HiQ ANNUAL REPORT 2013

Lars Stugemo, President and CEO
HiQ

FULL SPEED AHEAD

March 7th 2014

In 2013, IT and mobility continued to expand in our society, at an even faster pace than before. We can proudly state that we on the whole have succeeded in navigating correctly, regardless of the year's challenging winds on the Nordic market. We continue winning new clients in all market segments and we also keep recruiting the best employees in the business – positive individuals who, like ourselves, believe in the combination of heart and brains.

RESULTS

HiQ's net sales 2013 total SEK 1,305.1 million. We have a very strong cash flow of SEK 130.8 million and a solid balance sheet. Based on this, HiQ's Board suggests an increased shareholders' dividend of SEK 2.60 per share. 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.

HiQ distinguishes itself in many good ways during 2013. We win awards within mobility, an area in which we have been established at the top for a long time. In Finland we win the award "Best Mobile Service" together with Fintoto, for the mobile service that enables betting on horse and harness racing in smartphones. In Sweden, the success of Swish, which HiQ developed for Bankgirot, continues. During the fall, Swish is awarded with Guldmobilen as the best mobile payment service. The service has up to one million users to date and is a true success. If you haven't tried the service yet, download it now and do so.

When Sveriges Ingenjörer and the magazine Ny Teknik present Ingenjörsbarometern, ranking the most attractive employers among computer and IT engineers, HiQ is the most popular IT consultancy company. When we add the nominations to the Swedish Design Award, Best Mobile Developer (Guldmobilen), the Swedish Publishing Award and Best CFO (IR Nordic Markets), it's obvious that HiQ is attractive in the IT industry.

ACCESSIBILITY

For us, it is important that IT and communication simplify people's lives. The on-going mobile and digital (r)evolution enables us to do everything from handling our bank errands, socialising with friends and unlocking doors, simply by using our smartphones. When we help the Swedish Post and Telecom Authority (PTS) to develop a Facebook service for deafblind people, it improves life for thousands of people who need streamlined communication. Digitisation creates a more accessible society and we are proud and happy when we succeed with this simplification.

CONNECTED AND TRANSPARENT SOCIETY

The modern society that we live in is steadily becoming more and more connected. Our cars and homes are smarter, as well as the clothes and gadgets that we wear. In a couple of years we will be using technology to change the colour of our walls, based on season, weekday or mood. Wall paint will be a thing of the past.

The technology development in the health area is massive at the moment, and it's one of the areas in which HiQ is constantly advancing its position. How technology simplifies people's lives is something you can read more about in the HiQ magazine, where we talk to Sara Riggare, the scientist who suffers from Parkinson's disease. With the help of technology she can keep track of her illness and feel better. The development is moving fast. And we are a part of developing society to the better, it´s simply the road ahead for us at HiQ.

MOBILITY AND DIGITISATION EVEN MORE BUSINESS-CRITICAL

Mobility and digitisation will continue to be crucial factors for us and for our clients. Today, IT exists at all levels among our clients, which makes IT completely critical for business. For our clients, it's an advantage that we understand the technology behind the products and systems, and that we also understand our clients' operations. We see examples of this as we today work with HR and marketing departments. Today, we operate in 15 different industries. With our broad knowledge and capability to transfer know-how from one industry to another we create the best solutions that make our clients competitive and that drive development forward.

HIQ GOING FORWARD

One third of what we do today, are things that have never been done before. The innovative power is enormous and the Nordic region is, and will continue being, an exciting region to operate in. With a sound financial position, and positive employees who always do their utmost to create the best results, we stand well equipped to take on the future. HiQ employs more than 1,300 people in the Nordics and Russia. With clients who want to create magic with the help of IT, we are a player to reckon with – for our employees, clients and shareholders. We look forward to a new exciting year in the most exciting of industries.

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ANNUAL GENERAL MEETING

The Annual General Meeting will take place at 10 a.m. (10:00 CET) on 31 March 2014 in HiQ's offices on the 9th floor at Regeringsgatan 20 in Stockholm. A notice of the meeting will be published on the company website, www.hiq.se, and will also be advertised in Post & Inrikes Tidningar and in the Swedish daily newspaper Svenska Dagbladet.

FINANCIAL REPORTING DATES

The January – March interim report will be published on 23 April 2014. The January – June report will be published on 12 August 2014. The report for the period January – September will be published on 21 October 2014 and the year-end report for 2014 will be published on 28 January 2015.

HiQ is an IT and management consultancy company specialising in communications, software development and business-critical IT.

HiQ is an independent advisor with the client's best interests at heart, free from any commercial links to suppliers, products or technology. We see technology and IT as tools for simplifying people's lives. We improve our clients' businesses and operations with the help of our experience, knowledge and quality focus. HiQ has won many awards over the years, and we are proud to see that we continue to win and get nominated. During 2013, we win mobility awards in both Sweden and Finland, for the solutions Toto-mobiili for Fintoto and Swish for Bankgirot. That HiQ is an appealing employer is acknowledged in Ingenjörsbarometern – a survey by Sveriges Ingenjörer and the magazine Ny Teknik. When Sweden's computer and IT engineers rank the most attractive employers, HiQ is the most popular consultancy company. HiQ employs more than 1,300 people in Sweden, Finland, Denmark and Russia.

THE YEAR AT A GLANCE

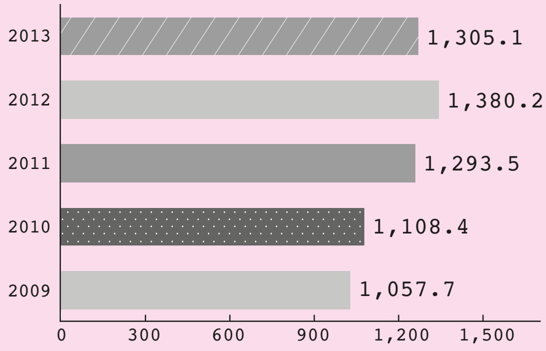
Looking back at 2013, we see that we continue to create strong results for our clients and shareholders. We are winning new exciting clients and framework agreements in all market segments in which we operate, and we are also developing our existing collaborations. We keep doing this persistently, despite that the Nordic market is characterized by a lower demand due to challenges in the European economy.

We have a very strong cash flow of SEK 130.8 million and a solid balance sheet. HiQ's liquid assets totalled SEK 207.3 million at 31 December, and the Board proposes that the Annual General Meeting approves a dividend to shareholders of SEK 2.60 per share, totalling approximately SEK 137 million, in the form of a split and a compulsory redemption programme.

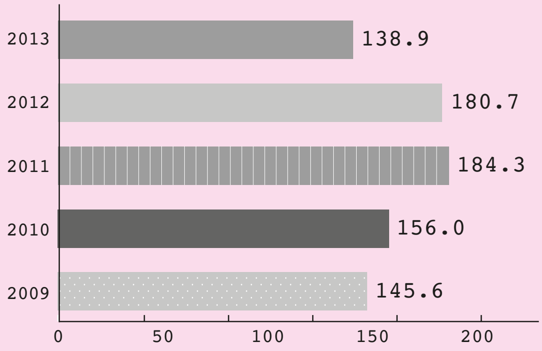
HiQ is developing stably during 2013 and performing well in the assignments we are given by our innovative and forward clients. We are constantly recruiting and we are proud and happy that so many creative and driven people want to work with us. The total number of employees in Sweden, Finland, Denmark and Russia is over 1,300.

We believe in creating results in combination with positive energy and passion. HiQ's values; results, responsibility, simplicity and joy, are a competitive advantage for us and for our clients, and they are reflected in every project, every day.

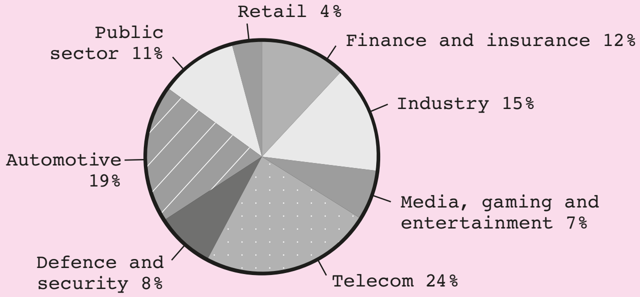
NET SALES (SEK MILLION)



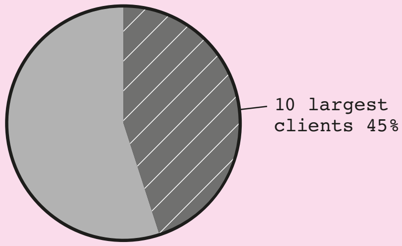
OPERATING PROFIT (SEK MILLION)



NET SALES PER MARKET



NET SALES, 10 LARGEST CLIENTS



VALUES

Together we build the company we always wanted to work for. HiQ's soul is the values we hold so dear. These guiding-stars at HiQ are not a finely worded document – they are the way we act everyday in every project, in order to create a competitive advantage and a more amusing everyday life for our clients and ourselves.

Our values have been with us since the start and are the very heart and soul of HiQ. They govern who we are, what we do and how we are perceived by the world around us. Put into practice they mean that here at HiQ we are firmly focused on results, able and willing to assume responsibility and committed to always doing our utmost to improve and simplify our clients' operations – and to have fun while we do so.

RESULTS
It may sound obvious, but to make sure that we have satisfied clients, we must deliver good results every day in every project. We follow up the results that we create, for example through extensive client surveys. The end result is that our clients can offer better products and services to make everyday life simpler, safer and more fun.

RESPONSIBILITY
Every HiQ employee sets a good example in words and in action by taking their share of responsibility, both for their team and for the overall result. This covers everything from delivering the right services at the right time, to creating a pleasant atmosphere wherever we carry out our work. We always try to create added value for our clients.

SIMPLICITY
We love to tackle difficult challenges and to use advanced technology to simplify people's everyday life. Simplicity is one of our guiding principles. It stimulates us to be creative. It gives us the courage to discard whatever is not necessary. For HiQ clients, simplicity means that we are available, quick to respond and not hesitant to proposing improvements. Simplicity is the innovation of our time.

JOY
At HiQ, we believe in joy and diversity. When having fun at work and being yourself, we believe that you perform better. Facing challenges with a positive mindset is the first step towards finding creative solutions. We have fun working together with our clients, and this shows in the results we create together. Joy is a benefit for us as a company, for us as co-workers and for all clients we meet every day.

THIS IS WHAT WE DO FOR OUR CLIENTS

We operate in a world where mobility and digitisation are spreading and where IT has become a business-critical aspect in all market segments and at all levels in our clients' organisations. In our connected society, HiQ is an important partner in order to make use of the new technology and reach the best possible results.

BUSINESS-CRITICAL IT
Today companies, and public authorities are totally dependent on functioning IT systems. Also, many new start-ups are built up entirely around IT. HiQ develops business-critical systems that meet tough criteria in terms of accessibility and reliability. Mobile banking solutions and payment systems in the retail industry are good examples of this - where IT must work flawlessly, in order for money, services and products to change owners.

Another example is the media industry, where media companies develop their content to adapt to new platforms and user behaviours – a shift that is made possible thanks to the evolution of new technology. HiQ is also at the forefront of simplifying citizens' contacts with public authorities. With our experience and expertise we are a strategic partner to our clients.

PRODUCT DEVELOPMENT
The development of high-tech and, in many cases, connected products is accelerating, and our mobile lifestyle is setting greater demands on innovation, quality and simplicity. HiQ helps clients to develop innovative products based on IT. In the automotive industry, HiQ helps leading players with the development of in-car systems and services for connected vehicles. We enjoy a strong position in areas such as active safety and infotainment.

Another flagship area for HiQ is simulation. For example, HiQ is involved in the development of the simulator for the Jas 39 Gripen. Hundreds of pilots worldwide have been educated and trained with the help of the simulator. HiQ's vast experience from product development within the telecom area helps us in creating innovative solutions like digital learning tools and mobile applications.

OUR CUSTOMER SEGMENTS

Together with innovative and driven clients, HiQ works with simplifying and improving people's lives using IT.

HiQ's clients come from a variety of different industries, and they all have something in common – that they want to be at the forefront, developing their businesses and operations through simple and user friendly solutions. We divide our customers, who have primarily Nordic but also global presence, into eight market segments.

TELECOM
Mobility and improvements in capacity are becoming ever more important for all clients in all industries. Since 1995 HiQ has had a very strong standing in telecoms and works with global market-leaders. We have extensive technical expertise and commercial competence within telecommunications systems.

For almost 20 years we have been working closely with suppliers, operators, users and legislative authorities. Our know-how and understanding of the industry creates great value for clients and projects in other lines of business, as many industries today are dependent on telecom technology and mobility.

For example, HiQ helps the global telecom player Doro to simplify the use of technology for seniors, by providing project management and testing of Doro's new products.

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

MEDIA, GAMING AND ENTERTAINMENT
Today's technology creates challenges and endless opportunities for players in the media industry. We see many new players streaming a variety of different media forms thanks to new technological possibilities. Years of experience in IT, communications and the digitisation of content enable us to meet the increasing demand for services that combine the internet and mobility with media and entertainment.

We are developing a number of services for various TV channels in the Nordic region and elsewhere in Europe. The viewers of today can decide for themselves where, when and how they want to watch TV, for example by using the IPTV service that HiQ has assisted the British Channel 4 to develop.

In addition, HiQ is involved in developing online gaming. This, too, is a constantly evolving industry, and the Nordic companies are successful on the global gaming market.

Some of our clients in this segment are Channel 4, DICE, Digi TV Plus, Fintoto, GTECH, Hippos, King, Natur & Kultur, MTG Radio AB, MTV 3 Finland, SBS TV AB, Spotify, Sveriges Television and Veikkaus.

AUTOMOTIVE
Vehicles and their components are increasingly becoming connected and able to communicate with each other. The technology used in the automotive industry is constantly evolving and there is a great deal of pressure to introduce shorter and more efficient development cycles. Together with one of our highly innovative clients we are developing road trains, where several vehicles travel in a semi-autonomous convoy. Benefits of this concept are enhanced safety and reduced fuel consumption.

For a long time, HiQ has been collaborating on prestigious assignments as a strategic partner in the field of active safety. Self-braking vehicles that detect and warn drivers of potential hazards reduce the number of accidents and save lives on the roads.

HiQ is also increasingly involved in projects aimed at developing eco-friendlier vehicles. Technology plays a crucial part in finding effective solutions to reduce emissions and minimise fuel consumption.

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

DEFENCE AND SECURITY
The defence industry is global, and international risk scenarios are constantly changing. HiQ's know-how in the fields of simulation and communications together with the stable, long-term relationships we enjoy with our clients, have helped pave the way to success in both product development and operational support.

HiQ's experience within this area is extensive. We have been maintaining and developing training simulators for the JAS 39 Gripen fighter aircraft since the early 1990s. Hundreds of fighter pilots worldwide have been trained in simulators that HiQ helps to develop.

HiQ helps the Swedish Defence Materiel Administration (FMV) to simplify tracking of their material using RFID technology – a high-tech collaboration that has won international recognition.
Some of our clients in this segment are BAE, the Swedish Defence Materiel Administration (FMV), the Swedish Armed Forces and SAAB.

INDUSTRY

In the industry segment, more and more companies are becoming completely IT-dependent. Intelligent solutions are developed to simplify processes and create new business offers. There are a great number of IT-dependent products and support systems that require development capacity and services for testing and quality assurance. “The cloud” is actively used for streamlining operations. HiQ has a strong backing in this segment and cooperates with several global players in the process of simplifying and improving.

For example, HiQ is helping Seco Tools with the development of sales support applications, simplifying the processes for customers, sales managers and administrators. HiQ has also collaborated with the Finnish industrial group Kuusakoski for many years. Among other things, HiQ has developed the group’s new intranet.

