sep 2015	RTM	2015
Cash flow analysis						
Cash flow before change in operating capital & investments	124 225	107 895	28 267	26 130	173 805	157 475
Change in operating capital	-22 115	-10 127	-12 592	-11 388	-12 397	-409
Cash flow before investments	102 110	97 768	15 675	14 742	161 408	157 066
Cash flow from investments	-3 790	-952	-1 027	-167	-9 677	-6 839
Cash flow after investments	98 320	96 816	14 648	14 575	151 731	150 227
Cash flow from investments activities	-151 361	-123 636	-4 379	-540	-145 588	-117 863
Change in liquid assets	-53 041	-26 820	10 269	14 035	6 143	32 364
Liquid assets at the start of the period	212 414	180 050	149 104	139 195	153 230	180 050
Liquid assets at the end of the period	159 373	153 230	159 373	153 230	159 373	212 414
Change in shareholders' equity						
Amount at the start of the period	718 018	698 169	663 895	640 271	675 858	698 169
Dividends / redemption	-156 380	-138 161	0	0	-156 380	-138 161
Warrant premiums	1 060	703	0	0	1 952	1 595
Share issue conversion of warrants	8 839	18 193	0	0	19 272	28 626
New share issue in connection with acquisition	14 374	0	14 374	0	14 374	0
Total comprehensive income for the period	137 626	96 954	45 268	35 587	168 461	127 789
Amount at the end of the period	723 537	675 858	723 537	675 858	723 537	718 018
Key figures						
Operating profit (EBIT)	151 374	128 343	46 890	38 712	205 957	182 926
Operating margin	12,6%	11,7%	13,3%	12,2%	12,8%	12,1%
Profit margin	12,6%	11,7%	13,3%	12,2%	12,8%	12,1%
Capital employed	753 301	702 927	753 301	702 927	753 301	747 069
Operating capital	593 928	549 697	593 928	549 697	593 928	534 655
Return on operating capital	26,8%	23,4%	8,2%	7,2%	36,0%	33,9%
Return on shareholders' equity	16,3%	14,5%	5,3%	4,6%	22,9%	20,1%
Financial position						
Expensed investments in computers	2 857	1 799	872	560	3 535	2 477
Liquid assets	159 373	153 230	159 373	153 230	159 373	212 414
Interest-bearing net cash	129 609	126 161	129 609	126 161	129 609	183 363
Shareholders' equity	723 537	675 858	723 537	675 858	723 537	718 018
Equity/assets ratio	71,4%	71,4%	71,4%	71,4%	71,4%	69,4%
Employees						
Number of employees at end of period	1 542	1 387	1 542	1 387	1 542	1 415
Number of employees in duty at end of period	1 433	1 289	1 433	1 289	1 433	1 298
Average number of employees	1 343	1 266	1 357	1 246	1 328	1 270
Value added per employee	694	684	202	198	938	929
Turnover per employee	893	868	260	254	1 211	1 187
Operating profit per employee	113	101	35	31	155	144
Share data						
No. of shares at end of period, thousands	54 411	53 618	54 411	53 618	54 411	53 924
Average no. of shares before dilution, thousand	54 182	53 352	54 239	53 618	53 971	53 444
Average no. of shares after dilution, thousand	54 473	53 581	54 606	53 844	54 244	53 701
Profit per share before dilution, SEK	2,17	1,87	0,68	0,56	2,97	2,66
Profit per share after dilution, SEK	2,16	1,86	0,67	0,56	2,95	2,65
Shareholders' Equity per share, SEK	13,30	12,61	13,30	12,61	13,30	13,32

