

HiQ – A SOLID START OF 2018

JANUARY– MARCH 2018

- Net sales total SEK 474.4 (469.7) million, an increase of 1 percent
- Operating profit (EBIT) of SEK 52.1 (65.5) million – an operating margin of SEK 11.0 (14.0) percent
- Pre-tax profit of SEK 52.7 (65.4) million
- Profit after tax of SEK 40.5 (50.9) million
- Earnings per share: SEK 0.73 (0.93)
- Cash flow from operations: SEK 78.9 (60.5) million
- Liquid assets of SEK 282.9 (262.8) million

SIGNIFICANT EVENTS DURING THE FIRST QUARTER

- Annual General Meeting approves a shareholder's dividend of SEK 3.30 per share, approximately SEK 183 million in total.
- Susanne Ehnbåge is elected as a new member of the Board of Directors of HiQ International
- HiQ expands its collaboration with the Swedish Tax Agency
- HiQ develops a prototype for a mobile digital driving licence for the Finnish Transport Safety Agency
- HiQ is chosen to serve as the communication agency for the Swedish Royal Opera
- HiQ creates a unique restaurant experience at LEGO House
- HiQ continues to grow and win new contracts in eHealth with for example Inera and SKL
- HiQ develops the Skånetrafiken travel app
- HiQ creates a VR experience for Volvo Cars

SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

- HiQ expands several collaborations with the innovative automotive industry
- HiQ wins framework agreement with ATG
- HiQ wins framework agreement within advertising for a Nordic automotive manufacturer

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 25 April 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 rise to SEK 474.4 million, setting a new first-quarter record. Operating profit is SEK 52.1 million. Our financial position is strong with cash flow of SEK 78.9 million and SEK 282,9 million in liquid assets. As we now embark on this year's second quarter we number 1,627 employees in all. The Annual General Meeting approves a dividend of SEK 3.30 per share, which equates to a total pay-out of approximately SEK 183 million

Demand for our services has remained good throughout the first quarter and we are continuing to win numerous exciting new projects and assignments. We are delivering good results despite a demanding seasonal quarter, and the fact that we in Gothenburg and Finland don't deliver as strong as the first quarter last year.

Nonetheless, we can conclude that in the first quarter of 2018 we have delivered a healthy profit for the 61st quarter in succession. In fact, we have reported a profit in 76 of the 77 quarters since HiQ shares were first listed.

The rapid pace of technological progress is something that affects us all. It opens up tremendous opportunities to make far-reaching changes, to become more efficient, to broaden our horizons or develop in ways that will make us winners in our respective markets. It's a process that is often referred to as digitisation, digitalisation or transformation. At HiQ, however, we've stopped using such terms. For us, it's simply development.

Development isn't a process you can choose to opt out of. Everything around you is changing – and you can't determine the pace at which it does so. Our behaviour changes, our patterns of consumption are altered and our needs shift as new needs evolve. But, by exploiting the benefits that change brings, we have the potential to create, step by step, a way of life that is simpler, better and more fun.

One area where we produce significant change for people is in health and medical care. Two major new assignments in the first quarter enable us to continue our commitment to simplify and improve Swedish healthcare.

More examples include that we expand our successful collaborations with the innovative automotive industry, where we are supplying more teams to build tomorrow's safe and efficient autonomous vehicles. We win a significant framework agreement with ATG to help them be a winner in the sports betting market. We win many new assignments with our integration platform Frends in Finland. And, in a move that clearly shows how the breadth of our offer makes us a key partner for companies that are determined to be frontrunners in today's technology-intensive world, we win a strategically important framework agreement to support a major vehicle manufacturer in its marketing activities.

The design solutions produced by our team from Great Apes in Finland are continuing to attract attention in an array of design contests. And we continue, too, to win assignments through the innovation competitions sponsored by the Swedish Post and Telecom Authority (PTS), most recently for a joint project with Passalen that aims to help young people with functional variations to find their place in the labour market. We continue develop the Skånetrafiken app and are now helping commuters to travel ticketless in Skåne and West Sweden. And together with the Swedish Tax Agency, we are making it simpler for companies and individuals to pay their taxes.