Some of our clients in this segment are ABB, Assa Abloy, Atlas Copco, Bombardier, Cramo, Dekra, Electrolux, Empower, Jeppesen Systems, Kuusakoski, Kerava Energy, SAS, Seco Tools, SKF and Svevia.

RETAIL

The retail sector is undergoing some revolutionary changes, with a steep rise in online shopping. Many retailers are broadening the options and simplifying for their customers, by expanding and improving their online and mobile shopping.

With a strong offering, built on a thorough understanding of the industry gained over many years, HiQ supplies leading international retail chains with services ranging from concept and design to quality assurance. HiQ works within a broad spectrum that includes e-commerce, mobile commerce, procurement and logistics systems, and tools for marketing and sales.

Some of our clients in this segment are Bauhaus, ICA, Lähikauppa and Stockmann.

PUBLIC SECTOR

The public sector is continually striving to improve service levels and make people’s lives simpler. To do so, the sector is developing IT environments that streamline and strengthen its operations.

HiQ has more than ten years’ experience of working with the development of business-critical IT solutions for public authorities and organizations. The IT development in this market segment simplifies for us as citizens, in our contacts and dealings with various authorities.

Some of our clients in this segment are the Swedish Public Employment Service, the Swedish Enforcement Authority, the Government of Sweden, the Swedish National Police Board, the Swedish Post and Telecom Authority, the Swedish Tax Agency and the Finnish Customs authority.

FINANCE AND INSURANCE

HiQ enjoys a strong position in this sector, firmly founded on a thorough knowledge of the rules, regulations, processes and IT in several key areas, from securities trading to asset management and payments.

At HiQ, we combine our financial insights with our expertise in mobility to create a competitive offering for mobile payments. Swish, that HiQ developed together with Bankgirot for Sweden’s six largest banks, has become a success with more than 700,000 active users during the first year. Swish enables people to transfer money in real time, without card readers or account numbers.

Some of our clients in this segment are Bankgirot, Handelsbanken, Nordea, OP Pohjola Group, S-Pankki, SEB, Skandia, Swedbank and Wasa Kredit.

STRATEGIES FOR SUCCESS

A COMPANY BASED ON VALUES

HiQ's values have been a big part of what we are ever since we started almost 20 years ago. They are the very heart and soul of HiQ. We believe that with these values – results, responsibility, simplicity and joy – we can deliver optimum quality in all that we do and thus make sure that our clients are always fully satisfied. Our values are something that we are constantly aware of in our day-to-day work. They are a decisive competitive advantage for both HiQ and our customers.

A CONSULTING COMPANY – PLAIN AND SIMPLE

We are a consultancy company in the truest sense, acting as an independent advisor that puts the best interests of our customers first. Our mission is to bring our clients competence, energy and innovation, without the constraints of any commercial ties to suppliers, products or technologies.

QUALITY, PROFITABILITY AND GROWTH

Just as our name suggests, high quality is the foundation on which HiQ is built. Consistently delivering high quality generates satisfied clients. Satisfied clients make our operations profitable, and these profits then provide us with the opportunity to grow. Our priorities are quality, profitability and growth – in that order. Our growth strategy is to grow organically, supplemented by strategic acquisitions. HiQ's acquisition strategy is to strengthen the company's geographical presence in the Nordic region and to acquire companies that add new competence to HiQ.

SPECIALISTS IN TECHNOLOGY, BUSINESS AND OPERATIONS

We are a specialist consultancy company with a high degree of expertise in the fields of communication, software development and business-critical IT. The skills we have gained from telecoms are shared with clients in all the other industries in which we operate. At HiQ, we understand not only the technology but also the importance of technology for a business. By a thorough insight into our clients' business operations, we are able to add expertise of how technology best simplifies and improves.

WE DELIVER WITH THE CLIENT IN MIND

HiQ has a delivery model with the client's needs and conditions in mind. We deliver turn-key projects and carry out assignments, both at the clients' and in our own offices. We also use cross functional teams which give the client extra flexibility. In Moscow we have a development centre with experts in mobility, which often is a critical resource to delivering great results quickly.

KNOWLEDGE TRANSFER BETWEEN INDUSTRIES

We take an active role in the process of transferring knowledge between our various clients' respective industries. By doing this we make sure that our clients benefit from new impulses and from the technological and commercial expertise that exists in industries that are very different from their own. Not only is the need for communication continuing to grow in an ever increasing number of industries, but more and more industries are also calling for our help and expertise in areas such as mobility.

A NORDIC HEART

HiQ is a consultancy company with roots in the Nordic region and a strong position in its domestic markets. Nevertheless, our international commitments are steadily increasing in terms of assignments for Nordic clients abroad as well as for non-Nordic companies.

FIVE-YEAR SUMMARY

In 2013 our turnover was SEK 1,305.1 million with an operating margin of 10.6%. The tables below show HiQ's financial development over the 2009–2013 period.

INCOME STATEMENT

(SEK million)	**2013**	**2012**	**2011**	**2010**	**2009**
Net sales	1,305.1	1,380.2	1,293.5	1,108.4	1,057.7
Other operating income	–	–	1,1	–	–
Operating expenses, excl. deprecation	– 1,155.3	– 1,186.2	– 1,097.5	– 941.2	– 899.2
Operating profit before deprecation	**149.8**	**194.0**	**197.1**	**167.2**	**158.5**
Deprecation	– 10.9	– 13.3	– 12.7	– 11.2	– 12.9
Operating profit	**138.9**	**180.7**	**184.3**	**156.0**	**145.6**
Financial net	0.4	0.7	1.6	– 0.9	– 0.4
Pre-tax profit	**139.3**	**181.4**	**186.0**	**155.1**	**145.2**
Tax charged to the year's profit	– 32.3	– 44.5	– 50.3	– 44.4	– 39.1
Profit after tax	**107.1**	**136.9**	**135.7**	**110.6**	**106.1**

BALANCE SHEET

(SEK million)	**2013**	**2012**	**2011**	**2010**	**2009**
ASSETS					
Intangible assets	330.6	324.8	337.7	344.8	348.9
Tangible fixed assets	36.8	36.9	34.3	26.9	24.2
Financial assets	14.2	13.2	11.7	14.8	15.9
Total fixed assets	**381.5**	**374.9**	**383.7**	**386.6**	**388.9**
Accounts receivable, trade	253.1	279.2	260.3	228.0	182.1
Other current assets, excl. cash	117.4	127.8	129.0	113.1	97.5
Cash and cash equivalents	207.3	210.0	190.5	163.5	131.9
Total current assets	**577.8**	**617.0**	**579.8**	**504.6**	**411.4**
Total assets	**959.4**	**991.9**	**963.5**	**891.3**	**800.3**
SHAREHOLDERS' EQUITY AND LIABILITIES					
Shareholders' equity	691.0	699.3	686.2	633.8	596.0
Non-interest-bearing provisions	0.3	8.9	2.2	4.1	4.5
Interest-bearing long-term liabilities	23.5	23.5	25.0	20.7	12.7
Non-interest-bearing current liabilities	239.2	255.1	245.8	228.9	183.5
Interest-bearing current liabilities	5.3	5.1	4.3	3.7	3.6
Total shareholders' equity and liabilities	**959.4**	**991.9**	**963.5**	**891.3**	**800.3**

SALES AND PROFIT PER QUARTER 2013

	Q1	**Q2**	**Q3**	**Q4**
Net sales, SEK million	340.4	344.1	272.4	348.3
Operating profit, SEK million	34.4	36.8	27.3	40.5
Operating margin, %	10.1%	10.7%	10.0%	11.6%
Cash and cash equivalents per quarter	235.2	150.1	154.7	207.3

KEY RATIOS

	2013	2012	2011	2010	2009
Net sales, SEK million	1,305.1	1,380.2	1,293.5	1,108.4	1,057.7
Growth in net sales, %	– 5.4	6.7	16.7	4.8	– 10.5
Gross margin, %	11.5	14.1	15.2	15.1	15.0
Operating margin, %	10.6	13.1	14.3	14.1	13.8
Return on shareholders’ equity	15.4	19.8	20.6	18.0	18.1
Return on working capital, %	27.0	34.6	36.2	32.0	30.8
Net sales per employee, SEK thousand	1,086	1,150	1,169	1,173	1,113
Value add per employee, SEK thousand	858	889	901	901	888
Operating profit per employee, SEK thousand	116	151	167	165	153
Average number of employees	1,202	1,200	1,107	945	951
Number of employees at year-end	1,326	1,326	1,282	1,167	1,014
Equity ratio, %	72.0	70.5	71.2	71.1	74.5

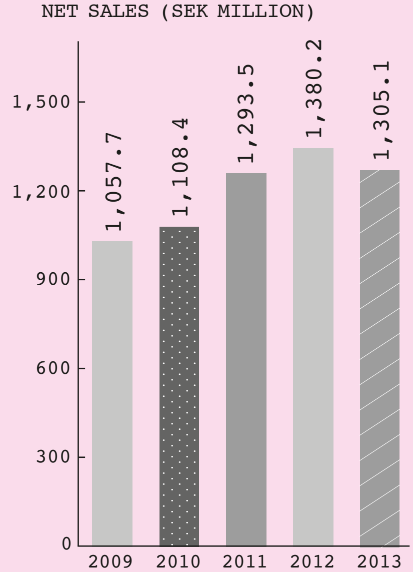
For definitions see page 53.

KEY RATIOS PER SHARE

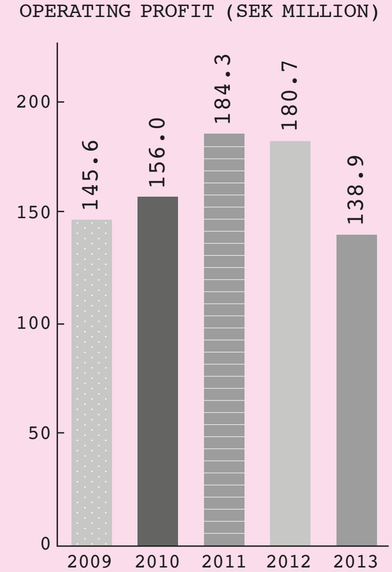
(SEK, unless stated otherwise)	2013	2012	2011	2010	2009
Earnings after tax, before dilution	2.03	2.60	2.58	2.14	2.06
Earnings after tax, after dilution	2.03	2.59	2.58	2.13	2.06
Cash flow, before dilution	– 0.05	0.37	0.51	0.61	0.06
Dividend (2013 proposed)	2.60[1)]	2.40[2)]	2.20[3)]	1.80[4)]	1.10[5)]
Equity (before dividend)	13.10	13.26	13.01	12.12	11.55
Direct yield, %	6.6	6.7	7.6	4.7	3.8
Share price at year-end	39.60	36.00	29.00	38.30	29.20
Average number of shares, thousand	52,752	52,752	52,564	51,680	51,605
Average number of shares after dilution, thousand	52,842	52,752	52,568	51,876	51,605
Number of outstanding shares, thousand	52.752	52,752	52,752	52,303	51,605

1) The Board has proposed to distribute, via a share split and mandatory redemption, an amount of approximately SEK 137 million (SEK 2.60/share) to the shareholders.
2) 2012 share split and distribution to shareholders of approx. SEK 127 million (SEK 2.40/share)
3) 2011 share split and distribution to shareholders of approx. SEK 116 million (SEK 2.20/share)
4) 2010 share split and distribution to shareholders of approx. SEK 94 million (SEK 1.80/share)
5) 2009 share split and distribution to shareholders of approx. SEK 57 million (SEK 1.10/share)

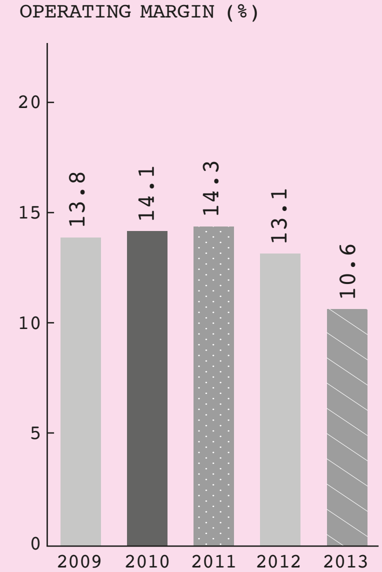
NET SALES (SEK MILLION)



OPERATING PROFIT (SEK MILLION)



OPERATING MARGIN (%)



RISK AND RISK MANAGEMENT

HiQ's business is affected by a number of different factors, some of which are within the company's control while others are not. In consultancies such as HiQ, profitability is primarily determined by four factors: available time, price, utilisation rate and cost control. These factors are in turn affected by market conditions through demand for HiQ's services and the opportunity to recruit new staff and thereby to grow.

BUSINESS-RELATED RISKS

Recruitment and skills supply

Our personnel, along with our customers, are HiQ's biggest asset. The average HiQ employee has a degree in engineering and around ten years' experience in the industry. The supply of experienced and skilled staff with good business expertise depends on economic conditions. In boom periods there is often a shortage of the skills that we are looking for, which can affect HiQ's growth. We work actively on developing HiQ as an attractive employer that skilled people want to work for. In an economic downturn it is easier to recruit specific competence. For a staff intensive company such as HiQ, it is always important to try to keep the staff turnover at a decent level. This is more difficult in a strong economic climate when skilled staff often are in shortage.

Competition and price pressure

Competition is a natural part of doing business and is necessary for healthy development. A highly competitive market is a challenge that develops HiQ as a company, since we must constantly make efforts to show our clients that we are that bit better than our competitors.

Fierce competition can also bring pressure on prices. To balance the risks of that eventuality occurring, HiQ needs to have specialist expertise that is in demand by clients, irrespective of the state of the economy, and in certain cases to avoid projects where the price level is judged to be too low to ensure satisfactory profitability. HiQ competes with large actors and smaller niche players, depending on the area in which HiQ is operating. Some of our larger listed competitors are Accenture, Cybercom, Knowit, Semcon, and Tieto.

Framework agreements

Framework agreements have significant importance for companies like HiQ. In our view, clients are today tending to choose to cooperate with fewer suppliers, and they are choosing them carefully. As well as quality and a high level of technical expertise, a strong financial position is of the utmost importance today if we are to be among those companies chosen by our clients as preferred suppliers. Clients want to cooperate with a supplier who will still be there at the end of the project. HiQ currently has framework agreements with practically all its major clients and, in order to reduce the risks of not remaining a preferred supplier, we must deliver quality and results as well as have a good dialogue with the client.

Developments at our key clients

HiQ's top 10 clients account for 45% of sales. HiQ operates in long-term relationships with its clients and many have been on our client list for over five years. There is always the risk that one key client may be affected by fluctuations in the market and reduce the amount of consultancy services that it buys in, which in the short term may result in poorer capacity utilization for HiQ. As a company, we must maintain a good balance between clients from different sectors and geographical regions. More than five different sectors are represented among HiQ's top 10 clients.

Bad debts

Just as HiQ is affected by developments at its key clients – which in the event of a rapid decline may affect our utilisation rate – we may be hit by unpaid invoices and thus bad debts. In historical terms, we have only experienced a few bad debts and we have continually improved our routines for invoice payment and follow-up. Where we work with clients with a lower credit rating, for example because they are newly established, payment may be required in advance or subject to a short period of credit.

MARKET-RELATED RISKS

Cyclical risks

Market conditions affect all companies within a particular sector in one way or another. There is always an obvious risk that HiQ will be affected by economic fluctuations. Historically speaking, HiQ has maintained comparatively high profitability during both boom periods and recessions, but naturally we have also been affected as a company – which has meant adjustments to our operations, for example. By creating a flexible organization with skills that can be transferred between different sectors and geographical areas, we have a capacity for balancing out different geographical regions.

FINANCIAL RISKS

For a description of financial risks, please refer to note 35 on page 49.

