

HiQ – BEST SO FAR

JANUARY – DECEMBER 2017

- Net sales total SEK 1 787.9 (1 659.4) million, an increase with 7.7 per cent
- Operating profit (EBIT) is SEK 214.4 (207.9) million, equivalent to an operating margin of 12.0 per cent
- Pre-tax profit of SEK 213.5 (207.4) million
- Profit after tax of SEK 165.3 (161.4) million
- Earnings per share of SEK 3.00 (2.97)
- Cash flow from operations of SEK 164.1 (131.7) million
- Liquid assets of SEK 205.1 million
- The Board proposes to the Annual General Meeting that a dividend of SEK 3.30 per share to be distributed to the shareholders, totalling 183.0 million

OCTOBER – DECEMBER 2017

- Net sales total SEK 494.7 (460.5) million, an increase with 7.4 per cent
- Operating profit (EBIT) is SEK 62.4 (56.5) million, equivalent to an operating margin of 12.6 per cent
- Pre-tax profit of SEK 62.3 (56.5) million
- Profit after tax of SEK 48.2 (43.8) million
- Earnings per share of SEK 0.87 (0.80)
- Cash flow from operations of SEK 51.4 (29.6) million

SIGNIFICANT EVENTS DURING THE YEAR

- HiQ signs framework agreement with one of the biggest banks in Scandinavia
- HiQ develops a new loyalty portal for Circle K
- HiQ helps Wärtsilä develop a new global intranet
- HiQ becomes game development partner for state-owned Finnish gaming company Veikkaus
- HiQ expands its cooperation with Eltel and establishes a new unit in Gdansk, Poland
- HiQ becomes a digital partner to infrastructure and construction services provider Destia
- HiQ's integration platform FREENDS is chosen by Finnish S-Bank
- HiQ is appointed digital partner to Awapatent
- HiQ becomes strategic partner to bank- and insurance group Skandia
- HiQ signs framework agreement with Zenuity for development of systems for autonomous cars

ACQUISITIONS

- HiQ strengthens its position in web and digital development with the acquisition of Presis in Skåne

AWARDS

- HiQ and the city of Enköping win the award "Best municipality web of the year"
- HiQ's team from Great Apes in Helsinki win prizes in Red Dot Awards, Vuoden Huiput and European Design Awards

SIGNIFICANT EVENTS AFTER THE FOURTH QUARTER

- HiQ creates unique restaurant experience at LEGO House in Billund, Denmark
- HiQ develops a prototype for a fully mobile digital driving licence for the Finnish Road Safety Council
- HiQ is assigned as communication agency for Swedish Royal Opera
- Johanna Fagrell Köhler resigns from HiQ's Board of Directors

This information is information that HiQ International AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out, at 07.30 CET on 30 January 2018.

HiQ helps to make the world a better place by making people's lives simpler through technology, design 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 1,600 specialists in six countries and is listed on the Nasdaq Stockholm Mid Cap List. For more information and inspiration, visit www.hiq.se

PRESIDENT'S STATEMENT

Net sales in 2017 increase by 7.7 per cent to SEK 1,787.9 (1,659.4) million. Operating profit is SEK 214.4 (207.9) million. Cash flow amounts to SEK 164.1 million. Our financial position is strong with SEK 205.1 in liquid assets.

Four record quarters in a row sums up to a very strong 2017 for HiQ – in fact the best year so far. Net sales have never been higher, our profit has never been higher, and we have never had more skilled and awesome co-workers. All together we are very happy and proud.

Demand for our services is very good. And our clear position in the market constantly makes us more relevant for all our clients. We are strong in R&D and IT and grow explicitly in design, communication and creativity, which makes us a relevant partner for companies that want to be winners in our technology-intensive world.

What do we observe during the year? First, technology development is storming forward. In the autumn we stop talking about digitalisation and simply start talking about development instead. I think we all agree that, in principle, digital technology is now a requirement in all companies and industries. Now it's more about how best to seize opportunities.

We are constantly on-line, and the mobile phone is now undoubtedly our primary tool, both at work and at home. Everything around us is going on-line and starting to talk with us and other things. Needs change and, in turn, new services are created, after which new needs arise. When I think about the future, I often think of the British author and futurist Arthur C. Clarke: If someone describes the future and you think it sounds crazy and laugh at it, then that's quite likely what will happen.

And what else happens at HiQ? One thing is that we grow in integrations, especially in Finland. We see that demand for our integration platform Friends, which streamlines flows and makes it easier for systems to talk to each other, constantly increases. Our ongoing operation and maintenance business increases. And demand for our systems integration services is on the rise. One example of this is at the infranet giant Eltel, where we expand our collaboration and establish a new unit in Gdansk in Poland.