So, what's the secret of our success? To tell the truth, it's fairly straightforward. First and foremost, thanks are due to each and every one of our truly awesome co-workers. Together, we are continuing to consolidate our corporate culture and work in ways that reflect our company values. That means we are focused on results, we take and delegate responsibility, we strive to make things simple and, last but not least, we make sure we have fun while we're doing so. Nor, of course, must we overlook the important role played by all of our fantastic clients and partners! Together, we are creating the solutions that will transport us swiftly into the future.

When we first set up HiQ, our aim was to build and run the kind of company we ourselves had always wanted to work for and with. It's an aim that still holds good today.

Lars Stugemo, President and CEO, HiQ

OFFERING & FOCUS AREAS

At HiQ we use technology, design and communication to make people's lives simpler. Digital services, systems and products are at the core of our business offer, and with the breadth of expertise in the teams we can assemble, we are able to help our clients all the way from business strategy and initial ideas through development and operational management to launch and activation.

We frequently enter into partnerships with organisations that recognise the crucial role that technology plays in success, providing them with the innovative input and technical know-how that underpins the development of their organisation and its business – all the time with a firm focus on the user. In parallel with our competence in R&D, we also have a strong IT offering that includes the integration and maintenance of platforms, as well as a communication service offer that meets the demands and expectations of our clients' marketing departments.

Our largest market is the Nordic region, but we are also constantly winning assignments for international companies who implement our solutions worldwide. Today HiQ has an established presence in six countries and has more than 1,600 employees, each and every one of whom is motivated by and dedicated to our commitment to make people's lives simpler.

EVENTS DURING THE FIRST QUARTER

- The Annual General Meeting approves a shareholder's dividend of SEK 3.30 per share, corresponding to a total pay-out of approximately SEK 183 million, through a share split and redemption programme.
- Johanna Fagrell Köhler resigns from the Board of Directors of HiQ after having accepted an operational role in another company.
- Susanne Ehnåge is appointed as a new member of the Board of Directors of HiQ.
- HiQ expands its collaboration with the Swedish Tax Agency and delivers a team that will improve and simplify everyday life for companies, organisations and wage-earners throughout the length and breadth of Sweden.
- Together with the Finnish Transport Safety Agency HiQ has developed a prototype for a digital driving licence that can be downloaded to a mobile phone.

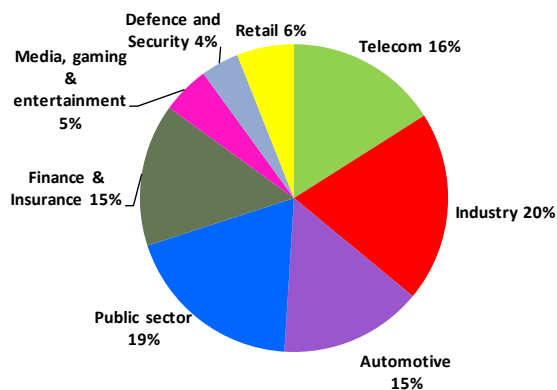
- HiQ becomes the new communication agency for the Royal Swedish Opera in the areas of digital strategy and digital and analog design.
- HiQ wins new contracts and continues its expansion in eHealth. The platform for this expansion is major deliveries to the Swedish Association of Local Authorities and Regions (SKL) and Inera, together with projects for the private sector and the medical technology segment.
- HiQ develops the new travel app for Skånetrafiken that makes life simpler for 190,000 commuters in the south of Sweden.
- HiQ develops a virtual reality solution for Volvo Cars that gives consumers a better insight into the benefits of the technically sophisticated safety functions in Volvo vehicles.
- Triathlete Lisa Nordén begins to compete for Team HiQ. HiQ is the new main sponsor for the team, which also includes mountain bike cyclists Calle Friberg and Henrik Sparr.
- For the second year in succession HiQ is a partner for the classic "Rally Sweden" in Värmland.

EVENTS AFTER THE REPORTING PERIOD

- HiQ expands its collaboration with the innovative automotive industry and supplies more teams to build tomorrow's safe, autonomous and innovative vehicles.
- HiQ wins framework agreement to help ATG to be a winner on the sports betting market.
- HiQ wins framework agreement within advertising and brand communication for a Nordic automotive manufacturer.

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 FRIENDS.