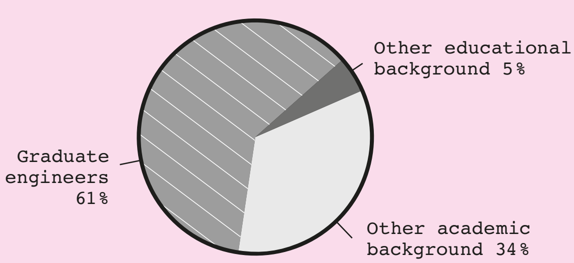
THE HiQ CO-WORKER – A FEW FACTS

At HiQ we are brave, creative and ambitious and together we create the company we always wanted to work for. This means that we are results-oriented, take responsibility, find the simplest solutions and have fun at work together with our clients. We are a strong team of individuals, with different backgrounds, heritage and competences.

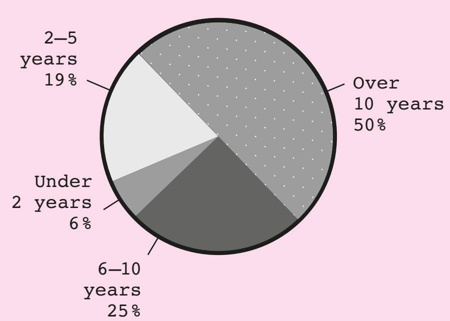
At HiQ, we believe that having a balance in life is important. What we do in our spare time is reflected at work and vice versa. We take responsibility for creating a dynamic environment where we can be creative and spread joy. High levels of technical expertise and broad-based experience of the field in which they work are just two of the many qualities that characterise HiQ employees. A HiQ employee has 11 years' experience of technology and business development: 61 per cent are graduate engineers and 34 per cent have other university degrees.

KEY FIGURES 5 YEARS	**2013**	**2012**	**2011**	**2010**	**2009**
Net sales per employee, TSEK	1.086	1.150	1.169	1.173	1.113
Added value per employee, TSEK	858	889	901	901	888
Operating profit/loss, TSEK	116	151	167	165	153
Number of employees at end of year	1.326	1.326	1.282	1.167	1.014
Average number of employees	1.202	1.200	1.107	945	951
Proportion of women	24%	22%	21%	23%	22%
Average age, years	38	37	37	37	37

EDUCATIONAL BACKGROUND



INDUSTRY EXPERIENCE AMONG EMPLOYEES



THE HiQ SHARE

On 31 December 2013, the share capital in HiQ totalled SEK 5,275,152, represented by 52,751,523 outstanding shares. Each share carries one vote and all shares carry equal rights to a share in the assets and profits of the Company. At the Annual General Meeting (AGM) each person entitled to vote may vote for the full number of shares owned and represented without any restriction on voting rights. The AGM in April 2013 authorised the Board of Directors, on one or more occasions on the period up to the next AGM, to issue a maximum of 5,000,000 shares in the form of a non-cash issue or off-set issue in conjunction with acquisitions. The Annual General Meeting also authorised the Board of Directors, on one or more occasions in the period up to the next AGM, to pass a resolution to acquire as many shares in total so that the company's holding at no time exceeds 10% of the total shares in the company. Acquisitions shall be made via Nasdaq OMX Stockholm and may only be made at a price within the price range registered at any time, i.e. the interval between the highest bid rate and lowest offer rate.

CHANGES IN THE SHARE CAPITAL

The list below describes the change in share capital during the last five years.

Year	Transaction	Change share capital	Total share capital	No of outstanding shares
2009	Opening balance	–	5,160,526	51,605,258
2009	Redemption – Split 2:1	–	5,160,526	103,210,516
2009	Redemption of shares	– 2,580,263	2,580,263	51,605,258
2009	Bonus issue shares	2,580,263	5,160,526	51,605,258
2010	Redemption – Split 2:1	–	5,160,526	103,210,516
2010	Redemption of shares	– 2,580,263	2,580,263	51,605,258
2010	Bonus issue shares	2,580,263	5,160,526	51,605,258
2010	Purchase consideration Frends Technology	29,087	5,189,613	51,896,123
2010	Redemption of warrants	40,660	5,230,272	52,302,723
2011	Redemption – Split 2:1	–	5,230,272	104,605,446
2011	Redemption of shares	– 2,615,136	2,615,136	52,302,723
2011	Bonus issue shares	2,615,136	5,230,272	52,302,723
2011	Redemption of warrants	44,880	5,275,152	52,751,523
2012	Redemption – Split 2:1	–	5,275,152	105,503,046
2012	Redemption of shares	– 2,637,576	2,637,576	52,751,523
2012	Bonus issue shares	2,637,576	5,275,152	52,751,523
2013	Redemption – Split 2:1	–	5,275,152	105,503,046
2013	Redemption of shares	– 2,637,576	2,637,576	52,751,523
2013	Bonus issue shares	2,637,576	5,275,152	52,751,523

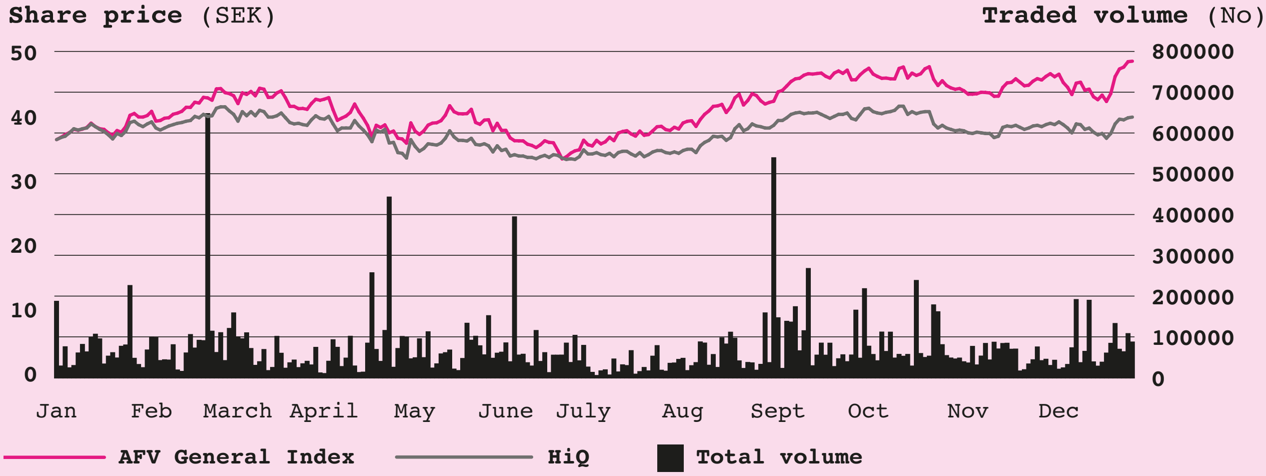
EMPLOYEE SHARE PROGRAMS

From 1998 up to and including 2013 HiQ has implemented a number of share programmes for its employees for the purpose of attracting, retaining and motivating staff members. The programmes are based on subordinated debentures with detachable warrants or standalone warrants. The programmes were divided into sub-programmes in order to allow warrants to be offered to new employees on an ongoing basis. The Annual General Meeting in April 2013 approved a warrants programme aimed at all employees of HiQ, divided into two series. The number of warrants subscribed for in the two series was 533,200. All the warrants were acquired at market price. During 2013 no warrants has been exercised into shares and no warrant programs lapsed without exercise. The total number of outstanding warrants, where each warrant entitles the holder to subscribe for 1 share, was 2,162,795 at yearend, corresponding to a maximum dilution effect of 3.9%. In order to encourage uptake of the warrant programme, HiQ offers a subsidy to the warrant holders who are still employed at HiQ at the time of redemption. The subsidy is effected through a bonus payment that after tax corresponds to the warrant premium. It is conditional on the Group attaining its long-term financial profitability target during the period, i.e. an operating margin of 15%. For the programmes issued in 2012, half of the warrant premium is repaid if the employee is still employed at the time of redemption and the half of the premium is repaid if the employee is still employed and the Group has attained its long-term financial profitability target. The cost of the subsidy amounted to SEK 0,3 (-1.6) million in 2013.

WARRANT DATA

Name	No of warrants	No underlying shares	Term	Subscription period	Subscription price
2011:1	321,500	321,500	3 years	May 2014	44.90
2011:2	414,000	414,000	3 years	Nov 2014	31.80
2012:1	567,615	567,615	3 years	May 2015	38.00
2012:2	326,480	326,480	3 years	Nov 2015	34.30
2013:1	229,000	229,000	3 years	May 2016	38.60
2013:2	304,200	304,200	3 years	Nov 2016	41.50

The graph below illustrates how the HiQ share has performed over the period 1 January 2013 to 31 December 2013. For up-to-date share information, please consult the Nasdaq OMX Nordic website at www.nasdaqomxnordic.com. HiQ is listed on Nasdaq OMX Stockholm MidCap, which is a part of the Nordic Exchange. It was first listed on 12 April 1999 and the initial share price, calculated on the basis of the share split implemented, was SEK 10.60. On 30 December 2013, the market price was SEK 39.60. HiQ's market capitalization thus amounted to around SEK 2.089 million (before dilution). The highest price paid during the year was SEK 41.50 on 11 October 2013. The lowest price paid during the year was SEK 32.90 on 29 April 2013. During the year, a total of 17.7 million shares were traded. On average, approximately 71.000 shares were traded per day.



DIVIDEND POLICY

HiQ's dividend level is tailored to the Group's capital requirements, which mainly take the form of investments, working capital commitments and the shareholders' requirement for a good dividend yield. The goal is for the long-term dividend level to be approximately 50% of HiQ's profit after tax.

OWNERSHIP STRUCTURE

At year-end, HiQ had 8,259 shareholders. Foreign ownership amounted to 33.1% and was distributed over the following countries: Finland 15.4%, UK 6.8%, the United States 4.4%, other countries 6.5%. At yearend, Swedish institutional investors owned 46.0% of the shares. 16.7% of the shares were held directly by the shareholders, while 83.3% were registered in the name of a nominee.

Holdings	No of owners	Percentage of owners	No of shares	Percentage of shares
1 – 1,000	6,521	78.9%	2,186,249	4.1%
1,001 – 5,000	1,323	16.0%	3,276,961	6.2%
5,001 – 10,000	179	2.2%	1,377,266	2.6%
10,001 – 15,000	59	0.7%	755,905	1.4%
15,001 – 20,000	40	0.5%	720,603	1.4%
20,001 –	137	1.7%	44,434,539	84.3%
Total	**8,259**	**100.0%**	**52,751,523**	**100.0%**

TOP 15 SHAREHOLDERS 31 DECEMBER 2013 (AND KNOWN CHANGES)

Name	No of shares	Share of capital and votes
Swedbank Robur fonder	5,148,010	9.8%
Nordea fonder	4,287,649	8.1%
Lannebo fonder	4,273,620	8.1%
SEB Investment Management	3,701,524	7.0%
Skandia fonder	2,787,739	5.3%
Handelsbanken fonder Sverige	2,648,894	5.0%
Handelsbanken fonder Finland	2,360,882	4.5%
Svolder AB	1,773,000	3.4%
DnB Carlson fonder	1,707,654	3.2%
Hannu Lehessaari	1,100,000	2.1%
Fjärde AP-fonden	911,997	1.7%
Fidelity fonder	900,000	1.7%
Rolf Anderson	840,132	1.6%
Folketrygdfondet	602,157	1.1%
Lars Stugemo	583,651	1.1%

Holdings include related-party holdings and holdings through companies.

Source: Euroclear and known holdings.

Directors' Report for HiQ International AB (Publ) Org. no. 556529-3205, registered office: Stockholm, address: Box 7421, 103 91 Stockholm.

THE BUSINESS IN GENERAL

HiQ is an IT and management consultancy company that works with high-tech solutions within communications and software development. The company is a leading player in these fields, with the Nordic region as its domestic market. In 2013 the Group generated sales of SEK 1,305.1 million. At year-end the Group had 1,326 employees, and operations in Sweden, Finland, Denmark and Russia.

OWNERSHIP

HiQ International is listed on the Nasdaq OMX Nordics MidCap list in Stockholm. At year-end HiQ had a total of 8,259 shareholders. For a more detailed description of the ownership of HiQ International AB, see The HiQ share on page 14.

SIGNIFICANT EVENTS IN 2013

Looking back at 2013, we see that we continue to create strong results for our clients and shareholders. We have a very strong cash flow and a solid balance sheet. In 2013, the Nordic market is characterized by a lower demand and the continued restructuring of the Nordic mobile industry. Despite this, we keep on winning new clients and developing already existing partnerships. Digitisation and mobility continue to transform the roadmap for our clients, and new possibilities are opening up. During the year we are embarking on, and developing, collaborations with forward clients such as ABB, Kuusakoski, Seco Tools, Sveriges Television (Swedish public service broadcaster) and Volvo Cars. To our joy, we also continue winning nominations and awards. We win mobility awards in both Finland and Sweden during the year, for the well-known solutions for Fintoto and Bankgirot (Swish). The mobile payment service Swish simplifies life for approximately one million Swedes every day. HiQ is also winning assignments that involve assuming overall responsibility for specific areas. Typical examples include testing, quality assurance processes and simulation activities. HiQ also successfully operates extensive projects close to our clients – so called homeshoring projects.

Mobility and improvements in capacity are becoming ever more important for all clients in all industries. Since 1995 HiQ has had a very strong standing in telecoms and works with global market-leaders. We have extensive technical expertise and commercial competence within telecommunications systems. Today's technology creates challenges and endless opportunities for players in the media industry. We see many new players streaming a variety of different media forms thanks to new technological possibilities. Years of experience in IT, communications and the digitisation of content enable us to meet the increasing demand for services that combine the internet and mobility with media and entertainment.

Vehicles and their components are increasingly becoming connected and able to communicate with each other. The technology used in the automotive industry is constantly evolving and there is a great deal of pressure to introduce shorter and more efficient development cycles. HiQ is involved in this process through its project management, development and software testing services. Together with one of our highly innovative clients we are developing road trains, where several vehicles travel in a semi-autonomous convoy. Benefits of this concept are enhanced safety and reduced fuel consumption.

The defence industry is global, and international risk scenarios are constantly changing. HiQ's know-how in the fields of simulation and communications together with the long-term relationships we enjoy with our clients help us to perform well in this segment. In the industry segment, more and more companies are becoming completely IT-dependent. Intelligent solutions are developed to simplify processes and create new business offers. There are a great number of IT-dependent products and support systems that require development capacity and services for testing and quality assurance. "The cloud" is actively used for the streamlining of operations. HiQ has a strong backing in this segment and cooperates with several global players in the process of simplifying and improving. The retail sector is undergoing some revolutionary changes, with a steep rise in online shopping. Many retailers are broadening the options and simplifying for their customers, by expanding and improving their online and mobile shopping. The public sector is continually striving to improve service levels and make people's lives simpler. HiQ enjoys a strong position in the finance industry, firmly founded on a thorough knowledge of the rules, regulations, processes and IT in several key areas, from securities trading to asset management and payments.

On the whole, we continue to create results at a market that is characterized by a lower demand due to challenges in the European economy. We are winning new clients and framework agreements in all market segments in which we operate.

The Finnish market continues to be harsh, feeling the impact of the restructuring in the telecom industry. The Swedish market has developed somewhat different on the different geographical areas. In Stockholm, HiQ is a leading player, with clients in all market segments. In October 2013, Magnus Gudéhn takes on the position as new Managing Director of HiQ Stockholm. The company has a potential for improvement on the road ahead. In the Mälardalen region, with our offices in Arboga, Borlänge and Västerås, we see a positive development during the year. In Gothenburg, HiQ retains its leading position in IT and management consulting and has experts in areas such as digitisation, the automotive industry and mobility. Our subsidiary in Skåne is developing well on a tough market during the year. We are broadening our operations and winning new clients. HiQ in Linköping and Karlskrona also continue to perform solidly on their local markets.