HiQ International Group

Company registration number 556529-3205

Segment reporting

	Jan - Sep 2016			
	Sweden	Finland	Group and elim	Group
Net sales from external clients	983 572	215 402		1 198 974
Net sales from other segments		454	-454	0
Net sales	983 572	215 856	-454	1 198 974
Operating profit	123 289	39 106	-11 021	151 374
Operating margin %	12,5%	18,1%		12,6%
Financial net				-418
Profit before tax				150 956
Assets*	694 488	330 364	-11 596	1 013 256
	Jan - Sep 2015			
	Sweden	Finland	Group and elim	Group
Net sales from external clients	909 415	189 531		1 098 946
Net sales from other segments	802	337	-1 139	0
Net sales	910 217	189 868	-1 139	1 098 946
Operating profit	103 390	36 271	-11 318	128 343
Operating margin %	11,4%	19,1%		11,7%
Financial net				-273
Profit before tax				128 070
Assets*	632 380	306 846	7 592	946 818
	July - Sep 2016			
	Sweden	Finland	Group and elim	Group
Net sales from external clients	285 454	66 637		352 091
Net sales from other segments	0	106	-106	0
Net sales	285 454	66 743	-106	352 091
Operating profit	39 328	13 327	-5 765	46 890
Operating margin %	13,8%	20,0%		13,3%
Financial net				-54
Profit before tax				46 836
Assets*	694 488	330 364	-11 596	1 013 256
	July - Sep 2015			
	Sweden	Finland	Group and elim	Group
Net sales from external clients	257 747	58 836		316 583
Net sales from other segments	83	4	-87	0
Net sales	257 830	58 840	-87	316 583
Operating profit	31 281	11 751	-4 320	38 712
Operating margin %	12,1%	20,0%		12,2%
Financial net				-49
Profit before tax				38 663
Assets*	632 380	306 846	7 592	946 818

* 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-Sep 2016	Jan-Sep 2015	RTM	2015
Net sales	29 813	23 666	39 796	33 649
Assignment-specific external expenses	-2 643	-893	-2 894	-1 144
Other external expenses	-20 969	-16 262	-26 439	-21 732
Staff costs	-17 063	-18 251	-21 636	-22 824
Depreciation and write-downs	-348	-439	-492	-583
Operating profit	-11 210	-12 179	-11 665	-12 634
Profit from shares in Group companies	45 922	55 304	141 922	151 304
Finance income	336	1 058	389	1 111
Finance costs	-604	-417	-823	-636
Pre-tax profit	34 444	43 766	129 823	139 145
Income tax	2 500	2 519	-18 521	-18 502
Profit for the period	36 944	46 285	111 302	120 643
Profit for the period attributable to shareholders	36 944	46 285	111 302	120 643

Balance Sheet

SEK 000s	30 Sep 2016	30 Sep 2015	31 Dec 2015
ASSETS			
FIXED ASSEST			
Tangible fixed assets	226	718	574
Financial fixed assets	429 286	408 919	406 481
Total fixed assets	429 512	409 637	407 055
CURRENT ASSETS			
Accounts receivable, trade	1437	921	613
Receivables-Group companies	3 815	3 915	13 054
Current income tax assets	14 808	22 705	502
Other receivables	1 726	1 192	1 703
Prepaid expenses and accrued income	8 698	3 803	3 485
Liquid assets	115 827	96 813	136 565
Total current assets	146 311	129 349	155 922
Total assets	575 823	538 986	562 977
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Total restricted equity	46 861	46 781	46 812
Total non-restricted equity	357 796	367 395	453 047
Total shareholders' equity	404 657	414 176	499 859
Current liabilities			
Accounts payable, trade	4 282	1 343	1 432
Liabilities - Group companies	149 349	110 821	50 380
Other liabilities	6 330	616	1 118
Accrued expenses and prepaid income	11 205	12 030	10 188
Total current liabilities	171 166	124 810	63 118
Total shareholders' equity and liabilities	575 823	538 986	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 – September 2016.

Operating margin: Operating profit/loss for the period, in relation to net sales for the period (151 374 / 1 198 974 = 12.6%)

Profit margin: Pre-tax profit of the period, in relation to net sales for the period (150 956 / 1 198 974 = 12.6%)

Net interest income: Financial income, less financial costs (399 – 817 = -418)

Interest bearing net funds: Liquid assets, less interest bearing debts (at the end of the period) (159 373 – 23 451 – 6 313 = 129,609)

Equity/assets ratio: Shareholders' equity as a percentage of total assets (at the end of the period) (723 537 / 1 013 256 = 71.4%)

Capital employed: Equity and interest bearing debt (at the end of the period) (723 537 + 23 451 + 6 313 = 753 301)

Operating capital: Capital employed, less liquid assets (753 301 – 159 373 = 593 928)

Return on operating capital: Operating profit/loss in relation to average operating capital (151 374 / ((593 928 + 534 655)/2) = 26.8%)

Net sales per employee: Net sales in relation to average number of employees (1 198 974 / 1 343 = 893)

Added value per employee: Operating profit/loss plus salaries and salary related expenses, in relation to average number of employees ((151 374 + 780 652) / 1343 = 694)

Operating profit per employee: Operating profit/loss in relation to average number of employees (151 374 / 1 343 = 113)

Equity/share: Shareholders' equity in relation to total number of outstanding shares (at the end of the period) (723 537 / 54 411 = 13.30)