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.

Clients include ABB, Assa Abloy, Atlas Copco, Bombardier, Cactus, DEKRA, Destia, Electrolux, Elenia, Finnair, 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, Ericsson, 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 continuing to expand rapidly in the public sector.

Major framework agreements provide us with a strong platform on which we can build and grow in this segment. For example, a framework agreement signed between HiQ and the Legal, Financial and Administrative Services Agency enables a significant number of Sweden's government agencies and authorities to use our experience and expertise to help to make life simpler for citizens and residents in Sweden.

One of our public-sector assignments involves a team from HiQ that is working with the Swedish Tax Agency on a development project for a system to manage the documentation that forms the basis for tax assessment.

Another example of how to use digital technology to make people's lives simpler and better is the prototype for a digital driving licence that we have produced for the Finnish Transport Safety Agency – an innovation that creates brand new opportunities for making real-time information updates to ID documentation.

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, Trafi and Tulli.

AUTOMOTIVE

The automotive industry is hotter and more technology-intensive than ever, and Sweden is in the forefront when it comes to using advanced technology and developing smart solutions and systems for more secure and resource effective vehicles.

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 has a long history in technical development in the automotive industry. Over the past 20 years we have worked together with a large number of global vehicle manufacturers which has given us a leading position on the market. Today we have around 300 specialists working towards the automotive industry.

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 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 DICE, GTECH, 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. 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.

Technical solutions for defence and security are a part of HiQ's DNA. For more than 20 years we have been helping influential clients within defence and security to develop high-tech solutions that contributes to a safer world. One example is when we are 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.

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

GROUP DEVELOPMENT

During the first quarter of the year we continue to broaden the scope and extent of our operations by winning many exciting, new assignments.

In Finland, where we are now operating in all segments of the market, the first quarter sees us win a number of major new assignments. Profits, however, fail to meet our expectations as a consequence of a few projects, and this impacts the results for the quarter.

In Stockholm we are well represented in all market segments, and deliver a good first-quarter performance and win new assignments in all segments.

In Gothenburg we are a leading name in technology, innovation and communication, but do not fully live up to our expectations in terms of earnings and profits during the first quarter.

HiQ in Skåne delivers a solid quarter, while continuing to broaden the operations and engaging in exciting, new business opportunities.

First-quarter results for HiQ in the Mälardalen area are good in a market where industry and defence markets weigh heavily.

HiQ in Östergötland, with offices in Linköping and Norrköping, reports a strong quarter from an area where we are now working across a broad front in many important segments of the market.

Karlskrona also delivers a strong quarterly performance. Here much of our work focuses on the telecom and defence sectors, but we are also continuously expanding the scope of our client base.

Our team of experts in Moscow continues to work successfully with other HiQ units to develop smart solutions that make people's lives simpler and better.

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. Teams with a track record of effectiveness and success in creating results.

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

MARKETING & COMMUNICATION

As much of HiQ's communication takes place online, our website plays an important role in our marketing mix. We use the website not only to simplify the pathways for stakeholders, shareholders and investors who are searching for information about the company, but also to make it easier for would-be employees to find and apply for jobs and, not least, to enable potential new clients to see at a glance the breadth of our operations.

Other important channels for us are social media channels. In 2017 we placed a great deal of focus on building up a base of followers and on publishing relevant content. Not only are our followers now growing steadily in number, but we are also seeing a progressive increase in interactions with our social

media postings and a significant rise in traffic from our social media channels to our website.

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 and/or new market areas to HiQ.

We are convinced that there will be long-term growth in all segments in which HiQ is active. We also believe that new technology is a continued critical factor for success in all businesses and industries.

Our strategy is to:

- Have the best employees in the market and be the most attractive employer.
- 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.
- 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 1 627 (1 606) employees, of which 1 519 (1 476) were on active duty.

SALES AND PROFIT

HiQ's net sales total SEK 474.4 (469.7) million.

Operating profit (EBIT) is SEK 52.1 (65.5) million, equivalent to a margin of 11,0 (14,0) per cent.

Group net financials for the period total SEK 0,5 (-0,1) million.

Pre-tax profit (PTP) is SEK 52.7 (65.4) million.