RESULTS AND FINANCIAL POSITION

HiQ's net sales in 2013 amounted to SEK 1,305.1 (1,380.2) million, a decrease of 5%. Operating profit amounted to SEK 138.9 (180.7) million, giving an operating profit margin of 10.6 (13.1) percent. Consolidated net financial items for the period were SEK 0.4 (0.7) million. Profit before tax amounted to SEK 139.3 (181.4) million.

Cash flow from operating activities was positive at SEK 130.8 (146.3) million. At 31 December 2013 the Group had liquid assets of SEK 207.3 (210.0) million. During the year cash flow was affected by a share redemption of approximately SEK 127 million implemented in May 2013. Interest-bearing net funds at the end of the period were SEK 178.5 (181.4) million. Shareholders' equity at the end of the period was SEK 691.0 (699.3) million and the equity/assets ratio was 72.0 (70.5) percent.

During December 2012, the trustee manager of SAAB Automobile AB, posted reimbursement demands to HiQ of SEK 4.3 million (VAT included) for services delivered by HiQ. In 2013, the trustee manager adjusted the claims to SEK 5.5 million (VAT included). As HiQ see these demands as being ill-founded, no reservations for this amount has been set.

RESEARCH AND DEVELOPMENT ACTIVITIES

The Group has very limited activities within research and development. During the year SEK 0.0 (0.0) million was expensed for research and development.

INVESTMENTS

The Group's net investments in fixed assets totalled SEK 8.8 (11.1) million during the period. Investments in improvements to premises amounted to SEK 1.3 (2.8) million, equipment SEK 2.0 (2.3) million, finance leases SEK 5.5 (6.0) million.

EMPLOYEES

At year-end HiQ had 1,326 (1,326) employees, 1,227 (1,239) of whom were active staff. Employees are HiQ's most important asset and HiQ works continuously to safeguard and improve the employees' work situation. Sickness absence at HiQ in 2013 was 3,5% (2.9%). HiQ is a member of a corporate healthcare scheme and certain subsidiaries engage the services of a naprapath. Staff receive subsidized healthcare. HiQ also has ethics and equality policies in place, which mean that all employees shall be given the same opportunities irrespective of age, sex, ethnical belonging and religious conviction. HiQ also works actively to create a corporate culture that develops our employees' expertise and experience.

PARENT COMPANY

The Parent Company's operations consist in shared Group functions for accounting and finance, investor relations and marketing. Net sales in the Parent Company were SEK 28.3 (31.5) million. Operating profit was SEK -10.9 (-11.9) million. Net financial items were SEK 138.1 (145.4) million, which includes result from participations in Group companies of SEK 138.8 (133.1) million. After tax of SEK 22.0 (19.7) million, net profit was SEK 130.2 (88.9) million. At 31 December the Company's interest-bearing net funds were SEK 97.9 (76.5) million, adjusted shareholders' equity SEK 529.6 (543.4) million and the equity/assets ratio 87.9 (88.8) percent. The Company's net investments in the period totalled SEK 0.3 (0.0) million.

ENVIRONMENTAL INFORMATION

We do not consider that HiQ's activities have any significant impact on the environment. Nevertheless, HiQ's environmental work and policy are reviewed on an ongoing basis. The environmental policy states that HiQ shall engage actively in environmental activities with a view to continuously improving the environment in a way which is defensible from an economic and business perspective. We believe this makes the Company more attractive to employees, clients, suppliers and shareholders. Environmental work is an integrated part of the business and each managing director has local responsibility for ensuring that HiQ's environmental policy is followed and any action programmes implemented.

NEW SHARE ISSUES ETC.

During 2013 no share issues have been made. However, the shareholders' equity increased with SEK 1.0 million due to payment of premiums for 533,200 warrants. During 2012 no share issues have been made. However, the shareholders' equity increased with SEK 1.3 million due to payment of premiums for 894.095 warrants. For a more detailed description of outstanding warrant programmes, see Note 20.

THE HIQ SHARE

At 31 December 2013 HiQ's share capital totalled SEK 5,275,152.30 spread over 52,751,523 outstanding shares. Each share carries one vote and all shares carry equal rights to a share in the assets and profits of the Company. As far as the Company is aware, there are no direct or indirect shareholdings representing at least one tenth of the voting rights for all the shares in the Company. Neither is the Company aware of any agreements between shareholders that may entail restrictions in the right to transfer shares. At the Annual General Meeting each person entitled to vote may vote for the full number of shares owned and represented without any restriction on voting rights. The Annual General Meeting in April 2013 authorised the Board of Directors, on one or more occasions in the period up to the next AGM, to issue a maximum of 5,000,000 shares in the form of a non-cash issue or off-set issue in connection with acquisitions. At the AGM in April 2013 it was decided to conduct a split, redemption of shares and bonus issue. The number of outstanding shares and the company's share capital remained the same after the completion of this procedure.

FUTURE PROSPECTS

HiQ helps clients to simplify and improve by making use of our expertise in technology, business and operations. We contribute to the development of modern society, in which the mobile lifestyle and connected devices are major factors driving the demand for new products and services. Our expertise and financial situation 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 a leading specialist service company with the core of its operations in the Nordic countries. HiQ offers services within communications, software development and business-critical IT to Nordic and international clients. 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 it seeks to acquire companies that add new and relevant areas of expertise to HiQ.

HiQ is convinced that there will be long-term growth in all industries in which the company is active. We also believe the future will see a steady rise in the number of industries for which technology is critical for success. Our targets are:

- To be a high quality IT and management consultant for clients, co-workers and shareholders
- To be profitable, generate good growth and strong cash flows, and to create good long-term yield to our shareholders
- To be the leading company in the Nordic region within our segments

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

RISKS AND RISK MANAGEMENT

HiQ's business is affected by a number of different factors, some of which are within the Company's control while others are not. For a consultancy company such as HiQ, activities are affected by business-related risks such as recruitment, competition and price pressure, development of key customers, bad debts, project risks and the ability to enter into framework agreements. Market related risks include cyclical risks. Financial risks include exchange rate risks and interest risks. For a more detailed description of HiQ's risk management, see Risk and risk management on page 12. For a description of the Group's risk management concerning financial instruments, see Note 35, on page 49.

CORPORATE GOVERNANCE REPORT

General

HiQ International AB is a Swedish public limited company with its registered office in Stockholm, Sweden. HiQ's corporate governance is based on the Swedish Companies Act, the company's articles of association, the obligations that accompany listing on the NASDAQ OMX Stockholm, the Swedish Code of Corporate Governance and other applicable laws and regulations. Corporate governance comprises a regulatory and decision making system for managing a company's business in an effective, controlled manner. The aim is to meet the owners' requirements in terms of the return on capital invested. In Sweden, corporate governance has traditionally been regulated by legislation. In addition, the self-regulatory bodies of trade and industry have continually presented various stipulations relating to corporate governance. For detailed information on the Swedish Code of Corporate Governance visit www.bolagsstyrning.se. HiQ aims for a high standard through a clear and simple management system and guiding documents. Management, leadership and control of HiQ is divided between the shareholders at the Annual General Meeting, the Board of Directors, the CEO, and the auditors in accordance with the Swedish Companies Act and the company's articles of association. Increased transparency provides good insight into the company's operations, which contributes to effective control.

HiQ's application of the Code of Corporate Governance

HiQ has applied the Swedish Code of Corporate Governance since 1 July 2008. HiQ follows the Code with the following exceptions: No Remuneration Committee has been appointed. Instead these matters are dealt with by the Board as a whole, excluding the company's CEO. This is because the Board judges that due to the nature of the business and the combined expertise of the Board members, this best promotes the business of the company and the interests of its shareholders.

Shareholders

HiQ's share is listed since April 1999 on the NASDAQ OMX Stockholm. The share capital amounts to SEK 5.3 million, spread over 52,751,523 shares with a quota value of SEK 0.10. There is one share class. The number of shareholders at year-end amounted to 8,259 (7,702). The foreign ownership share was 33 (35)%. Swedish institutions owned 46% of the shares. 17 % of shares were held directly by the shareholders while 83% were registered in the name of a nominee. For further information regarding HiQ's share and ownership structure, please refer to the Section "The HiQ Share", on page 14-15.

Annual General Meeting

Under the Companies Act, the General Meeting is a company's highest decision-making body. The company's Annual General Meeting adopts the income statement and balance sheet, elects the Board of

Directors and – where appropriate – auditors, establishes fees and deals with other matters laid down in legislation or in the Code of Corporate Governance. At the Annual General Meeting, the shareholders have the opportunity to ask questions to the management, Board of Directors and the auditors.

Annual General Meeting 2013

The 2013 Annual General Meeting (AGM) was held in Stockholm on 11 April 2013. Around 48 percent of the votes were represented at the AGM. Anders Ljungh was elected as Chairman of the AGM. Among other things, the AGM resolved to re-elect all the members of the Board, except Jukka Norokorpi who declined re-election. Raimo Lind was elected as new member. Anders Ljungh was re-elected as Chairman of the Board.

The Board of Directors was authorised to:

– decide on one or more occasions in the period up to the next AGM on the issue of a maximum of 5,000,000 shares as a non-cash issue or offset issue in conjunction with corporate acquisitions.
– decide on one or more occasions in the period up to the next AGM on the acquisition of a total number of shares such that the number of the company's own shares held at any one time does not exceed 10% of the total number of shares in the company.
– decide on transfer of the company's own shares in settlement for the acquisition of companies or operations at a price corresponding to the share price at the time of transfer.

Furthermore, the AGM resolved to:

– implement a share split and a mandatory redemption procedure in which SEK 127 million, corresponding to SEK 2.40 per share, was distributed to the company's shareholders. The AGM also decided to issue a maximum of 1,000,000 warrants to be transferred to employees in Sweden and Finland.
– adopted principles for remuneration and other terms of employment of the executive management as proposed by the Board.
– resolved to establish a Nomination Committee and adopted principles for its structure – see also under "Nomination Committee".

Minutes and other documentation relating to the Annual General Meeting are available on HiQ's web site www.hiq.se

Annual General Meeting 2014

The 2014 Annual General Meeting will be held at 10 a.m. on Monday 31 March, 2014 on the company's premises at Regeringsgatan 20, 9th floor, in Stockholm.

Nomination committee

HiQ's 2013 AGM resolved that by 31 July 2013 the Chairman of the Board should convene the three largest shareholders in the company, which would then each be entitled to appoint a member of the Nomination Committee. In addition the Nomination Committee can decide to elect the Chairman of the Board to the Committee. These members have the right to appoint or co-opt another member to the committee. The composition of Committee shall be announced at least six months ahead of the AGM. The Nomination Committee represents the company's shareholders and is responsible for preparing and presenting proposals to the AGM regarding Chairman of the Board, the Board of Directors, fees to be paid to the Chairman of the Board and other Board members and remuneration for committee work, election of and fees to auditors and deputy auditors (where applicable) for decisions on principles for the structure of the Nomination Committee as well as for the Chairman of the AGM. The Nomination Committee ahead of the AGM comprises Jan Andersson (Robur Fonder), Charlotta Faxén (Lannebo Fonder), Björn Henriksson (Nordea Fonder) Ken Gerhardsen and Anders Ljungh, the Chairman of the Board. Jan Andersson was appointed as chairman of the Nomination Committee. All shareholders have been given opportunity to contact the Nomination Committee with proposals, e.g. for Board members, for further evaluation within the context of the Nomination Committee's work. The Nomination Committee has held 3 meetings and has also been in contact at other times. As a basis for its appraisal of the composition of the Board the Nomination Committee had access to the appraisal carried out by the Board and was also given opportunity to meet the members of the Board. Based on this appraisal and the opportunity to take into account suggestions for new Board members, the Nomination Committee draws up a proposal for a new Board which is submitted in conjunction with the invitation to the forthcoming AGM. At the AGM the Nomination Committee gives a report on its work. The AGM appoints auditors every four years. When auditors are to be elected the Audit Committee (which comprises the entire Board excluding the CEO) assists the Nomination Committee with producing a proposal. The current auditor, PricewaterhouseCoopers, was elected at the 2011 AGM.

BOARD OF DIRECTORS

The Board's responsibilities and duties

The Board shall have written instructions stating the division of work between the Board, any other bodies that the Board may establish and the CEO. The work plan, which is established annually at the statutory Board meeting immediately following the AGM, establishes the basis of the Board's work, the division of work between the Board and the CEO as well as the frameworks for financial reporting.

Composition of the Board

According to the company bylaws, the Board shall have at minimum 3 members and maximum 8 members with a maximum of 5 deputies. Coming from different backgrounds and with a broad pool of experience, the directors have the knowledge required to perform their Board duties, including issues relating to strategy, executive management and structural development. Individual directors also provide valuable assistance to management in facilitating contacts with key clients and on issues relating to politics, economics, accounting and finance, law, organisation and marketing. Age, mainly education, work experience, mainly assignments, election year and holdings of HiQ shares of the Board members is presented on page 54-55.

	Independent in relation to		
	The company	**Shareholders**	**Presence**
Anders Ljungh	Yes	Yes	7/7
Ken Gerhardsen	Yes	Yes	7/7
Gunnel Duveblad	Yes	Yes	7/7
Raimo Lind (from AGM April 2013)	Yes	Yes	3/5
Lars Stugemo	No	Yes	7/7
Johanna Fagrell Köhler	Yes	Yes	6/7
Erik Hallberg	Yes	Yes	6/7
Ulrika Hagdahl	Yes	Yes	6/7
Jukka Norokorpi (until AGM April 2013)	Yes	Yes	2/2

Division of work

The board as a whole has chosen to act as a remuneration committee and audit committee with the exception of the CEO.

Chairman of the Board

The Chairman of the Board is responsible for leading the work of the Board and for the Board meeting its commitments in accordance with the Swedish Companies Act and the work plan established by the Board for its work. Continual contact with the CEO shall ensure that the Chairman of the Board monitors the company's development and ensures that the Board receives the information required in order to be able to meet its commitments. The Chairman of the Board shall also represent the company in matters concerned with ownership. Anders Ljungh has been Chairman of the Board since 2003.

Board fees

The 2013 AGM established the fees to be paid to the Board at SEK 1,790,000. Of this amount, SEK 500,000 is payable to the Chairman of the Board and SEK 215,000 each to the other non-employed Board members. In addition, SEK 80,000 has been paid to the Chairman of the Audit Committee. The Board members have the right to invoice the remuneration from a company. In that case the amount should be adjusted so it is cost neutral for HiQ.

The work of the Board in 2013

In 2013 the Board held 7 meetings (7 meetings were held in 2012), including a statutory meeting following the AGM on 11 April 2013. The minutes of these meetings represent documentation of decisions taken and the minutes are taken by the company's Chief Financial Officer, acting as secretary of the Board. The regular Board meetings are prepared jointly by the Chairman of the Board and the CEO of the company. At every regular Board meeting an update is given on the business situation and financial monitoring. In addition, every meeting deals with a number of matters that are summarised below. Ahead of each Board meeting the Board receives written material as a basis for discussions and decisions that will be dealt with. Members of the executive management take part in the Board meetings in order to report on matters within their specific areas. Other matters dealt with during the year include the economic trend, competence needs, organisation and acquisitions. In addition a full-day strategy seminar was held on issues relating to HiQ's long-term development. The CEO provides a monthly report to the Board. This report deals with markets, operations and financial development. These reports are compiled by the CEO and the Chief Financial Officer. The Company's auditor were present at the meeting at which the year-end financial statements were discussed. This gave the Board of Directors and the auditor the opportunity to discuss the business accounting and auditwork. Compensation matters have been taken in connection with ordinary board meetings. Handled matters include conditions and incitaments for managements and compensation package for CEO.