Another growing area for HiQ is within marketing. Here we have Circle K, for example, for which we developed a loyalty

portal that forms the basis for an active customer dialogue for Circle K with several thousand filling stations. We will see more of this type of project as digital technologies completely change the rules of the game for market-leading brands, which rapidly increases the need for digital platforms for running a whole new type of business.

Other good news concerns our collaboration with the LEGO Group at the recently opened LEGO House in Billund, Denmark. With smart technology, we can renew the restaurant experience and create brand new experiences for families with children who are eager to play. We become the Swedish Royal Opera's communication agency to continue building the Royal Swedish Opera's brand. And we develop a prototype for a digital driving licence in Finland – something I'm convinced we will soon see in Sweden too.

We also win several new team deals during the year, that is, we deliver the entire development team to the client. This includes telecom, where we constantly make new business deals on more teams that becomes crucial for the future digital communication. Even in the public sector, where our teams are sought after. We also broaden our collaborations with our clients and enter new partnerships. During the year we concluded several agreements as digital partner, development partner or strategic partner. We see this with Skandia, Veikkaus, Destia, Awapatent and retail giant Jula, among others.

But honestly, the best of all during the year is all the amazing employees at HiQ. We have never been more. And we have never been better than we are now. Together we create magical solutions and drive technology development forward. We do this largely by working together, but just as much through rock 'n roll, hard work, fellowship, laughter and joy. Together we are simply the best!

As we enter 2018, it's with a HiQ that is stronger than ever before. There are 1,645 of us HiQers, and we are determined, we take responsibility for ourselves and our clients, we strive to simplify, and we have fun while we're doing it. And not least, we have fantastic, brave, creative and strong clients. It's no harder than that. So, full speed ahead!

Lars Stugemo, President and CEO of HiQ

OFFERING & FOCUS AREAS

HiQ's domestic market is the Nordic region, but we are also winning assignments globally. Our in-depth knowledge of technology, users and business, enables us to help our clients to exploit the opportunities afforded by digitalisation.

HiQ wins many assignments that involve assuming overall responsibility for specific areas. Typical examples include software development, testing and quality assurance. Today we have the breadth to handle everything from digital strategies to design, concept development, launch and activation.

We master the entire chain from R&D to digital and back, and can therefore help our clients all the way from the idea to operation. HiQ frequently partners companies that see digitalisation as a crucial success factor, bringing both innovation and technical know-how to the development of the company and its business, while always focusing on the user. Today we also offer a strong IT service range, which include integration and maintenance of platforms as well as a communication service offer to meet the requirements and expectations of our clients' marketing departments.

One area that is expanding very rapidly is digitalisation and rationalisation within healthcare (eHealth). Out track record of success in simplifying and improving has made us an increasingly important partner for companies and organisations in the healthcare sector. Another example is the cashless society, where we are experiencing strong demand for our expertise in developing, smart and secure digital services.

EVENTS DURING THE FOURTH QUARTER

Examples of published news during the fourth quarter:

- HiQ signs framework agreement with one of the biggest banks in Scandinavia. The agreement includes development, testing, architecture, project management, design and business analysis.
- HiQ develops a new loyalty portal for Circle K that simplifies and improves the experience for Circle K's customers.
- HiQ helps Wärtsilä develop a new global intranet that simplifies the everyday work of more than 18,000 employees.

- HiQ becomes game development partner for state-owned Finnish gaming company Veikkaus. HiQ will deliver technical expertise in the game development department, including service and user experience design for an easy to use, enjoyable and secure gaming experience.
- HiQ expands its cooperation with Eltel and establishes a new unit in Gdansk, Poland, to support Eltel's international operations.
- HiQ enters tech collaboration with Finnish company Arc Technology to implement HiQ's integration platform Frends.

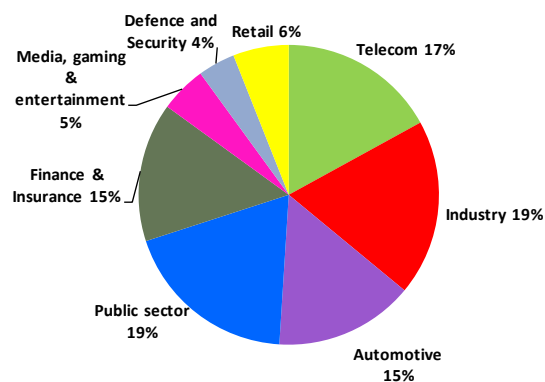
EVENTS AFTER THE FOURTH QUARTER

Examples of published news after the fourth quarter:

- HiQ creates unique restaurant experience at LEGO House in Billund, Denmark.
- HiQ develops a prototype for a fully mobile digital driving licence for the Finnish Road Safety Council, Trafi.
- HiQ is assigned as communication agency for Swedish Royal Opera within digital design, communication and brand development.
- Johanna Fagrell Köhler announces resignation from HiQ's Board of Directors. Johanna has accepted an operational role in another company.