INVESTMENTS

Group net investment in fixed assets during the period total SEK 3.5 (2.5) million. SEK 1.8 (0.2) million of this total is invested in new premises, SEK 1.1 (1.5) million in equipment and SEK 0.6 (0.8) million in financial leasing.

FINANCIAL POSITION

Cash flow from operations total SEK 78.9 (60.5) million.

Group liquid assets at 31 March total SEK 282.9 (262.8) million. This is an increase in liquid assets of SEK 77.7 million compared to 31 December 2017.

Interest-bearing net assets total SEK 252.5 (232.4) million at the end of the reporting period.

Owner's equity at the end of the reporting period total SEK 692.8 (671.5) million, and the equity/assets ratio as a measure of solidity is 56.4 (56.3) per cent.

SHARES

On 31 March 2018 there is a total of 55,452,887 shares in HiQ International AB (publ), which is unchanged compared to 1 January 2018.

ANNUAL GENERAL MEETING

HiQ's Annual General Meeting was held on 21 March 2018 at the company's offices in Stockholm (Regeringsgatan 20).

- Gunnel Duveblad, Ken Gerhardsen, Ulrika Hagdahl, Erik Hallberg, Raimo Lind and Lars Stugemo were re-elected as Directors of the company. In addition, Susanne Ehnåge was elected as new member of the Board. The AGM appointed Gunnel Duveblad as Chair of the Board of Directors. The AGM decided to choose KPMG AB as the company auditor, with Marine Gesien as the main auditor.
- The AGM approved the Annual Report and discharged the Board of Directors and the Managing Director from liability for the financial year 2017.
- The AGM approved the share split and the

mandatory redemption programme. This is explained in more detail under the heading REDEMPTION OF SHARES.

For a more detailed review of the Annual General Meeting and the AGM's resolutions, please see www.hiq.se.

REDEMPTION OF SHARES

On 21 March 2018 the AGM resolved that SEK 3.30 per share, corresponding to a total amount of approximately SEK 183 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 was 6 April 2018 and trading in the redemption shares was to take place during the period 9 April up to and including 20 April 2018. Payment is expected to be made on or around 3 May 2018.

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 21 March 2018 the Annual General Meeting approved 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 total a maximum of 1 000 000 warrants can be issued.

If all outstanding warrants from previous programmes and all warrants in the programme approved by this current year's AGM are fully exercised, the dilution effect will be approximately 5.9 per cent.

PARENT COMPANY

Profit after tax for HiQ International AB (publ) totals SEK -2.6 (-3.2) million.

On 31 March 2018, the company's interest-bearing net assets total SEK 108.3 (94.6) million, adjusted owner's equity totals SEK 357.4 (349.6) million and the equity/assets ratio is 50.5 (55.8) percent.

Net investments for the period total SEK 0.6 (0.0) million, of which SEK 0.6 (0.0) million is investments 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 2017) and interpretations that have since come into effect. These are (except what is described below), 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, "Revenue from contracts with customers", is the new standard for revenue recognition. IFRS 15 replaces IAS 18 Revenue and IAS 11 Construction contracts and all associated interpretations. (IFRIC and SIC).

IFRS 15 is based on the main principle that revenue is recognized when control of a good or service transfers to a customer. This recognition is made by a five step model: Step 1: identify the contract with the contract Step 2: identify different components in the contract Step 3: set the transaction price Step 4: allocate the transaction price on different components Step 5: recognize revenue when a component is complete.

The most significant changes compared to the current standards are: distinct goods or services integrated in contracts must be recognized as separate components and discounts shall as a main rule be allocated to the separate contracts. If the consideration includes variable considerations (performance bonuses, discounts, royalties) revenues could be recognized earlier than according to current standards. They should be estimated and included in the transaction price to the extent they with high probability will not be reversed. The timing of recognition could vary: some revenues that under current standards are recognized at the end of the contract could be allocated during the contract period and vice versa. There are also new specific rules regarding licenses, warranties, pre-payments and consignment agreements. The standard does also imply increased need for disclosures. HiQ has chosen the retrospective method. HiQ's assessment of the adoption of IFRS 15 shows that IFRS15 does not have any material impact on 2017 net sales, costs and operating profit and the comparable information for 2017 has not been restated. The adoption of IFRS 15

has affected the Shareholders' equity as of 1 January 2018 with SEK 0.0 million.