Audit committee

The audit committee of 2013 was constituted by all the Board members except the CEO. Chairman of the audit committee is Gunnel Duveblad. The committee has held 5 meetings in 2013. They have also held meetings with the auditors. Matters that have been taken under 2013 includes review of Group policies, risk analyses, internal financial reporting, review of results by AGM elected auditors audit of the operations, impairment tests and matters concerning internal control.

Assessment of the Board's work

In accordance with what is laid down in the Board's work plan, the Board continually assesses its work through open discussions in the Board and through an annual Board appraisal taking the form of a discussion. The results of the annual Board appraisal are submitted to the Nomination Committee. The nomination committee has also had a meeting with Board members in order to ask questions regarding the Board work.

Auditors

The company's auditor, PricewaterhouseCoopers, was elected on the AGM in April 2011. The auditor was elected for the period until the end of the AGM 2015. Nicklas Kullberg is the responsible auditor. During the year the auditor has, in addition to auditing the financial statements for the company, also reviewed the interim report for the period January – June 2013. As described in the section "The work of the Board in 2013", the auditor has also meet the Board at the Board meeting treating the full year results. For information regarding remuneration to auditors, please refer to note 6, on page 37.

Internal control over financial reporting

Internal control over financial reporting is based on the control environment established by the Board and executive management. Control environment refers to – among other things – the values and the culture that exist within HiQ, but also the organisational structure, responsibilities and powers defined and communicated to everyone concerned within the company. It also includes components such as the competence and experience of the company's employees and a number of governing documents such as policies and manuals.

Control environment

The Board of HiQ has an established work plan which is laid down annually at the statutory Board meeting and forms the basis of the work of the Board and for effective management of the risks to which the business is exposed. The Board annually updates and establishes the Board's work plan, the CEO's instructions, an approval matrix and an investment policy, among other things. Work plans exist for the Boards of subsidiaries and instructions exist for the Managing Directors of each company in the HiQ Group. In addition, HiQ has for example a media policy, an IR policy, an emergency plan and a business ethics policy. The policies and other steering documents that HiQ has are judged to form a basis for good internal control. Internal steering documents to secure high quality in financial reporting include a financial Handbook, IR-policy and the approval matrix. The tasks of the Board include continual monitoring of compliance with the general policies and other steering documents that exist, as well as continual assessment of the company's financial situation and results. HiQ has a decentralized organizational model in which each subsidiary has great independence. The Group has an approval matrix that clearly regulates the powers that exist at each level in the organisation. The approval matrix regulates matters such as the submission of purchases, fixed price quotations, investments, salaries and discounts.

Risk inventory/risk register

The aim of HiQ's risk inventory is to ensure that HiQ's business is conducted in a manner that is in line with the risk level the Board and the management decided. The company's Board and senior management are responsible for the existence of and compliance with guidelines on risk management. HiQ has carried out an analysis of the risks that may affect the accuracy of the financial information that the company provides externally. In so doing a number of income statement and balance sheet items were identified where the risk of material errors is greater than in the case of other items. One example of this is the settlement of fixed price projects, where particular importance is placed on ensuring good internal control of revenue settlement. Another example is the treatment of sub-consultants. During the year all subsidiaries have conducted a self-evaluation regarding the internal control. During the autumn the Group controller has visited all offices and completed a review regarding administrative routines and internal control. The outcome of this work is compiled and analysed. Based on the analysis an action plan is set to improve the internal control.

Information and communication

Information on HiQ's steering documents such as policies, guidelines and routines is provided to the persons concerned. Significant policies and guidelines are updated as needed, but at least annually, and communicated to the staff concerned. Financial reporting issues are also discussed at meetings at which the Group's financial officers meet. For external communication HiQ follows its established media plan and IR policy.

Monitoring

Within HiQ a complete income statement and balance sheet are produced monthly, along with certain key ratios, at both Group, segment and company level. Moreover, various relevant key ratios and liquidity are monitored weekly. Each month the entire Group is consolidated, with results being tracked against budget. In addition to the financial reporting, a follow-up of the internal control work and risk inventory is made. Each month the Board receives an update of the financial outcome of the group.

Disclosure of information to the stock market

In accordance with the commitments incumbent upon HiQ as a listed company, HiQ provides the stock market with information on the Group's financial position and development. The information is provided in the form of interim reports and an annual report, which are published in Swedish and English. In addition to purely financial information, HiQ also issues press releases concerning news and events and also gives presentations for shareholders, financial analysts and investors both in Sweden and abroad. The information published is also made available on the company's website.

Statement

In view of the above processes and structure, the Board does not consider it appropriate to establish a separate internal audit function.

GUIDELINES FOR DETERMINING SALARIES AND OTHER REMUNERATION FOR THE CEO AND OTHER MEMBERS OF THE EXECUTIVE MANAGEMENT

The Annual General Meeting on 11 April 2013 passed a resolution concerning the following principles for remuneration and terms of employment of the CEO and other members of the executive management. Remuneration of the CEO and other members of the executive management shall comprise fixed salary, any variable remuneration, pension and any other customary benefits. The total remuneration shall be in line with market rates and the remuneration terms shall reward outstanding performance and standardize shareholder and individual incentives.

Fixed salary

Remuneration in the form of fixed salary shall be in proportion to the executive's experience, responsibilities and authority.

Variable remunerations

The variable remuneration shall be in proportion to the executive's responsibilities and authority. It shall also be subject to an upper limit and based on fulfillment of targets aligned with the shareholders' long-term interests. Where appropriate, the variable element shall be based on quantitative and qualitative targets. The Company's costs for the variable element of remuneration for the CEO and other members of the executive management are 0–100% of the fixed salary cost depending on target fulfillment. The CEO and other members of the executive management shall be eligible to participate in the warrant program, in the same way as other staff and on the same terms, in accordance with the proposal submitted to the Annual General Meeting by the Board, and have premiums subsidized on the same terms as other employees within HiQ if applicable.

Pension

HiQ offers its employees a premium-based pension scheme with entitlement to pension from the age of 65. Variable remuneration is not pensionable. Pension benefits amount to a maximum of 35% of fixed salary, not exceeding approx. SEK 0.4 million per employee per year.

Other benefits

Other benefits comprise conventional benefits in accordance with local practice.

Termination and severance pay

In the case of the CEO, there is a reciprocal period of notice of six months. If employment is terminated by the Company, severance pay equivalent to 10 months' salary is payable. If employment is terminated by the CEO, salary and other benefits are paid for four months after cessation of employment, during which period the CEO is prohibited from entering into competing activities. In the case of other members of the executive management, there is normally a reciprocal period of notice of three to six months. Issues concerning remuneration of the executive management are handled by the CEO. Decisions on remuneration of the CEO are taken by the Board of Directors. These guidelines may be waived by the Board where there are particular reasons for this in an individual case.

The Board's proposed guidelines applicable until the next Annual General Meeting

The Board of Directors proposes to the Annual General Meeting 2014 unchanged principles for the remuneration and other terms of employment of the CEO and other members of the executive management for approval by the General Meeting.

PROPOSED APPROPRIATION OF THE COMPANY'S PROFIT

(SEK thousand)

The following funds are at the disposal of the Annual General Meeting:

Share premium reserve	103,772
Profit brought forward	248,910
Profit for the year	130,209
Total	**482,891**

The Board and the CEO propose that profits be appropriated such that SEK 482.891 thousand is carried forward. It is also proposed a share split 2:1 combined with a compulsory redemption procedure shall be carried out. The procedure will imply that each share will split into one ordinary share and one redemption share. The redemption share is suggested to be redeemed for SEK 2.60 per share, representing a transfer of approximately SEK 137 million to the Company's shareholders.

Statement on reasons for the Board's value transfer proposal through mandatory redemption

The proposed value transfer to the shareholders will reduce the Parent Company's equity/assets ratio from 87.9% to 84.3% and the consolidated equity/assets ratio from 72.0% to 67.4%. In view of the continued profitability of the company and the Group, the equity/assets ratio is deemed to be adequate. The Board likewise believes that it will be possible to maintain an adequate level of liquidity in the company and the Group. In the view of the Board of Directors the proposed value transfer will not prevent the company or any of the companies within the Group from meeting their short- or long-term obligations or from making the necessary investments. The proposed value transfer is therefore defensible with respect to the provisions of paragraphs 2–3 of Section 3 of Chapter 17 of the Swedish Companies Act (the precautionary principle).

The financial reports were approved for publication by the Board of Directors of the Parent Company on 7 March 2014.

For more information about the company's results and financial position, see the following income statements and balance sheets and the notes to the accounts.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(SEK thousand)	Note	2013	2012
Net sales	3, 4, 8	1,305,116	1,380,243
Assignment-specific external costs	8	– 159,986	– 182,463
Staff expenses	5, 29, 32	– 921,856	– 925,619
Other external expenses	6, 27	– 73,437	– 78,151
Depreciation	11, 12, 27	– 10,935	– 13,337
Operating profit		**138,902**	**180,673**
Finance income	7	3,968	3,369
Finance costs	7	– 3,525	– 2,680
Pre-tax profit		**139,345**	**181,362**
Income tax	9	– 32,283	– 44,452
Profit for the period		**107,062**	**136,910**
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss			
Exchange differences on translating foreign operations	21	10,229	– 9,055
Other comprehensive income for the period		**10,229**	**– 9,055**
Comprehensive income for the period attributable to the equity holders of the Company		**117,291**	**127,855**
Profit per share attributable to the equity holders of the Company			
Basic	22	2.03	2.60
Diluted	22	2.03	2.59

CONSOLIDATED BALANCE SHEET

CONSOLIDATED BALANCE SHEET (SEK thousand)	**Note**	**2013-12-31**	**2012-12-31**
ASSETS			
FIXED ASSETS			
Tangible fixed assets	11	36,763	36,873
Intangible assets	12	330,605	324,833
Investments in associates	13	11,331	10,925
Deferred tax	10	2,539	1,975
Financial assets	15	310	310
Total fixed assets		**381,548**	**374,916**
CURRENT ASSETS			
Accounts receivables, trade	17	253,062	279,213
Current income tax assets		17,775	12,932
Other receivables	16	4,673	7,124
Accrued income and prepaid expenses	18	94,985	107,738
Cash and cash equivalents	19	207,349	210,011
Total current assets		**577,844**	**617,018**
Total assets		**959,392**	**991,934**

CONSOLIDATED BALANCE SHEET (SEK thousand)	**Note**	**2013-12-31**	**2012-12-31**
EQUITY AND LIABILITIES			
EQUITY			
Capital and reserves attributable to the Parent Company's equity holders			
Share capital	20	5,275	5,275
Other contributed capital		322,685	321,684
Other reserves	21	– 13,100	– 23,329
Retained earnings		376,118	395,660
Total equity		**690,978**	**699,290**
LIABILITIES			
Long-term liabilities			
Long-term interest-bearing debt	24, 27	23,496	23,518
Deferred tax	10	336	8,900
Total long-term liabilities		**23,832**	**32,418**
Short-term liabilities			
Short-term interest-bearing debt	24, 27	5,346	5,082
Accounts payable, trade		44,757	56,035
Other liabilities	25	71,426	73,014
Accrued expenses and prepaid income	26	123,053	126,095
Total short-term liabilities		**244,582**	**260,226**
Total liabilities		**268,414**	**292,644**
Total equity and liabilities		**959,392**	**991,934**

Information regarding the Group's pledged assets and contingent liabilities is found in note 28.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

		Attributable to the equity holders of the parent company				
(SEK thousand)	Note	Share capital	Other contributed capital	Reserves	Retained earnings	Total equity
Balance at 1 January 2012		5,275	320,407	– 14,274	374,803	686,209
Comprehensive income						
Profit for the period					136,910	136,910
Other comprehensive income						
Currency translation adjustments	21			– 9,055		– 9,055
Comprehensive income				**– 9,055**	**136,910**	**127,855**
Transactions with shareholders						
Warrant premiums	20		1,277			1,277
Redemption of shares	23				– 116,053	– 116,053
Total transactions with shareholders			**1,277**		**– 116,053**	**– 114,776**
Balance at 31 December 2012		**5,275**	**321,684**	**– 23,329**	**395,660**	**699,290**
Balance at 1 January 2013		5,275	321,684	– 23,329	395,660	699,290
Comprehensive income						
Profit for the period					107,062	107,062
Other comprehensive income						
Currency translation adjustments	21			10,229		10,229
Comprehensive income				**10,229**	**107,062**	**117,291**
Transactions with shareholders						
Warrant premiums	20		1,001			1,001
Redemption of shares	23				– 126,604	– 126,604
Total transactions with shareholders			**1,001**		**– 126,604**	**– 125,603**
Balance at 31 December 2013		**5,275**	**322,685**	**– 13,100**	**376,118**	**690,978**

CONSOLIDATED CASH FLOW

(SEK thousand)	Note	2013	2012
Cash flow from operating activities			
Pre-tax profit		139,345	181,362
Adjustment for items not included in the cash flow	31	10,935	13,337
Paid tax		– 46,352	– 39,918
Cash flow from operating activities before changes in working capital		**103,928**	**154,781**
Cash flow from changes in working capital			
Increase (–)/decrease (+) in operating assets		44,210	– 19,564
Increase (+)/decrease (–) in operating liabilities		– 17,388	11,053
Cash flows from current operations		**130,750**	**146,270**
Cash flow from investing activities			
Acquisition of tangible assets		– 3,173	– 5,142
Investments in financial assets		–	– 21
Cash flow from investing activities		**– 3,173**	**– 5,163**
Cash flow from financing activities			
Warrant premiums		1,001	1,277
Repayment of debt		– 5,396	– 6,606
Redemption of shares	23	– 126,604	– 116,053
Cash flow from financing activities		**– 130,999**	**– 121,382**
Cash flow for the period		**– 3,422**	**19,725**
Cash and cash equivalents at beginning of year		210,011	190,478
Effects of exchange rate changes		760	– 192
Cash and cash equivalents at end of year	19	**207,349**	**210,011**

INCOME STATEMENT, PARENT COMPANY AND STATEMENT OF COMPREHENSIVE INCOME

INCOME STATEMENT, PARENT COMPANY (SEK thousand)	**Note**	**2013**	**2012**
Net sales	3, 32	28,346	31,554
Assignment-specific external costs	32	– 1,491	– 2,111
Other external expenses	6	– 16,903	– 17,250
Staff expenses	5, 29, 32	– 20,226	– 23,494
Depreciation and write-downs	11	– 608	– 563
Operating profit		**– 10,882**	**– 11,864**
Profit from shares in Group companies	7	138,773	133,141
Finance income	7	2,375	12,649
Finance costs	7	– 3,011	– 355
Profit after financial items		**127,255**	**133,571**
Appropriations	33	25,000	– 25,000
Income tax	9	– 22,046	– 19,711
Profit for the period		**130,209**	**88,860**

STATEMENT OF COMPREHENSIVE INCOME, PARENT COMPANY (SEK thousand)		
Profit for the period	**130,209**	**88,860**
Comprehensive income for the period	**130,209**	**88,860**