MARKET SEGMENTS

We divide our market areas into eight segments and have a broad, well-balanced market mix. The breadth is of benefit to our clients but also to us as a company and to our employees. All market segments are characterised by companies' and organisations' needs for digital solutions that contribute to simplification and improvements, new offerings and new value chains.



HiQ sales per market segment over the past 12 months

INDUSTRY

HiQ has strong ties in the segment and, together with many leading industry players, we work with strategic development to find new sources of income, launch new services, develop new business models, build fleet management solutions, connect products to cloud services, and develop apps and aftermarket services. It is about concept development and innovation, but also new marketing and launch strategies. And especially more efficient processes and smart integration between systems, including our integration platform FRENDS.

One example in this segment is Empower in Finland, for whom HiQ has developed the EmSafe workplace health and safety system as part of Empower's strategic digitalisation project. Using real-time data, the system can, for example, issue automated alerts, search for any anomalies (for example, a human presence in restricted areas) and monitor the movements of people, vehicles and hazardous substances in the workplace. Safety at work is one of the most important issues in an industrial working environment.

Clients include 3nine, ABB, Assa Abloy, Atlas Copco, Bombardier, Cactus, DEKRA, Destia, Electrolux, Elenia, Finnair, Jeppesen Systems, Kuusakoski, Toyota Material Handling Europe and SAS.

TELECOM

Since 1995, HiQ has held a very strong position in this segment where it enjoys close collaboration with global market leaders. More than 20 years' experience of working with suppliers, operators, users and legislative authorities has given us extensive technical and commercial know-how and important insights into telecommunication systems.

Our solid experience and knowledge in telecom and communication creates great value for clients and projects in other industries as well. Today we work across a broad spectrum in the segment with advanced technological systems and with digital channels and solutions aimed directly at end users.

We are also winning strategic assignments to identify new possibilities and improve the efficiency of businesses. And together with several leading global telecom companies, we are building the digital infrastructure for future mobile communication.

Clients in this segment include Ascom Wireless Solutions, Com Hem, Doro, Ericsson, Microsoft Devices, Polystar, Telenor, Telia and Tele2.

PUBLIC SECTOR

Our customers' mission in this sector aim to offer citizens the best possible service, and the challenges in doing so involve everything from managing outdated systems and large volumes of data to issues related to security and integrity. HiQ is growing fast in the public sector.

Major framework agreements provide us with a strong platform on which we can build and grow in this segment. To take just one example, our recently signed framework agreement with Stockholm County Council reinforces our position in health care even further.

Gothenburg is anticipating significant expansion between now and 2035, and HiQ works with the municipal authorities on the urban development website Stadsutveckling Göteborg, which describes and explains the changes that are planned. HiQ is successful in developing municipal web platforms and has received third-party recognition for sites such as Enköping.se, Partille.se and Kungälv.se.

Public sector customers include the Swedish Public Employment Service, Enköping Municipality, the Swedish Enforcement Authority, Kungälv Municipality, the Swedish Civil Contingencies Agency, the Swedish Post and Telecom

Authority, the Government of Sweden, the Swedish Tax Agency, Stockholm County Council, the Swedish Association of Local Authorities and Regions, and Finnish Customs.

AUTOMOTIVE

The automotive industry is hotter and more technology-intensive than ever. Vehicles are now connected and part of an ecosystem in which different components are constantly communicating with one another. At the same time, development continues to make vehicles safer and greener.

HiQ's focus areas here are self-driving vehicles, safety and environment. For example, we are helping Volvo Cars and the newly started company Zenuity to develop and optimise software for driver assistance and autonomous driving systems.

HiQ is also a strong, highly experienced partner in this exciting process of rapid development, delivering cutting-edge technology and assisting with innovations that include concept development on Virtual Reality (VR) and Mixed Reality projects.

Customers in the automotive segment include Autoliv, BorgWarner, Scania, Volvo Cars, Volvo Group and Zenuity.

FINANCE AND INSURANCE

HiQ is very experienced in finance, which combined with our skills in digitalization and mobile solutions makes us the leading player in the area. The market and demand for services in the bank and finance segment is strong. Our services are constantly requested in new areas, where we can use our technology to simplify and improve people's lives. Not at least within the development of smart and simple digital payment solutions and solutions to help the banks to be prepared for PSD2.

Among other things HiQ are, together with Volvofinans, developing the CarPay application. We also help Finnish S-Pankki, where the simple but effective service S-mobiili makes lives easier for their three million clients

Together with Bankgirot we are developing the technical solution for one of the best cashless solutions in the Nordic region, Swish, which over a very short period of time has come to dominate the market. Swish is owned by Getswish and is a collaboration between banks in Sweden. Swish has rapidly reached over 6 million users, over 90 per cent brand awareness in Sweden, changed behaviours, and has become

one of the corner stones in Sweden's steps to be a country in the world that no longer handles notes and coins.