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

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

The adoption of IFRS 9 effect shareholders' equity with SEK -1.2 million as of 1 January 2018 as a result of the 12 month expected credit loss reserve. HiQ has chosen 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.

A more detailed description of IFRS 9 and IFRS 15 and the transition to these can be found in the HiQ Annual Report for 2017.

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 24-25 in the HiQ Annual Report for 2017.

FINANCIAL REPORTS 2018:

Interim report January-June: 17 July 2018

Interim report January-September: 25 October 2018

Year-end report January-December: 29 January 2019

FOR FURTHER INFORMATION, PLEASE CONTACT:

Lars Stugemo, President & CEO, HiQ. Tel. +46 8-588 90 000
Erik Ridman, Head of Communications, HiQ. Tel. +46 70-7508060
HiQ International AB (publ) – Corporate ID number 556529-3205
Regeringsgatan 20, 9tr
Box 7421
SE-103 91 STOCKHOLM
Sweden

Tel: +46 8-588 90 000
Fax: +46 8-588 90 001

www.hiq.se

Stockholm, 25 April 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 25 April 2018.

HiQ International Group
Company registration number 556529-3205

Statement of comprehensive income

SEK 000s	Jan-March 2018	Jan-March 2017	RTM	2017
Net sales	474 355	469 660	1 792 589	1 787 894
Other operating income	0	0	325	325
Assignment-specific external expenses	-71 217	-66 029	-268 621	-263 433
Staff costs	-317 438	-308 489	-1 197 793	-1 188 844
Other external expenses	-29 977	-26 403	-112 258	-108 684
Depreciation	-3 614	-3 192	-13 316	-12 894
Operating profit	52 109	65 547	200 926	214 364
Finance income	894	21	1 089	216
Finance costs	-350	-138	-1 287	-1 075
Pre-tax profit	52 653	65 430	200 728	213 505
Income tax	-12 112	-14 547	-45 765	-48 200
Profit for the period attributable to shareholders	40 541	50 883	154 963	165 305
Other comprehensive income				
Items that may be subsequently reclassified to profit or loss				
Exchange differences on translating foreign operations	20 251	1 006	26 078	6 833
Other comprehensive income for the period	20 251	1 006	26 078	6 833
Profit for the period attributable to shareholders	60 792	51 889	181 041	172 138
Earnings per share attributable to shareholders (based upon profit for the period)				
Earnings per share before dilution, SEK	0,73	0,93	2,80	3,00
Earnings per share after dilution, SEK	0,72	0,92	2,78	2,98
Average number of shares, thousands	55 453	54 764	55 275	55 103
Average number of shares, after dilution, thousands	56 006	55 308	55 646	55 474

The HiQ International Group
Company registration number 556529-3205

Balance Sheet

SEK 000s	31 March 2018	31 March 2017	31 Dec 2017
ASSETS			
FIXED ASSETS			
Tangible fixed assets	50 643	44 822	50 524
Intangible fixed assets			
Goodwill	384 959	366 626	373 993
Other intangible fixed assets	3 510	4 510	3 765
Financial fixed assets	20 132	16 417	17 759
Total fixed assets	459 244	432 375	446 041
CURRENT ASSETS			
Accounts receivable, trade	322 612	315 948	388 729
Current income tax assets	0	0	2 695
Other receivables	9 308	10 042	17 969
Prepaid expenses and accrued income	154 094	171 236	133 445
Liquid assets	282 873	262 844	205 124
Total current assets	768 887	760 070	747 962
Total assets	1 228 131	1 192 445	1 194 003
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Shareholders' equity attributable to shareholders	692 780	671 547	816 156
Total shareholders' equity	692 780	671 547	816 156
Non-current liabilities			
Long-term interest-bearing debt	23 305	23 609	25 322
Deferred tax liabilities	812	825	855
Total non-current liabilities	24 117	24 434	26 177
Current liabilities			
Short-term interest-bearing debt	7 097	6 864	6 304
Accounts payable, trade	74 237	68 634	74 251
Other liabilities*	275 566	263 006	112 348
Accrued expenses and prepaid income	154 334	157 960	158 767
Total current liabilities	511 234	496 464	351 670
Total shareholders' equity and liabilities	1 228 131	1 192 445	1 194 003

* 31 March 2018 - including SEK 183.0 million to be distributed to the shareholders, was decided by AGM 21 March 2018 by a split and redemption. Payment is expected to be executed around 3 May 2018.