BALANCE SHEET PARENT COMPANY

BALANCE SHEET, PARENT COMPANY (SEK thousand)	**Note**	**2013-12-31**	**2012-12-31**
ASSETS			
FIXED ASSETS			
Tangible fixed assets:			
Equipment	11	503	276
Improvement expenses for other's properties	11	1,272	1,764
Deferred tax asset	10	196	115
Financial fixed assets:			
Shares in Group companies	30	406,222	406,222
Total fixed assets		**408,193**	**408,377**
CURRENT ASSETS			
Short-term receivables			
Accounts receivable, trade		244	3,296
Current income tax assets		6,881	9,223
Receivables – Group companies	14	13,388	40,912
Other receivables	16	1,652	1,336
Accrued income and prepaid expenses	18	4,024	5,677
Total current assets		**26,189**	**60,444**
Cash and bank balances		168,218	143,033
Total assets		**602,600**	**611,854**
EQUITY AND LIABILITIES			
EQUITY			
Restricted equity			
Share capital (52.751.523 shares with a quota value of SEK 0.10)		5,275	5,275
Statutory reserve		41,419	41,419
Total restricted equity		**46,695**	**46,695**
Non-restricted equity			
Share premium reserve		103,772	102,771
Retained earnings		248,910	286,654
Profit for the period	23	130,209	88,860
Total non-restricted equity		**482,891**	**478,285**
Total equity		**529,586**	**524,980**
PROVISIONS			
Provisions – additional payments		–	25,000
CURRENT LIABILITIES			
Accounts payable, trade		727	4,898
Liabilities – Group companies		61,404	43,456
Other liabilities	25	1,506	1,060
Accrued expenses and prepaid income	26	9,377	12,460
Total current liabilities		**73,014**	**61,874**
Total equity and liabilities		**602,600**	**611,854**
Pledged assets		None	None
Contingent liabilities	28	25,578	24,322

SHAREHOLDERS' EQUITY – PARENT COMPANY

	2013		2012	
Equity	**Shares**	**Votes**	**Shares**	**Votes**
Number of shares and votes	52,751,523	52,751,523	52,751,523	52,751,523

Parent Company 2012 (SEK thousand)	**Note**	**Share capital**	**Statutory reserve**	**Premium reserve**	**Retained earnings**
Balance at 1 January 2012		5,275	41,419	101,494	402,708
Comprehensive income					
Profit for the period					88,860
Comprehensive income					**88,860**
Transactions with shareholders					
Redemption of shares	23				– 116,053
Warrant premiums	20			1,277	
Total transactions with shareholders				**1,277**	**– 116,053**
Balance at 31 December 2012		**5,275**	**41,419**	**102,771**	**375,515**

Parent Company 2013 (SEK thousand)	**Note**	**Share capital**	**Statutory reserve**	**Premium reserve**	**Retained earnings**
Balance at 1 January 2013		5,275	41,419	102,771	375,515
Comprehensive income					
Profit for the period					130,209
Comprehensive income					**130,209**
Transactions with shareholders					
Redemptions of shares	23				– 126,604
Warrant premiums	20			1,001	
Total transactions with shareholders				**1,001**	**– 126,604**
Balance at 31 December 2013		**5,275**	**41,419**	**103,772**	**379,120**

CASH FLOW STATEMENT FOR THE PARENT COMPANY

Cash flow statement (SEK thousand)	**Note**	**2013**	**2012**
Cash flow from operating activities			
Pre-tax profit		127,255	133,571
Adjustment for items not included in the cash flow	31	– 16,392	6,151
Paid tax		– 19,704	– 25,234
Cash flow from operating activities before changes in working capital		**91,159**	**114,488**
Cash flow from changes in working capital			
Increase (–)/decrease (+) in operating assets		57,831	– 29,781
Increase (–)/decrease (+) in operating liabilities		11,140	7,454
Cash flows from current operations		**160,130**	**92,161**
Cash flow from investing activities			
Acquisition of tangible assets		– 342	–
Acquisition of financial assets		– 9,000	– 14,460
Cash flow from investing activities		**– 9,342**	**– 14,460**
Cash flow from financing activities			
Warrant premiums		1,001	1,277
Loan from Group companies		–	66,578
Redemtion of shares	23	– 126,604	– 116,053
Cash flow from financing activities		**– 125,603**	**– 48,198**
Cash flow for the period		**25,185**	**29,503**
Cash and cash equivalents at beginning of year		**143,033**	**113,531**
Cash and cash equivalents at end of year	**31**	**168,218**	**143,033**

NOTES

1. GENERAL INFORMATION
HiQ International AB ("the Company") and its subsidiaries (together "HiQ" or 'the Group') is an IT– and management consulting company with operations in the Nordic region and Russia. The Company is a limited liability company incorporated and domiciled in Stockholm, Sweden. The address of its registered office is Box 7421, 103 91 Stockholm, Sweden. The Company is listed on Nasdaq OMX Stockholm MidCap. These consolidated financial statements have been approved for issue by the Board of Directors on 7 March 2014. The income statements and balance sheets are to be adopted by the Annual General Meeting on 31 March 2014.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

BASIS OF PREPARATION
The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as they have been adopted by the EU and in accordance with RFR 1 and the Swedish Annual Accounts Act. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 34 (Critical accounting assumptions and judgments).

NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP
Amendment to IAS 1, 'Financial statement presentation' regarding other comprehensive income. The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI. No other IFRS or IFRIC-interpretations, not yet in force, is expected to have any significant impact on the Group.

IFRS 13, 'Fair value measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs.

NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED
A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2013, and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the group, except the following set out below:

- IFRS 10, 'Consolidated financial statements', builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The group is yet to assess IFRS 10's full impact and intends to adopt IFRS 10 no later than the accounting period beginning on 1 January 2014.
- IFRS 12, 'Disclosures of interests in other entities', includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The group is yet to assess IFRS 12's full impact and intends to adopt IFRS 12 no later than the accounting period beginning on or after 1 January 2014.

No other IFRS or IFRIC-interpretations, not yet in force, is expected to have any significant impact on the Group.

REVENUE RECOGNITION
Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services. Revenue is shown, net of value-added tax and rebates. Revenue is recognized as follows:

Sales of services – assignments on current account
The Group sells IT and management cosnultancy services to its custoemrs. Sales of services are recognized in the accounting period in which the services are rendered. Work carried out that has not yet been invoiced on the balance sheet date is reported as accrued income.

Sales of services – fixed price assignments
Income from ongoing fixed price service assignments and expenses relating to these assignments are reported as income and costs respectively in accordance with the degree of completion of the assignment on the closing day (percentage of completion method).

The percentage of completion of an assignment is determined by comparing expense incurred on the closing day with the estimated total expenditure. In cases where the outcome of the service assignment cannot be estimated with any degree of certainty, the income is reported only to the extent that corresponds to the assignment costs incurred that will probably be reimbursed by the client. An anticipated loss on an assignment is reported immediately as a cost. Fixed price assignments make up only a limited proportion of net sales. In 2013, the proportion of fixed price assignments was 1,6% (0,8%).

Sales of goods

Sales of goods are recognized when the revenue could be measured reliable, the customer has accepted the products and collectability of the related receivables is reasonably assured. Sales of goods are mostly done in the form of computers, software licenses etc as a part of a consultancy assignment.

License income

Income from license sales is distributed in accordance with the financial import of the agreement concerned.

Interest income and dividends

Interest income is recognized using the effective interest method. Dividend income is recognized when the Group's right to receive payment has been established.

CONSOLIDATION

Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Costs in connection to acquisitions are expensed at time of acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the income statement. Intercompany transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognized at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition. The Group's share of its associates' post-acquisition profits or losses is recognised in other comprehensive income, and its share of post-acquisition movements in reserves is recognized in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policiesadopted by the Group.

TANGIBLE FIXED ASSETS

Tangible fixed assets are reported at historical cost less deprecation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred. Depreciation is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Improvement expenses to others' property	17%–20%
Equipment	20%
Leased equipment	17%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

INTANGIBLE ASSETS

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisition of subsidiaries is included in 'intangible assets'. Goodwill on acquisitions of associates is included in 'investments in associates'. Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

Acquired customer relations

Customer relations that are acquired by the Group is reported at acquisition cost less accumulated amortizations and write downs. Acquired customer relations are amortised over 5 years.

FINANCIAL ASSETS

The Group classifies its financial assets in the following categories: loans and receivables, and available-for-sale financial assets.

A) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. The Group's loans and receivables comprise trade receivables and other receivables and cash and cash equivalents in the balance sheet. Loans and receivables are carried at amortised cost using the effective interest method.

B) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets are subsequently carried at fair value. Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognised in profit or loss, while translation differences on non-monetary securities are recognized in equity. Changes in the fair value of monetary and nonmonetary securities classified as available-for-sale are recognised in equity. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustment recognised in equity are included in the income statement as "gains and losses from investment securities". Interest on available-for-sale securities calculated using the effective interest method is recognized in the income statement as part of other income. Dividends on available-for sale equity instruments are recognised in the income statement as part of other income when the Group's right to receive payment is established. The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement. Currently, the Group does not have any substantial holding of such securities.

LEASES

Leases of property, plant and equipment where the Group has substantially all the risks and rewards from ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum leasing payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of financial charges, are included in other long-term and short-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term. Leases where the lessor retains a significant proportion of risks and rewards of ownership are classified as operating leases. Expenses made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

INCOME TAXES

Income tax reported consists of tax that is to be paid or received during the current year, adjustments for the previous year's tax, and changes in deferred tax. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination or temporary differences arising from goodwill accounting, that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associated companies, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets and liabilities is offset when there exists a legal right to offset these assets and liabilities and when the deferred taxes are subject to the same authority.

PROVISIONS

Provisions for restructuring costs and legal claims etc are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Where there are a number of similar obligations, the likelyhood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are valued at the net present value of the amount that is expected to be required in order to settle the commitment. The increase of the provision over time is recognized as interest expense.

FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Swedish crowns, which is the Company's functional and presentation currency. When recalculating foreign subsidiaries used currency amounts to, on balance day: EUR/SEK 8.94 (8.62), DKK/SEK 1.20 (1.16), and RUB/SEK 0.20 (0.21).

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

A) Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet.

B) Income and expenses for each income statement are translated at average exchange rates.

C) On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken as a separate item in other comprehensive income. When a foreign operation is sold, exchange differences that were recorded in equity are recognized in the income statement as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

DIVIDEND DISTRIBUTION

Dividend distribution to the Company's shareholders is recognized as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

ACCOUNTS RECEIVABLE, TRADE

Trade receivables are recognised initially at fair value. They are subsequently measured at amortised cost, less provision for impairment. Trade receivables are always short-term, and consequently the effective interest method is not applicable. Provision for impairment is made if there is objective evidence that the Group will not receive the amount due according to the original terms of the receivables. Significant financial difficulties on the part of the debtor, the likelihood that the debtor will be declared bankrupt or undergo financial restructuring and missed or late payments (more than 30 days overdue) are regarded as indications of possible impairment of receivables. The amount of the provision is the difference between the book value of the asset and the present value of the expected future cash flows. The impairment is recognised in the income statement immediately. The reported value of the asset is reduced using an impairment account and the loss is reported in the income statement under other external expenses. When a receivable cannot be collected it is written off in the impairment account for receivables. An amount previously written off is reversed by crediting other external expenses in the income statement.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash in hand, deposits held at banks, other short-term investments that can be traded within 3 months.

SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or warrants are shown in equity as a deduction, from the proceeds.

ACCOUNTS PAYABLE

Accounts payable are initially reported at fair value and thereafter at accrued acquisition value, applying the effective interest method.

EMPLOYEE BENEFITS

A) Pension obligations

HiQ operates a number of different pension plans. All plans are defined contribution plans where HiQ pays fixed contributions into a separate entity. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

B) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits when it is demonstrably committed to either: terminating the employment of current employees without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the balance sheet date are discounted to present value.

C) Profit-sharing and bonus plans

When profit-sharing and bonus programs are in use the Group expenses costs for these programs in accordance with the obligations to pay such compensation.

FAIR VALUE

The reported value – after any impairment – of trade receivables and payables is assumed to equate to their fair value, since these entries are short-term in nature. The fair value of financial liabilities is calculated, for disclosure purposes, by discounting the future contracted cash flow to the current market interest rate available for similar financial instruments.

ACCOUNTING POLICIES FOR THE PARENT COMPANY

The parent company's accounts have been prepared in accordance with the Swedish Annual Accounts Act and Statement RFR 2 "Accounting for legal entities" issued by the Swedish Financial Accounting Standards Council. RFR 2 states that the parent company shall apply all standards and statements issued by IFRS that has been adopted by the EU, as far this is possible according to the Swedish Annual Accounts Act. Consideration should also be taken to the connection between accounting and taxation. The statement RFR 2 states in which cases, exceptions and additions should be made in relation to IFRS. The most important differences between the accounting principles of the Group and the Company are stated below. The principal accounting policies outlined below have been applied in the preparation of the parent company's financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

Dividends

Dividends are recognised when the right to receive payment is regarded as collectable.

Financial Instruments

In the parent company financial instruments are valued of acquisition cost less accumulated writedowns. Financial current assets are valued to the lower of cost or market.

Fixed tangible assets

Owned assets

Tangible fixed assets are reported at acquisition cost less a deduction for accumulated deprecation and writedowns, as in the Group but with the addition of possible write-ups.

Leased assets
All leasing agreements are treated as operational leasing agreements.

Taxes
In the parent company untaxed reserves are accounted for including deferred tax. In the consolidated accounts are the untaxed reserves dividend into deferred tax and equity.

Group Contributions
Group Contributions from the parent company to group companies are reported as an increase at shares in subsidiaries.

3. SALES DISTRIBUTION

	Group		Parent Company	
Net sales (SEK thousand)	**2013**	**2012**	**2013**	**2012**
Consultancy services	1,283,356	1,354,512	0	0
Re-billed expenses	9,717	8,846	880	1,148
Other	12,043	16,885	27,466	30,406
Total	**1,305,116**	**1,380,243**	**28,346**	**31,554**

In 2013 one client accounted for more than 10% of net sales. This client's proportion of net sales was 12%.

4. SEGMENT REPORTING

Management has decided the operating segments based upon the reports reviewed by the highest executive management group. The operations is considered upon a geographic perspective based upon where the operations are located, i.e. Sweden, Öresund and Finland. The two segments, Sweden and Öresund, are reported together. The Russian operations is regarded as an integrated part of the Swedish operations and is therefore included in the operating segment Sweden. The reportable segments derive their revenue primarily from sale of IT-services. The reportable segments performance is measured on an operating profit-level, where central costs are allocated to the reportable segments, to the extent possible. Financial items are not allocated to the reportable segments. Sales between the reportable segments are done at market terms. The highest executive decision maker doesn't follow up financial items per segment nor tax costs per segment, only on a group level.

	Finland		Sweden & Öresund		Group/Elim.		Total	
	2013	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
External revenues	217,540	242,386	1,087,576	1,137,857	0	0	1,305,116	1,380,243
Revenues from other segments	0	0	0	0	0	0	0	0
Total revenues	**217,540**	**242,386**	**1,087,576**	**1,137,857**	**0**	**0**	**1,305,116**	**1,380,243**
Operating profit	30,911	48,065	120,329	151,656	– 12,338	– 19,048	138,902	180,673
Operating margin	14.2%	19.8%	11.1%	13.3%			10.6%	13.1%
Depreciation	2,935	3,977	8,000	9,360	–	–	10,935	13,337
Purchase of fixed assets	984	1,284	2,239	4,045	13,504	11,930	16,727	17,259

Total operating profit, according to the table above is in accordance with the Group's operating profit.

Reconciliation with the profit before tax is found below:								
Operating profit							138,902	180,673
Financial items							443	689
Profit before tax							139,345	181,362
Assets	309,126	304,190	570,855	552,141	79,411	135,603	959,392	991,934
Of which in associates	11,331	10,925						
Share of results in associated companies	0	0	–	–	–	–	0	0

Non-allocated assets amounting to SEK 79,411 (135,603) thousand relates to assets, including cash, in the parent company.