Customers in this segment include Bambora, Bankgirot, Collector, Fennia, Handelsbanken, LähiTapiola, Nordea, OP Pohjola Group, S-Group, SEB, Skandia, Swedbank, Swedish Motor Insurers, Varma and Volvofinans Bank.

MEDIA, GAMING AND ENTERTAINMENT

Today, we decide for ourselves when, where and how we want to watch TV, play games or follow the news.

Competition in this industry is intense and the range of offerings available is huge. This raises the bar for content and usability. Those who offer quality content and deliver it through simple, user-friendly platforms will succeed.

These challenges perfectly match HiQ's position at the intersection of technology, people and business. We combine technical expertise with design and user focus. Today we have framework agreements with several major clients such as SVT and Viaplay.

Nordic companies enjoy a high degree of worldwide success in the field of gaming and gambling. HiQ has been working for many years with a number of leading names in this exciting market and now, with the support of the digital concept team at Great Apes, we are helping them to further advance their positions.

Clients include Channel 4, DICE, GTECH, MTG, MTV 3 Finland, Rovio, Spotify, SVT, Utbildningsradion, Veikkaus and Viaplay.

RETAIL

In just the past few years or so, retail has undergone a revolution. New e-commerce records are being set all the time and shopping online has become a natural component of consumer behaviour. Perhaps it is now time to drop the 'e' prefix and see everything as retail plain and simple – but via different channels and platforms. Efficient digital services mean that we are also buying more than ever from foreign suppliers. This makes new requirements and creates new challenges for companies in the Nordic region, with a focus on user experience and the overall customer journey.

HiQ has broad industry knowledge and extensive experience of working with leading retail chains. We work with clients from concept and design to quality assurance in everything

from marketing and sales solutions to purchasing and logistics systems. Our expertise in digital payment services is hugely important when meeting new requirements for simpler purchasing processes that will increase conversion rates.

In Retail, HiQ helps its clients with smart and innovative solutions aimed at creating added value for the end customer

Clients in this segment include ICA, Jula, Kesko, Stockmann and Vianor.

DEFENCE AND SECURITY

We live at a time when defence and security are rapidly growing in importance, with surveillance and external monitoring as key components in the overall mix. As the global situation becomes more uncertain, defence and security moves up the agenda. Cyber security, in particular, is increasingly important for all companies and organisations as more and more products and systems are connected.

In this segment we are, for example, helping the Swedish Coast Guard to develop a surveillance system that pinpoints the position of ships and monitors weather conditions and geographical data in real time.

Technical solutions for defence and security are a part of HiQ's DNA. For more than 20 years we have been helping influential clients to develop training and development simulators for JAS – high-tech solutions that are employed for more efficient, advanced training of hundreds of pilots worldwide. Simulation technology is something we can use in other segments as well, for example in industry and healthcare.

Clients include the Swedish Defence Materiel Administration, the Swedish Armed Forces, the Swedish Coast Guard and SAAB.

THE GROUP'S DEVELOPMENT

We keep on creating winning results and strengthening our position in the market. The demand for our services is good and we work with full speed to meet our clients' requirements.

Finland shows another very good quarter and today we operate in all market segments. The development is strong, and we are winning new business deals.

In Stockholm, we remain a leading player with a presence in all industries. Development during the quarter is strong, results are good, and we win significant business deals.

The Mälardalen area, with offices in Västerås and Örebro, shows a very good quarter in a market with a strong focus on industry and defence.

In Gothenburg, we are positioned as the leading innovation and tech company with a strong presence in several market segments. From a results point of view we see improvement potential.

In Skåne, with offices in Malmö and Lund, we continue to broaden our operations. The acquired company Presis is fully integrated and we finish the year with good results.

In Östergötland, with our operations in Linköping and Norrköping, we continue to grow and win new clients. Growth continues to be good this quarter with very good results in the region.

In Karlskrona, we make a solid quarter and we continue to broaden our market position.

DELIVERY MODELS

HiQ offers a flexible delivery model with a clear focus on client needs. We provide specialist expertise for on-site projects and undertake projects on our own premises and via our nearshore office.

We also offer complete teams for our clients. Demand for these teams is constantly increasing as news of their track record of effectiveness and success in creating results spreads.

The number of full-service undertakings from our customers is constantly rising and these assignments now constitute a significant portion of our business.

MARKETING & COMMUNICATIONS

Today much of HiQ's communication takes place online. That means that our own website is a key component in our marketing mix. To ensure that we are always at the cutting

edge of developments in this field we launched a new HiQ website in mid-September.

The new site is fully responsive and has been developed specifically with mobile phone users in mind. The project has focused on simplifying the pathways for stakeholders, shareholders and investors who are searching for information about the company, making it easier for presumptive employees to find and apply for jobs, and enabling potential customers to see what we do at a glance.