HiQ International Group
Company registration number 556529-3205

SEK 000s	Jan-March 2018	Jan-March 2017	RTM	2017
Cash flow analysis				
Cash flow before change in operating capital & investments	44 974	71 978	158 347	185 351
Change in operating capital	33 911	-11 525	24 193	-21 243
Cash flow before investments	78 885	60 453	182 540	164 108
Cash flow from investments	-2 607	-1 741	-13 960	-13 094
Cash flow after investments	76 278	58 712	168 580	151 014
Cash flow from investments activities	1 471	-130	-148 551	-150 152
Change in liquid assets	77 749	58 582	20 029	862
Liquid assets at the start of the period	205 124	204 262	262 844	204 262
Liquid assets at the end of the period	282 873	262 844	282 873	205 124
Change in shareholders' equity				
Amount at the start of the period	816 156	777 566	671 547	777 566
Adoption of IFRS9 & 15- 1 January 2018	-1 173	0	-1 173	0
Dividends / redemption	-182 995	-170 191	-182 995	-170 191
Warrant premiums	0	0	2 913	2 913
Share issue conversion of warrants	0	0	21 447	21 447
New share issue in connection with acquisition	0	12 283	0	12 283
Total comprehensive income for the period	60 792	51 889	181 041	172 138
Amount at the end of the period	692 780	671 547	692 780	816 156
Key figures				
Operating profit (EBIT)	52 109	65 547	200 926	214 364
Operating margin	11,0%	14,0%	11,2%	12,0%
Profit margin	11,1%	13,9%	11,2%	11,9%
Capital employed	723 182	702 020	723 182	847 782
Operating capital	440 309	439 176	440 309	642 658
Return on operating capital	9,6%	12,6%	45,7%	34,4%
Return on shareholders' equity	5,4%	7,0%	22,7%	20,7%
Financial position				
Expensed investments in computers	1 277	917	4 393	4 033
Liquid assets	282 873	262 844	282 873	205 124
Interest-bearing net cash	252 471	232 371	252 471	173 498
Shareholders' equity	692 780	671 547	692 780	816 156
Equity/assets ratio	56,4%	56,3%	56,4%	68,4%
Employees				
Number of employees at end of period	1 627	1 606	1 627	1 645
Number of employees in duty at end of period	1 519	1 476	1 519	1 516
Average number of employees	1 479	1 417	1 465	1 449
Value added per employee	242	256	924	936
Turnover per employee	321	331	1 224	1 234
Operating profit per employee	35	46	137	148
Share data				
No. of shares at end of period, thousands	55 453	54 900	55 453	55 453
Average no. of shares before dilution, thousand	55 453	54 764	55 275	55 103
Average no. of shares after dilution, thousand	56 006	55 308	55 646	55 474
Profit per share before dilution, SEK	0,73	0,93	2,80	3,00
Profit per share after dilution, SEK	0,72	0,92	2,78	2,98
Shareholders' Equity per share, SEK	12,49	12,23	12,49	14,72

HiQ International Group
Company registration number 556529-3205

Jan-March 2018	Sweden	Finland	Group and elim	Group
Net sales from external clients	386 220	88 135	0	474 355
Net sales from other segments	0	217	-217	0
Net sales	386 220	88 352	-217	474 355
Operating profit	44 247	9 870	-2 008	52 109
<i>Operating margin %</i>	11,5%	11,2%		11,0%
Financial net				544
Profit before tax				52 653
Assets*	801 152	382 780	44 199	1 228 131
Jan-March 2017	Sweden	Finland	Group and elim	Group
Net sales from external clients	378 651	91 009		469 660
Net sales from other segments	0	63	-63	0
Net sales	378 651	91 072	-63	469 660
Operating profit	54 696	14 779	-3 928	65 547
<i>Operating margin %</i>	14,4%	16,2%		14,0%
Financial net				-117
Profit before tax				65 430
Assets*	749 723	367 872	74 850	1 192 445