5. EMPLOYEES

Average number of employees:	2013 Totalt	2013 Kvinnor	2013 Män	2012 Totalt	2012 Kvinnor	2012 Män
PARENT COMPANY						
The municipality of Stockholm	8	3	5	7	2	5
SUBSIDIARIES						
Sweden	952	215	737	929	197	732
Denmark	1	0	1	10	2	8
Finland	211	45	166	223	45	178
Russia	30	5	25	31	6	25
Total for the Group	1,202	268	934	1,200	252	948

Group (Incl. subsidiaries)	**2013**			**2012**		
	No on balance sheet date	**Of which men**	**Of which women**	**No on balance sheet date**	**Of which men**	**Of which women**
Board members	14	79%	21%	15	80%	20%
CEO and other senior excutives	12	92%	8%	12	92%	8%

Parent Company	**2013**			**2012**		
	No on balance sheet date	**Of which men**	**Of which women**	**No on balance sheet date**	**Of which men**	**Of which women**
Board members	8	62%	38%	8	62%	38%
CEO and other senior executives	5	100%	0%	6	83%	17%

Salaries and other remuneration (SEK thousand)	**2013**		**2012**	
	Group	**Parent Company**	**Group**	**Parent Company**
The Board of Directors and CEO	19,306	7,146	20,833	8,186
Other employees	604,633	5,501	603,481	7,444
Bonus reservation (warrant programme)	191	191	– 1,550	– 1,550
Total salaries and other remuneration	**624,130**	**12,838**	**622,764**	**14,080**
Legal and contractual social security contributions	181,827	4,556	179,554	5,333
Bonus reservation	60	60	– 232	– 371
Pension expenses				
The Board of Directors and CEO	3,386	446	3,001	440
Other employees	83,532	1,047	81,337	1,222
Total salaries and remuneration, pension expenses and social security contribution	**892,935**	**18,947**	**886,424**	**20,704**

Salaries, remuneration, pension expenses and social security contributions for group companies in 2013 totalled SEK 745,253 (733,466) thousand in Sweden, SEK 2,508 (9,360) thousand in Denmark and SEK 136,022 (135,700) thousand in Finland and in Russia with SEK 9,151 (7,899) thousand. The variable part of the salaries and remuneration paid to the Board of Directors and the CEO is SEK 4,375 (5,684) thousand for the Group and SEK 3,000 (4,000) thousand for the Parent Company. For further information regarding benefits for senior executives, please refer to note 29.

6. AUDITOR’S FEE

(SEK thousand)	**2013**		**2012**	
	Group	**Parent Company**	**Group**	**Parent Company**
PricewaterhouseCoopers				
Auditing	916	210	1,048	210
Associated services within auditing	238	212	106	75
Tax advisory	137	128	0	0
Other services	0	0	0	0
Total	**1,291**	**550**	**1,154**	**285**

7. FINANCIAL INCOME AND COSTS

Group	**2013**	**2012**
Interest income	1,684	2,504
Dividends	10	0
Exchange rate changes	2,274	865
Financial income	**3,968**	**3,369**

Group	**2013**	**2012**
Interest expenses	-803	– 1,598
Exchange rate changes	-2,722	–1,082
Financial expenses	**-3,525**	**– 2,680**
Financial net	**443**	**689**

Parent Company	**2013**	**2012**
RESULTS FROM SHARES IN GROUP COMPANIES		
Write-down of shares in subsidiaries	-9,000	– 9,088
Received dividends	52,273	27,729
Received Group contribution	95,500	114,500
Total	**138,773**	**133,141**
INTEREST INCOME AND SIMILAR ITEMS		
Exchange rate changes	1,431	406
Interest income, Group companies	179	10,741
Interest income, other	765	1,502
Total	**2,375**	**12,649**

Interest income, Group companies includes non-taxable interest income of SEK 5.5 million, attributable to acquired accrued interest on capital loans in relation to the acquisition of Frends Technology in 2010.

INTEREST EXPENSES AND SIMILAR ITEMS		
Exchange rate changes	-2,710	-
Interest expenses, Group companies	-298	-355
Interest expenses, other	-3	-
Total	**-3,011**	**-355**

8. FOREIGN EXCHANGE DIFFERENCES

Group (SEK thousand)	**2013**	**2012**
Net sales	412	278
Assignment-specific external expenses	-415	– 803
Total	**-3**	**– 525**

9. TAXES

Group (SEK thousand)	**2013**	**2012**
CURRENT TAX		
Tax for the period	41,282	38,380
Adjustment of previous years’ tax	0	0
DEFERRED TAX		
Deferred tax temporary differences	– 8,564	7,947
Loss carried forward	– 435	–1,875
Total tax cost – Group	**32,283**	**44,452**

Parent Company (SEK thousand)	**2013**	**2012**
CURRENT TAX		
Tax for the period	24,107	22,210
Deferred tax on given group contributions and temporary differences	- 2,061	–2,499
Total tax cost – Parent Company	**22,046**	**19,711**

Effective tax rate

Group	**2013 (%)**	**2013**	**2012 (%)**	**2012**
Profit before tax (SEK thousand)		139,345		181,362
Income tax rate in Sweden	22.0%		26.3%	
Effect of foreign income tax	0.9%		– 0.0%	
Non-deductible costs	0.7%		0.7%	
Non-taxable income	0.0%		– 0.8%	
Re-valuation deferred tax assets/liabilities	–		– 0.9%	
Other	– 0.4%		– 0.8%	
Average tax rate	**23.2%**	**32,283**	**24.5%**	**44,452**

Effective tax rate

Parent Company	**2013 (%)**	**2013**	**2012 (%)**	**2012**
Profit before tax (SEK thousand)		152,255		108,571
Income tax rate in Sweden	22.0%		26.3%	
Re-valuation deferred tax assets/liabilities	– 6.2%		– 5.8%	
Other	– 1.3%		– 2.3%	
Average tax rate	**14.5%**	**22,046**	**18.2%**	**19,711**

Tax attributable to the items in other comprehensive income amounts to the following amount:

	2013			**2012**		
	Pre tax	**Tax effect**	**After tax**	**Pre tax**	**Tax effect**	**After tax**
Exchange differences	10,229	–	10,229	– 9,055	–	– 9,055

10. DEFERRED TAX ASSETS/LIABILITIES

	2013		**2012**	
	Group	**Parent Company**	**Group**	**Parent Company**
DEFERRED TAX ASSETS				
Losses carried forward	2,310	0	1,875	0
Fixed assets	229	196	100	115
Total	**2,539**	**196**	**1,975**	**115**
DEFERRED TAX LIABILITIES				
Untaxed reserves	8	0	8,094	0
Intangible fixed assets	328	0	806	0
Total	**336**	**0**	**8,900**	**0**

Recovery date for deferred tax assets (SEK thousand)	**2013**		**2012**	
	Group	**Parent Company**	**Group**	**Parent Company**
Deferred tax liabilities to be recovered after 1 year	2,539	196	1,975	115

Recovery date for deferred tax liabilities (SEK thousand)	**2013**		**2012**	
	Group	**Parent Company**	**Group**	**Parent Company**
Deferred tax liabilities to be recovered within 1 year	198	–	411	–
Deferred tax liabilities to be recovered after 1 year	138	–	8,489	–

	Deferred tax assets		**Deferred tax liabilities**	
Book value (SEK thousand)	**Group**	**Parent Company**	**Group**	**Parent Company**
As of 1 January 2012	88	41	2,244	–
Change during the year	1,887	74	6,656	–
As of 31 December 2012	**1,975**	**115**	**8,900**	**–**
As of 1 January 2013	1,975	115	8,900	–
Change during the year	564	81	- 8,564	–
As of 31 December 2013	**2,539**	**196**	**336**	**–**

The change in deferred tax assets is attributable to utilized tax losses. The change in deferred tax liabilities is attributable to amortization of acquired customer relations as well as depositions to the accrual fund. Due to change of Swedish income tax level from 26.3% to 22.0%, a re-valuation of deferred tax assets and liabilities have been made as of 31 December 2012.

11. FIXED TANGIBLE ASSETS

(SEK thousand)	Group				Parent Company	
	Improvement expenses for others' property	Group Equipment	Leased Equipment	Total	Group Equipment	Improvement expenses for others' property
ACQUISITION VALUE						
Balance at 1 January 2012	7,099	21,994	32,391	61,484	771	2,461
Investments	2,776	2,553	11,930	17,259	0	–
Acquired assets	0	0	0	0	0	–
Exchange differences	– 65	– 305	0	– 370	0	–
Disposals	– 181	– 1,657	– 8,924	– 10,762	0	–
Balance at 31 December 2012	**9,629**	**22,585**	**35,397**	**67,611**	**771**	**2,461**
Balance at 1 January 2013	9,629	22,585	35,397	67,611	771	2,461
Investments	1,218	2,005	13,504	16,727	343	0
Acquired assets	0	0	0	0	0	0
Exchange differences	79	166	0	245	0	0
Disposals	– 830	– 207	– 12,153	– 13,190	0	0
Balance at 31 December 2013	**10,096**	**24,549**	**36,748**	**71,393**	**1,114**	**2,461**

(SEK thousand)	Group				Parent Company	
	Improvement expenses for others' property	Group Equipment	Leased Equipment	Total	Group Equipment	Improvement expenses for others' property
DEPRECIATIONS AND WRITE-DOWNS						
Balance at 1 January 2012	– 3,702	– 16,378	– 7,112	– 27,192	– 425	– 205
Depreciation	– 1,366	– 2,090	– 5,082	– 8,538	– 70	– 492
Disposals	181	1,615	3,024	4,820	0	–
Exchange differences	52	119	0	171	0	–
Balance at 31 December 2012	**– 4,835**	**– 16,734**	**– 9,170**	**– 30,739**	**– 495**	**– 697**
Balance at 1 January 2013	– 4,835	– 16,734	– 9,170	– 30,739	– 495	– 697
Depreciation	– 1,523	– 2,037	– 5,318	– 8,878	– 116	– 492
Disposals	830	207	4,121	5,158	0	0
Exchagne differences	-59	-112	0	-171	0	0
Balance at 31 December 2013	**– 5,587**	**– 18,676**	**– 10,367**	**– 34,630**	**– 611**	**– 1,189**

(SEK thousand)	Group				Parent Company	
	Improvement expenses for others' property	Group Equipment	Leased Equipment	Total	Group Equipment	Improvement expenses for others' property
NET BOOK AMOUNT						
Balance at 1 January 2012	3,397	5,616	25,280	34,293	346	2,256
Balance at 31 December 2012	4,794	5,851	26,227	36,872	276	1,764
Balance at 1 January 2013	4,794	5,851	26,227	36,872	276	1,764
Balance at 31 December 2013	4,509	5,873	26,381	36,763	503	1,272

LEASED EQUIPMENT

The Group leases company cars with financial leasing. The agreements are based on market terms. The leased assets are collateral for the leasing debt (note 27). Paid leasing fees amounts to SEK 6,040 (5,903) thousand.

12. INTANGIBLE ASSETS

Group (SEK thousand)	Goodwill	Acquired customer relations	Total
ACQUISITION VALUE			
Balance at 1 January 2012	329,008	30,215	359,223
Exchange differences	– 7,840	0	– 7,840
Balance at 31 December 2012	**321,168**	**30,215**	**351,383**
Balance at 1 January 2013	321,168	30,215	351,383
Exchange differences	7,776	0	7,776
Balance at 31 December 2013	**328,944**	**30,215**	**359,159**

Note 12 continued

AMORTISATIONS AND WRITE-DOWNS			
Balance at 1 January 2012	0	– 21,552	– 21,552
Amortisation	0	– 4,798	– 4,798
Exchange differences	0	– 200	– 200
Balance at 31 December 2012	**0**	**– 26,550**	**– 26,550**
Balance at 1 January 2013	0	– 26,550	– 26,550
Amortisation	0	– 2,057	– 2,057
Exchange differences	0	53	53
Balance at 31 December 2013	**0**	**– 28,554**	**– 28,554**

Group (SEK thousand)	**Goodwill**	**Acquired customer relations**	**Total**
NET BOOK AMOUNT			
Balance at 1 January 2012	329,008	8,663	337,671
Balance at 31 December 2012	321,168	3,665	324,833
Balance at 1 January 2013	321,168	3,665	324,833
Balance at 31 December 2013	328,944	1,661	330,605

Acquired customer relations is amortised on a straight-line method over their estimated useful lives. The useful life is expected to 5 years, equivalent to a rate of 20% per year.

IMPAIRMENT TESTS FOR GOODWILL
The cash-generating units listed below account for the majority of the Group's total goodwill:

(SEK thousand)	**2013**	**2012**
HiQ Finland – Consultancy services in Finland [1]	176,566	144,714
HiQ Öresund – Consultancy services in Öresund	45,451	43,937
HiQ Göteborg – Consultancy services in Göteborg	25,537	25,537
HiQ Stockholm – Consultancy services in Stockholm	61,452	61,452
HiQ Ace – Consultancy services in Linköping	19,938	19,938
Frends Technology – Consultancy services in Finland	-	25,593
Total	**328,944**	**321,168**

1) The operations in HiQ Finland and Frends Technology have been operationally merged during 2013 and the impairment is conducted on the merged unit.

RECOVERABLE AMOUNT FOR CASH-GENERATING UNITS IS BASED ON THE FOLLOWING IMPORTANT ASSUMPTIONS
The impairment tests have been based on calculations of the value in use. These values are based on cash flow valuations, in which the forecast for the first year constitutes agreed budget for the unit. The forecast for the following four years is based on management's judgement of the development during this period. Cash flows forecasted for the period beyond the explicit forecast period is based on a continued annual growth rate of 2% (3% in 2012). This level is estimated to be in line with the expected level of inflation. Forecasted cash flows are discounted with a discount rate of 10.3%, pre-tax, (13,9% in 2012).

IMPORTANT ASSUMPTIONS AND VARIABLES WITH A SIGNIFICANT IMPACT ON THE CALCULATED RECOVERABLE AMOUNT:
Top-line growth: Net sales for a consultancy company is dependent on assumptions regarding price levels, utilization rates and number of employees.

Operating margin: A consultancy company has a low need for investments and also low working capital requirements. Therefore, the operating margin is of relatively large importance for the forecasted future cash flows. In addition to the development of net sales, staff expenses is one of the most important variables for the estimation of the future operating margin.

Discount rate: When calculating the recoverable amount HiQ has made the assumption that the operations is financed only by equity, an assumption that is regarded as fair based on HiQ's type of operations. The interest rate has thereafter been estimated based on a judgement of market terms.

Long-term growth: When calculating the recoverable amount HiQ has used a growth rate of 2% in order to extrapolate cash flows after the explicit forecast period.

A sensitivity analysis shows that none of the cash-generating units has a need for impairment if the following assumptions are assumed:

- Top-line growth: 0% (from the first forecasted year and onwards)
- Operating margin: 15% (in line with the

Group’s long term financial targets)
- Discount rate: 10.3% (pre-tax)

The Company’s prediction is that reasonable possible changes in annual growth rate, operating margins, discount rate and other assumptions would not have such large impact on the recoverable amount that they would reduce the recoverable amount to a value lower than the carrying amount.

13. INVESTMENTS IN ASSOCIATES

Group (SEK thousand)	**2013**	**2012**
At beginning of year	10,925	11,331
Share of profit	0	0
Exchange differences	406	– 406
Book value at end of year	**11,331**	**10,925**

Investments in associates refers to HiQ Finland’s premises in Espoo, Finland. These premises is owned by a real estate company, owned by the companies that are tenants. The ownership shares in the real estate company are equal to the proportion of the area that HiQ Finland has of the total area of the building. The real estate company is a non-profit company with the only mission to provide its tenants cost-efficient premises. The name of the real estate company is Westends Affärscentrum OY and the Group’s ownership share is 29.9% by the end of 2013. The Group’s share of revenues, profit, assets and liabilities are outlined below:

(SEK thousand)	**Sales**	**Profit**	**Assets**	**Liability**	**Equity**	**Ownership**
2013						
Westend Affärscentrum OY	536	0	11,480	149	11,331	29.9%
2012						
Westend Affärscentrum OY	440	0	11,082	157	10,925	29.9%

14. RECEIVABLES – GROUP COMPANIES

Parent Company	**2013**	**2012**
Receivables – Group company	13,388	40,912

15. FINANCIAL FIXED ASSETS

Group (SEK thousand)	**2013**	**2012**
Available-for-sale financial assets – shares	26	26
Other receivables	284	284
Total	**310**	**310**

None of the receivables above have been due.