Another important channel for us is our active presence on social media. In 2017 we have focused on building up a base of followers and publishing relevant content. As a result, we have seen a steady growth in followers and a gradual increase in interactions with our social media postings.

FUTURE PROSPECTS

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

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

HiQ's overall strategy is to be an innovative and leading specialist 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 expanding its Nordic presence and acquiring 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 throughout the entire chain of technology, people and business.
- Be the leading company in the Nordic region within our industry.

- Have the best employees in the market and be the most attractive employer.
- Generate good profits, good growth and strong cash flow, and to create good long-term returns for our shareholders.

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 1 645 (1 573) employees, of which 1 516 (1 436) were on active duty.

SALES AND PROFIT

HiQ's net sales total SEK 1 787.9 (1 659.4) million.

Operating profit (EBIT) is SEK 214.4 (207.9) million, equivalent to a margin of 12.0 (12.5) per cent.

Group net financials for the period total SEK -0,9 (-0,5) million.

Pre-tax profit (PTP) is SEK 213.5 (207.4) million.

INVESTMENTS

Group net investment in fixed assets during the period total SEK 17.1 (14.9) million. SEK 4.8 (1.4) million of this total is invested in new premises, SEK 5.8 (4.5) million in equipment and SEK 6.5 (9.0) million in financial leasing.

FINANCIAL POSITION

Cash flow from operations total SEK 164.1 (131.7) million.

Group liquid assets at 31 December total SEK 205.1 (204.3) million. This is an increase in liquid assets of SEK 50.5 million compared to 30 September 2017.

Interest-bearing net assets total SEK 173.5 (172.9) million at the end of the reporting period.

Owner's equity at the end of the reporting period total SEK 816.2 (777.6) million, and the equity/assets ratio as a measure of solidity is 68.4 (69.2) per cent.

SHARES

On 31 December 2017 there is a total of 55,452,887 shares in HiQ International AB (publ). This is an increase of 739,782 shares from the number of shares on 1 January 2017. The increase is a result of exercise of outstanding warrants and share issues in connection to the acquisitions described below. The proceeds from the issue of shares amounts to SEK 24.4 million.

ACQUISITIONS

In March 2017, HiQ acquires Presis i Sverige with close to 25 employees. The acquisition price is paid in 128,114 newly issued HiQ shares, resulting in dilution of 0.2 per cent and SEK 1.3 million in cash.

The book value of the shares amounts to SEK 9.8 million. For the Group, goodwill amounts to SEK 6.2 million and acquired client relations to SEK 1.6 million.

The company is consolidated from 16 March 2017.

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

During the first quarter of 2017, an additional payment for the financial year 2016 to the sellers of Great Apes is also paid. The additional payment is made through a non-cash issue of 59,140 shares, corresponding to a value of SEK 3.8 million.

REDEMPTION OF SHARES

On 22 March 2017 the AGM resolves that SEK 3.10 per share, corresponding to a total amount of approximately SEK 170 million, be paid to shareholders in the form of a share split and a mandatory share redemption programme. The record day for the share split is 7 April 2017 and trading in the redemption shares take place during the period 10 April up to and including 25 April. Payment is made on 8 May 2017.

This decision exceeds 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 2017 the Annual General Meeting approves a share warrant programme for HiQ employees. This consists of two series: the first to be issued in May, the second in November. Both are to be made available to all employees in Sweden, Finland, and Denmark. In the May series a total of 670,000 warrants is subscribed and in the November series a total of 330,000 warrants is subscribed.

If all outstanding warrants are fully exercised, the dilution effect will be approximately 4.2 per cent.

PROPOSED DIVIDEND

The Board proposes that the Annual General Meeting approve a dividend to shareholders of SEK 3.30 per share (totalling approximately SEK 183 million) in the form of a split and a compulsory redemption programme.

HiQ's long-term policy states that the long-term dividend level should amount to around 50 per cent of HiQ's profit after tax. It is based on HiQ's strong financial position.

PARENT COMPANY

Profit after tax for HiQ International AB (publ) total SEK 165.9 (129.1) million.

On 31 December 2017, the company's interest-bearing net assets total SEK 43.9 (55.5) million, adjusted owner's equity total SEK 543.0 (510.7) million and the equity/assets ratio to 80.0 (87.9) per cent.

Net investments for the period total SEK 1.7 (0.0) million.

SEK 1.7 (0.0) million of this total is invested in new premises

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 2016) 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.

Information regarding the adoption of IFRS 15 "Revenue from Contracts with Customers" as of 1 January 2018:

IFRS 15 is based on the main principle that revenue is recognized when control of a good or service transfers to a customer. IFRS 15 is mandatory for financial years commencing on or after 1 January 2018. HiQ will adopt IFRS 15 in its consolidated financial statements for the financial year 2018, using the retrospective approach.