* 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-March 2018	Jan-March 2017	RTM	2017
Net sales	10 530	10 156	42 772	42 398
Assignment-specific external expenses	-683	-1 156	-3 199	-3 672
Other external expenses	-7 588	-6 965	-26 442	-25 819
Staff costs	-6 320	-5 953	-25 919	-25 552
Depreciation and write-downs	-17	-17	-69	-69
Operating profit	-4 078	-3 935	-12 857	-12 714
Profit from shares in Group companies	0	0	199 881	199 881
Finance income	1 035	61	1 895	921
Finance costs	-245	-164	-905	-824
Pre-tax profit	-3 288	-4 038	188 014	187 264
Income tax	671	835	-21 484	-21 320
Profit for the period	-2 617	-3 203	166 530	165 944
Profit for the period attributable to shareholders	-2 617	-3 203	166 530	165 944

Balance Sheet

SEK 000s	31 March 2018	31 March 2017	31 Dec 2017
ASSETS			
FIXED ASSEST			
Tangible fixed assets	2 438	236	1 858
Financial fixed assets	439 883	437 861	439 212
Total fixed assets	442 321	438 097	441 070
CURRENT ASSETS			
Accounts receivable, trade	9 781	1 749	6 879
Receivables-Group companies	46 475	16 032	89 689
Other receivables	6 276	5 094	5 967
Prepaid expenses and accrued income	5 524	4 018	7 632
Liquid assets	197 003	161 601	127 106
Total current assets	265 059	188 494	237 273
Total assets	707 380	626 591	678 343

SHAREHOLDERS' EQUITY AND LIABILITIES

Shareholders' equity

Total restricted equity	46 965	46 910	46 965
Total non-restricted equity	310 467	302 684	496 079
Total shareholders' equity	357 432	349 594	543 044

Current liabilities

Accounts payable, trade	1 364	1 732	1 613
Liabilities - Group companies	158 816	94 882	113 379
Current income tax liabilities	0	348	6 516
Other liabilities*	183 710	172 757	2 725
Accrued expenses and prepaid income	6 058	7 278	11 066
Total current liabilities	349 948	276 997	135 299

Total shareholders' equity and liabilities	707 380	626 591	678 343
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* 31 March 2018 - including SEK 183.0 million to be distributed to the shareholders, was decided by AGM 21 March 2018 by a split and redemption. Payment is expected to be executed around 3 May 2018.

ALTERNATIVE PERFORMANCE MEASURES

HiQ uses a number of alternative performance measures in order to convey a fair picture of HiQ's results and financial position. Below are definitions of the alternative performance measures used. The numbers written within brackets are a calculation of the performance measures for the period January – March 2018.

Operating margin: Operating profit/loss for the period, in relation to net sales for the period $(52,109 / 474,355 = 11.0\%)$

Profit margin: Pre-tax profit for the period, in relation to net sales for the period $(52,653 / 474,355 = 11.1\%)$

Net interest income: Financial income, less financial costs $(894 - 350 = 544)$

Interest bearing net funds: Liquid assets, less interest bearing debts (at the end of the period) $(282,873 - 23,305 - 7,097 = 252,471)$

Equity/assets ratio: Shareholders' equity as a percentage of total assets (at the end of the period) $(692,780 / 1,228,131 = 56.4\%)$

Capital employed: Equity and interest bearing debt (at the end of the period) $(692,780 + 23,305 + 7,097 = 723,182)$

Operating capital: Capital employed, less liquid assets $(723,182 - 282,873 = 440,309)$

Return on operating capital: Operating profit/loss in relation to average operating capital $(52,109 / [(440,309 + 642,658)/2] = 9.6\%)$

Net sales per employee: Net sales in relation to average number of employees $(474,355 / 1,479 = 321)$

Added value per employee: Operating profit/loss plus salaries and salary related expenses, in relation to average number of employees $([52,109 + 306,325] / 1,479 = 242)$

Operating profit per employee: Operating profit/loss in relation to average number of employees $(52,109 / 1,479 = 35)$

Equity/share: Shareholders' equity in relation to total number of outstanding shares (at the end of the period) $(692,780 / 55,453 = 12.49)$