HiQ's business model mainly consists of sale of services. The services are sold on a project basis but also competence-based. In addition, to providing pure services, HiQ does also provide products in the form of software licenses and hardware as part of projects delivered by HiQ.

HiQ's has assessed the adoption of IFRS 15 will not have any material impact on 2017 net sales, costs and operating profit.

In the assessment, HiQ has focused on the following areas that could be affected by IFRS 15:

Common effects: The overall timing of revenue recognition is not expected to change significantly. Revenue from service contracts is currently recognized over the accounting period in which the service is provided or the project completed. Under IFRS 15 revenue will be recognized over time provided that certain defined criteria are met. HiQ has assessed that the services are generally satisfied over time given that the customer simultaneously receives and consumes the benefits provided by HiQ or HiQ's performance does not create an asset with alternative use for HiQ and there is an enforceable right to payment for work completed to date.

Variable consideration: Under IFRS 15 the variable consideration shall be estimated at contract inception. For HiQ, variable consideration occur in the form of discounts and incitement based pricing. HiQ does not expect the adoption of IFRS 15 to given any material changes in the timing of revenue recognition in cases with variable consideration.

Warranty obligations: In some cases HiQ provides warranties for the delivery of software or project deliveries. The warranties given are assurance-type warranties. Currently warranties are accounted for as deferred revenue over the project period. Under IFRS 15 the warranties will be accounted for under IAS 37. The effect on the Group's financial statements will not be material.

Software licenses and other products: According to current accounting principles, revenues from sale of products are recognized when the amount could be measured in a reliable way, the client has accepted the product and the collectability of the related receivables are reasonably assured. Some projects include a combination of software

licenses, implementation services and maintenance. Depending on the customization and integration level the software licenses are currently recognized separately at transfer of risks and rewards to the client or as a part of the project delivery (in cases when the software licenses constitute an integrated part of the project delivery). The adoption of IFRS 15 may result in some changes in the identification of performance criteria that partly could affect the timing of revenue recognition of license revenue, but no material effect is expected.

Information regarding the adoption of IFRS 9 "Financial instruments" as of 1 January 2018

IFRS 9 shall be applied for for financial years commencing on or after 1 January 2018. IFRS 9 addresses the classification and measurement of financial instruments, impairments and hedge accounting.

For HiQ the adoption of IFRS 9 will not give any material effects on the Group's financial statements. HiQ will use the retrospective method when adopting IFRS 9. This means that the cumulated change from the adoption of IFRS 9 will be recognized as a change of retained earnings as of 1 January 2018. Information for comparable periods will not be restated.

SIGNIFICANT RISKS AND UNCERTAINTIES

HiQ's operations are influenced by a number of 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 26-27 in the HiQ Annual Report for 2016.

ANNUAL GENERAL MEETING

Annual General Meeting for 2017 will take place on 21 March 2018 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, a nominating committee has been appointed consisting of Joachim Spetz, Swedbank Robur Fonder, Maria Rengefors, Nordea funds, and Johan Strandberg, SEB Investment Management. Chair of the committee is Joachim Spetz. 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 2018

The annual report for 2017 will be available 3 weeks before the AGM and could be ordered from HiQ or downloaded from www.hiq.se

FINANCIAL REPORTS 2018:

Interim report January-March 2018: 25 April 2018

Interim report January-June 2018: 17 July 2018

Interim report January-September 2018: 25 October 2018

FOR FURTHER INFORMATION, PLEASE CONTACT:

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Stockholm, 30 January 2018

The Board of Directors 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. The information was submitted for publication, through the agency of the contact person set out above, at 07.30 CET on 30 January 2018.

HiQ International Group
Company registration number 556529-3205

Statement of comprehensive income

SEK 000s	2017	2016	Oct-Dec 2017	Oct-Dec 2016
Net sales	1 787 894	1 659 426	494 660	460 452
Other operating income	325	0	325	0
Assignment-specific external expenses	-263 433	-226 571	-77 121	-66 518
Staff costs	-1 188 844	-1 117 077	-321 134	-310 330
Other external expenses	-108 684	-96 878	-31 197	-24 483
Depreciation	-12 894	-10 993	-3 180	-2 588
Operating profit	214 364	207 907	62 353	56 533
Finance income	216	531	126	132
Finance costs	-1 075	-991	-193	-174
Pre-tax profit	213 505	207 447	62 286	56 491
Income tax	-48 200	-46 083	-14 133	-12 711
Profit for the period attributable to shareholders	165 305	161 364	48 153	43 780

Other comprehensive income

Items that may be subsequently reclassified to profit or loss

Exchange differences on translating foreign operations	6 833	16 452	5 326	-3 590
Other comprehensive income for the period	6 833	16 452	5 326	-3 590
Profit for the period attributable to shareholders	172 138	177 816	53 479	40 190

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

Earnings per share before dilution, SEK	3,00	2,97	0,87	0,80
Earnings per share after dilution, SEK	2,98	2,96	0,87	0,80
Average number of shares, thousands	55 103	54 264	55 338	54 512
Average number of shares, after dilution, thousands	55 474	54 604	55 646	54 995

The HiQ International Group
Company registration number 556529-3205

Balance Sheet

SEK 000s	31 Dec 2017	31 Dec 2016
ASSETS		
FIXED ASSETS		
Tangible fixed assets	50 524	45 319
Intangible fixed assets		
Goodwill	373 993	361 208
Other intangible fixed assets	3 765	3 136
Financial fixed assets	17 759	14 881
Total fixed assets	446 041	424 544
CURRENT ASSETS		
Accounts receivable, trade	388 729	346 518
Current income tax assets	2 695	9 914
Other receivables	17 969	6 055
Prepaid expenses and accrued income	133 445	131 869
Liquid assets	205 124	204 262
Total current assets	747 962	698 618
Total assets	1 194 003	1 123 162
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Shareholders' equity attributable to shareholders	816 156	777 566
Total shareholders' equity	816 156	777 566
Non-current liabilities		
Long-term interest-bearing debt	25 322	25 508
Deferred tax liabilities	855	393
Total non-current liabilities	26 177	25 901
Current liabilities		
Short-term interest-bearing debt	6 304	5 887
Accounts payable, trade	74 251	65 136
Other liabilities	112 348	95 240
Accrued expenses and prepaid income	158 767	153 432
Total current liabilities	351 670	319 695
Total shareholders' equity and liabilities	1 194 003	1 123 162

HiQ International Group
Company registration number 556529-3205

SEK 000s	2017	2016	Oct-Dec 2017	Oct-Dec 2016
Cash flow analysis				
Cash flow before change in operating capital & investments	185 351	171 217	54 970	46 992
Change in operating capital	-21 243	-39 512	-3 559	-17 397
Cash flow before investments	164 108	131 705	51 411	29 595
Cash flow from investments	-13 094	-4 939	-7 536	-1 149
Cash flow after investments	151 014	126 766	43 875	28 446
Cash flow from investments activities	-150 152	-134 918	6 630	16 443
Change in liquid assets	862	-8 152	50 505	44 889
Liquid assets at the start of the period	204 262	212 414	154 619	159 373
Liquid assets at the end of the period	205 124	204 262	205 124	204 262
Change in shareholders' equity				
Amount at the start of the period	777 566	718 018	755 200	723 537
Dividends / redemption	-170 191	-156 380	0	0
Warrant premiums	2 913	2 504	919	1 444
Share issue conversion of warrants	21 447	21 234	6 558	12 395
New share issue in connection with acquisition	12 283	14 374	0	0
Total comprehensive income for the period	172 138	177 816	53 479	40 190
Amount at the end of the period	816 156	777 566	816 156	777 566
Key figures				
Operating profit (EBIT)	214 364	207 907	62 353	56 533
Operating margin	12,0%	12,5%	12,6%	12,3%
Profit margin	11,9%	12,5%	12,6%	12,3%
Capital employed	847 782	808 961	847 782	808 961
Operating capital	642 658	604 699	642 658	604 699
Return on operating capital	34,4%	36,5%	9,8%	9,4%
Return on shareholders' equity	20,7%	21,6%	6,1%	5,8%
Financial position				
Expensed investments in computers	4 033	4 185	1 241	1 328
Liquid assets	205 124	204 262	205 124	204 262
Interest-bearing net cash	173 498	172 867	173 498	172 867
Shareholders' equity	816 156	777 566	816 156	777 566
Equity/assets ratio	68,4%	69,2%	68,4%	69,2%
Employees				
Number of employees at end of period	1 645	1 573	1 645	1 573
Number of employees in duty at end of period	1 516	1 436	1 516	1 436
Average number of employees	1 449	1 361	1 466	1 416
Value added per employee	936	943	250	248
Turnover per employee	1 234	1 219	337	325
Operating profit per employee	148	153	43	40
Share data				
No. of shares at end of period, thousands	55 453	54 713	55 453	54 713
Average no. of shares before dilution, thousand	55 103	54 264	55 338	54 512
Average no. of shares after dilution, thousand	55 474	54 604	55 646	54 995
Profit per share before dilution, SEK	3,00	2,97	0,87	0,80
Profit per share after dilution, SEK	2,98	2,96	0,87	0,80
Shareholders' Equity per share, SEK	14,72	14,21	14,72	14,21

HiQ International Group
Company registration number 556529-3205
Segment reporting

2017	Sweden	Finland	Group and elim	Group
Net sales from external clients	1 436 073	351 821		1 787 894
Net sales from other segments	0	371	-371	0
Net sales	1 436 073	352 192	-371	1 787 894
Operating profit	167 377	59 096	-12 109	214 364
<i>Operating margin %</i>	11,7%	16,8%		12,0%
Financial net				-859
Profit before tax				213 505
Assets*	804 620	380 966	8 417	1 194 003
2016	Sweden	Finland	Group and elim	Group
Net sales from external clients	1 356 174	303 252		1 659 426
Net sales from other segments	0	521	-521	0
Net sales	1 356 174	303 773	-521	1 659 426
Operating profit	166 198	56 733	-15 024	207 907
<i>Operating margin %</i>	12,3%	18,7%		12,5%
Financial net				-460
Profit before tax				207 447
Assets*	724 036	352 210	46 916	1 123 162
Oct-Dec 2017	Sweden	Finland	Group and elim	Group
Net sales from external clients	398 199	96 461	0	494 660
Net sales from other segments	0	251	-251	0
Net sales	398 199	96 712	-251	494 660
Operating profit	47 766	17 553	-2 966	62 353
<i>Operating margin %</i>	12,0%	18,1%		12,6%
Financial net				-67
Profit before tax				62 286
Assets*	804 620	380 966	8 417	1 194 003
Oct-Dec 2016	Sweden	Finland	Group and elim	Group
Net sales from external clients	372 602	87 850		460 452
Net sales from other segments	0	67	-67	0
Net sales	372 602	87 917	-67	460 452
Operating profit	42 909	17 627	-4 003	56 533
<i>Operating margin %</i>	11,5%	20,0%		12,3%
Financial net				-42
Profit before tax				56 491
Assets*	724 036	352 210	46 916	1 123 162

* 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

	2017	2016
Net sales	42 398	44 661
Assignment-specific external expenses	-3 672	-8 927
Other external expenses	-25 819	-25 113
Staff costs	-25 552	-25 185
Depreciation and write-downs	-69	-365
Operating profit	-12 714	-14 929
Profit from shares in Group companies	199 881	167 900
Finance income	921	437
Finance costs	-824	-768
Pre-tax profit	187 264	152 640
Income tax	-21 320	-23 527
Profit for the period	165 944	129 113

Profit for the period attributable to shareholders **165 944** **129 113**

Balance Sheet

SEK 000s

	31 Dec 2017	31 Dec 2016
ASSETS		
FIXED ASSEST		
Tangible fixed assets	1 858	253
Financial fixed assets	439 212	427 180
Total fixed assets	441 070	427 433
CURRENT ASSETS		
Accounts receivable, trade	6 879	2 933
Receivables-Group companies	89 689	19 318
Other receivables	5 967	1 654
Prepaid expenses and accrued income	7 632	3 654
Liquid assets	127 106	125 739
Total current assets	237 273	153 298
Total assets	678 343	580 731

SHAREHOLDERS' EQUITY AND LIABILITIES

Shareholders' equity

Total restricted equity	46 965	46 891
Total non-restricted equity	496 079	463 814
Total shareholders' equity	543 044	510 705

Current liabilities

Accounts payable, trade	1 613	1 163
Liabilities - Group companies	113 379	45 834
Current income tax liabilities	6 516	5 057
Other liabilities	2 725	6 775
Accrued expenses and prepaid income	11 066	11 197
Total current liabilities	135 299	70 026

Total shareholders' equity and liabilities **678 343** **580 731**

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 – December 2017.

Operating margin: Operating profit/loss for the period, in relation to net sales for the period (214 364 / 1 787 894 = 12.0%)

Profit margin: Pre-tax profit of the period, in relation to net sales for the period (213 505 / 1 787 894 = 11.9%)

Net interest income: Financial income, less financial costs (216 – 1 075 = -859)

Interest bearing net funds: Liquid assets, less interest bearing debts (at the end of the period) (205 214 – 25 322 – 6 304 = 173 498)

Equity/assets ratio: Shareholders' equity as a percentage of total assets (at the end of the period) (816 156 / 1 194 003 = 68.4%)

Capital employed: Equity and interest bearing debt (at the end of the period) (816 156 + 25 322 + 6 304 = 847 782)

Operating capital: Capital employed, less liquid assets (847 782 – 205 124 = 642 658)

Return on operating capital: Operating profit/loss in relation to average operating capital (214 364 / ((642 658 + 604 699)/2) = 34.4%)

Net sales per employee: Net sales in relation to average number of employees (1 787 894 / 1 449 = 1 234)

Added value per employee: Operating profit/loss plus salaries and salary related expenses, in relation to average number of employees ((214 364 + 1 142 512) / 1449 = 936)

Operating profit per employee: Operating profit/loss in relation to average number of employees (214 364 / 1449 = 148)

Equity/share: Shareholders' equity in relation to total number of outstanding shares (at the end of the period) (816 156 / 55 453 = 14.72)