16. OTHER RECEIVABLES

Group (SEK thousand)	**2013**	**2012**
Work in progress	0	3,963
Other receivables	4,673	3,161
Total	**4,673**	**7,124**

The book value of other receivables is assessed to equate to their fair value.
None of the receivables above have been due.

Parent Company (SEK thousand)	**2013**	**2012**
Other receivables	1,652	1,336

17. ACCOUNTS RECEIVABLES, TRADE

Group (SEK thousand)	**2013**	**2012**
Accounts receivables, trade	256,653	282,960
Provisions for bad debt	–3,591	– 3,747
Book value of accounts receivables, trade	**253,062**	**279,213**
Prepaid amount	**4,514**	**2,199**

The book value of trade receivables is assessed to equate to their fair value. For a breakdown of reported trade receivables by age see below:

Group	**2013**	**2012**
Not yet due	241,702	254,231
Up to 3 months overdue	11,200	24,455
Between 3 and 6 months overdue	157	527
More than 6 months overdue	3	0
Total	**253,062**	**279,213**

The amounts in the table above show amounts that are due but not written down. The Group's clients are primarily globally leading international corporations with a good credit rating. The Group has suffered very limited bad debts in its history.

The book value of trade receivables breaks down into the following currencies:	**2013**	**2012**
Swedish kronor	216,130	235,613
Euro	36,749	41,531
Danish kronor	0	1,216
Dollar	0	139
Other currencies	183	714
Total	**253,062**	**279,213**

During the year the following change were made in the provisions for bad debt:	**2013**	**2012**
Opening balance	3,747	3,591
Provisions	0	156
Reversed provisions	–156	–
Confirmed bad debt	0	–
Closing balance	**3,591**	**3,747**

Provisions and write-downs for trade receivables are reported under "Other external expenses" in the consolidated income statement.

18. PREPAID EXPENSES AND ACCRUED INCOME

	Group		**Parent Company**	
(SEK thousand)	**2013**	**2012**	**2013**	**2012**
Assignments not yet invoiced	81,308	89,839	0	1,489
Other	13,677	17,899	4,024	4,188
Total	**94,985**	**107,738**	**4,024**	**5,677**

The book value is assessed to equate to their fair value.

19. CASH AND CASH EQUIVALENTS

Group (SEK thousand)	**2013**	**2012**
Cash and cash equivalent	207,349	190,011
Short term investments (term shorter than 3 months)	-	20,000
Summa	**207,349**	**210,011**

20. SHARE CAPITAL

	Number of shares
As of 1 January 2012	52,751,523
Split 2:1 (each share split into an ordinary share and one redemption share)	52,751,523
Redemption of redemption shares	– 52,751,523
As of 31 December 2012	52,751,523
As of 1 January 2013	52,751,523
Split 2:1 (each share split into an ordinary share and one redemption share)	52,751,523
Redemption of redemption shares	– 52,751,523
As of 31 December 2013	52,751,523

The total number of ordinary shares as of 31 December 2013 amounted to 52,751,523 (52,751,523) with a quota value of SEK 0.10 per share. All issued shares are fully paid.

OUTSTANDING WARRANTS
At the end of the financial year the following series of warrants (where each warrant entitles the holder to subscribe for one share) were outstanding:

			Outstanding number of warrants	
Time of issue	**Subscription period**	**Strike**	**2013-12-31**	**2012-12-31**
May 2010	May 2013	36.20 SEK	–	235,400
November 2010	November 2013	39.50 SEK	–	251,450
May 2011	May 2014	44.90 SEK	321,500	321,500
November 2011	November 2014	31.80 SEK	414,000	414,000
May 2012	May 2015	38.00 SEK	567,615	567,615
November 2012	November 2015	34.30 SEK	326,480	326,480
May 2013	May 2016	38.60 SEK	229,000	–
November 2013	November 2016	41.50 SEK	304,200	–
Total			**2,162,795**	**2,116,445**

The average subscription price for outstanding warrants amounted to 37.84 at the end of 2013 and SEK 37.24 at the beginning of the year. In 2012 and 2013, no warrants were used for subscription of shares. Average strike price for warrants issued in 2013 amounts to SEK 40,25. The warrants have been sold to employees of the Group. Sale of warrants are made on market terms, based on a valuation made by external advisors with Black-Scholes valuation model. The total amount of warrant premiums received amounts to SEK 1.0 (1.3) million, recognised in equity.

The following assumptions have been used in valuation of warrants:

	Share price[1)]	Strike[2)]	Interest	Volatility	Term
May 2010	31.95	36.20	1.50%	30%	3 years
November 2010	36.00	39.50	1.71%	28%	3 years
May 2011	41.18	44.90	2.62%	24%	3 years
November 2011	28.80	31.80	1.13%	28%	3 years
May 2012	33.60	38.00	1.05%	26%	3 years
November 2012	30.80	34.30	0.78%	26%	3 years
May 2013	35.15	38.60	0.91%	26%	3 years
November 2013	37.38	41.50	1.11%	25%	3 years

1)The share price for the May-2010-serie, was set at the average of the closing price from the period 6 May – 11 May 2010. For the November-2010-serie the average closing price from the period 4 November – 9 November 2010 was used. The share price for the May-2011-serie, was set at the average of the closing price from the period 9 May – 12 May 2011. For the November-2011-serie the average closing price from the period 31 October – 3 November 2011 was used. For the May-2012-serie the average closing price from the period 8 - 11 May 2012 was used. For the November-2012-serie the average price from the period 31 October - 5 November 2012 was used. For the May-2013-serie the average closing price from the period 2 - 7 May 2013 was used. For the November-2013-serie the average price from the period 31 October - 5 November 2013 was used.

2) The strike price for the May-2010-serie was set at 110% of the average closing price for the period 28 April – 11 May 2010. For the November-2010- serie 110% of the average closing price for the period 27 October – 9 November 2010 was used. The strike price for the May-2011-serie was set at 110% of the average closing price for the period 29 April – 12 May 2011. For the November-2011- serie 110% of the average closing price for the period 21 October – 3 November 2011 was used. For the May-2012-serie 110% of the average closing price for the period 27 April - 11 May 2012 was used. For the November- 2012-serie 110% of the average closing price for the period 23 October - 5 November 2012 was used. For the May-2013-serie 110% of the average closing price for the period 23 April - 7 May 2013 was used. For the November- 2013-serie the average closing price for the period 23 October - 5 November 2013 was used. Expenses associated with the warrant programs amounted to SEK 0.1 (0.2) million, of which 0.0 (0.0) million has been charged to costs and SEK 0.1 (0.2) million, recognised in equity.

21. RESERVES

Group (SEK thousand)	**Reserves**	**Exchange reserve**	**Total**
Balance as of 1 January 2012	46	– 14,320	– 14,274
Exchange differences:			
– Group	–	– 9,055	– 9,055
Balance as of 31 December 2012	**46**	**– 23,375**	**– 23,329**
Balance as of 1 January 2013	46	– 23,375	– 23,329
Exchange differences:			
– Group	–	10,229	10,229
Balance as of 31 December 2013	**46**	**– 13,146**	**– 13,100**

22. PROFIT PER SHARE

BASIC PROFIT PER SHARE

Profit per share is calculated as profit for the period (attributable to the equity holders of the Company) divided by the average number of outstanding shares for the period.

Group (SEK thousand)	**2013**	**2012**
Profit for the period attributable to the equity holders of the company	107,062	136,910
Average number of outstanding shares (thousand)	52,752	52,752
Basic profit per share (SEK/share)	**2.03**	**2.60**

DILUTED PROFIT PER SHARE:

The diluted profit per share is calculated as the profit for the period (attributable to the equity holders of the Company) divided by the average number of outstanding shares for the period with consideration taken to the potential dilution from outstanding warrants. The potential dilution is calculated as the difference between the outstanding number of options and the number of shares that could be acquired at market value (calculated as the average share price for the period), for the sum of the subscription price for the outstanding options.

Group (SEK thousand)	**2013**	**2012**
Profit for the period attributable to the equity holders of the company	107,062	136,910
Average number of outstanding shares (thousand)	52,752	52,752
Possible dilution from warrants	90	34
Adjusted number of outstanding shares (thousand)	**52,842**	**52,786**
Diluted profit per share (SEK/share)	**2.03**	**2.59**

23. DIVIDEND PER SHARE

The dividend paid in 2013 and 2012 amounted to SEK 0 million (0.00 per share) and SEK 0 million (SEK 0.00 per share) respectively. During spring 2013, HiQ completed a share split (2:1), (in which each ordinary share were split into one ordinary share and one redemption share) combined with compulsory redemption procedure, in which 52,751,523 shares were redeemed at SEK 2.40 each. Thereby a total of SEK 126,604 thousand was distributed to the shareholders. During spring 2012, HiQ completed a share split (2:1), (in which each ordinary share were split into one ordinary share and one redemption share) combined with compulsory redemption procedure, in which 52,751,523 shares were redeemed at SEK 2.20 each. Thereby a total of SEK 116,053 thousand was distributed to the shareholders. For 2014 the Board proposes that no dividend should be paid. It is also proposed a share split 2:1 (each ordinary share is split into one ordinary share and one redemption share) combined with a compulsory redemption procedure, where each redemption share is redeemed at SEK 2.60 per share, totalling SEK 137,154 thousand. The Annual General Meeting on March 31, 2014 will decide if procedure shall be carried out. These financial statements do not reflect the proposed split and redemption procedure.

24. INTEREST-BEARING DEBT

(SEK thousand)	Group 2013	Group 2012	Parent Company 2013	Parent Company 2012
LONG-TERM				
Leasing (note 27)	21,035	21,145	0	0
Bank loan	2,461	2,373	0	0
Total	**23,496**	**23,518**	**0**	**0**
SHORT-TERM				
Leasing	5,346	5,082	0	0
Total	**5,346**	**5,082**	**0**	**0**

The book value is deemed to be equal to the fair value. The Parent Company (and the Group) has an unutilised overdraft facility of SEK 50 million (SEK 50 million).

25. OTHER LIABILITIES

Group

Other short-term liabilities (SEK thousand)	2013	2012
Social security contributions and tax	26,808	27,689
VAT	34,147	26,948
Other liabilities	10,471	18,377
Total	**71,426**	**73,014**

Parent Company

Other short-term liabilities (SEK thousand)	2013	2012
Social security contributions and tax	1,505	1,048
Other liabilities	1	12
Total	**1,506**	**1,060**

26. ACCRUED EXPENSES AND PRE-PAID INCOME

(SEK thousand)	Group 2013	Group 2012	Parent Company 2013	Parent Company 2012
Holiday salaries, including social security contributions	76,180	74,175	1,937	1,845
Accrued payroll tax	16,258	17,587	362	400
Accrued salaries, including social security contributions	15,208	14,871	4,666	7,209
Other	15,406	19,462	2,412	3,006
Total	**123,052**	**126,095**	**9,377**	**12,460**

27. LEASING

Operational leasing (SEK thousand)	Group 2013	Group 2012	Parent Company 2013	Parent Company 2012
Due for payment within 1 year	18,419	18,564	9,378	9,299
Due for payment between 1 and 5 years	35,721	53,669	24,905	33,719
Due for payment after 5 years	0	0	0	0

The Group’s operational leasing contracts primarily consist of leases for premises. The premises rented by the Group are leased on market terms, with the rent partly or fully linked to changes in the price index. Lease terms are between 3 and 10 years. The parent company’s operational leasing contracts primarily consist of leases for premises and company cars. The premises rented by the parent company are leased on market terms, with the rent partly or fully linked to changes in the price index.

Financial leasing (SEK thousand) – **Group**	2013	2012
Due for payment within 1 year	5,346	5,082
Due for payment between 1 and 5 years	21,035	21,145

The Group’s financial leasing agreements relates to company cars. The leasing term is 3 years, with terminal value of 50% after 3 years, with a deprecation rate 17% per year. The leasing agreements can be terminated without financial penalty with the car being redeemed at its residual value. Leasing agreements are established on market terms. The leasing liability is hedged since the right to the leased object is returned to the lessor in case of payment failure.

28. PLEDGED ASSETS AND CONTINGENT LIABILITIES

HiQ International AB has a contingent liability for the fulfilment of the subsidiaries rent agreements. The amount for the contingent liabilities amount to SEK 25,578 (24,322) thousand. In addition to the contingent liabilities outlined above, there is no other pledged assets and contingent liabilities of SEK 0 (0) thousand related to leasing agreements. Otherwise there are no other pledged assets or contingent liabilities that has not been identified that are not reported in these financial statements.

29. BENEFITS FOR MANAGEMENT

Salary and other remuneration (SEK thousand)	**Base salary**	**Variable salary**	**Other benefits**	**Pension premiums**	**Other remuneration**	**Total**
Chairman of the Board	500	–	–	–	58	558
Other Board members	1,370	–	–	–	4	1,374
CEO	2,448	3,000	110	445	–	6,003
Other senior executives (11 people)	14,520	1,756	1,323	2,865	1	20,465
Total	**18,838**	**4,756**	**1,433**	**3,310**	**63**	**28,400**

Salaries and remuneration for the CEO in 2013 amounted to SEK 5,558(6,543) thousand, of which the variable part amounted to SEK 3,000 (4,000) thousand. A defined contribution pension premium was paid at the highest tax-deductible amount, SEK 445 (440) thousand. Social security contributions amounted to SEK 1,746 (2,056) thousand as well as taxes on pension payment of SEK 108 (107) thousand. The retirement age of the CEO is 65 years. In 2012 the CEO has acquired 30,000 warrants to a market value of SEK 54 thousand. The CEO's employment terms stipulates a mutual period of notice of six months during which period salary and other benefits are paid. If the CEO resigns, salary and other benefits is paid under four months after the termination. If notice is given by the company, the CEO is also entitled to severance pay corresponding to ten months' remuneration. If the company would be acquired by a public offer, receives a new main shareholder or conducts a major shift in business idea or changes the scope of operations, the CEO has the right to resign on the same terms as if the notice was given by the company. The Board as a whole, except the CEO, acts as a remuneration committee and deals with matters concerning the CEO's terms of employment and pension terms. The members of the Board received a total remuneration of SEK 1,870 (1,815) thousand, of which the chairman of the Board received SEK 500 (475) thousand. The AGM in April 2013 decided that the remuneration for the chairman of the Board shall amount to SEK 500 thousand and that the Board members not employed by the company shall receive a remuneration of SEK 215 thousand (Ken Gerhardsen, Gunnel Duveblad, Johanna Fagrell Köhler, Raimo Lind, Erik Hallberg and Ulrika Hagdahl). In addition, the chairman of the audit committee has received a remuneration of SEK 80 thousand. The AGM decided that the Board member could invoice the remuneration from a company. In that case, the remuneration should be set at a level which is cost neutral for the company. In the table above, the basic amount of Board fees is stated. For Board members that have invoiced their Board fee from a company, the Board fee has been increased with social security costs, in order for the Board fee to be cost neutral for HiQ. For the Chairman of the Board compensation for security costs amount to SEK 51 thousand (Board fee is being invoiced). For other Board members social security costs have been SEK 295 thousand and compensation for social security costs amount to SEK 135 thousand (for Board fees invoiced by companies). This in accordance with the decision made by the AGM. No other remuneration were paid to the members of the Board, except for reimbursement of travel and accommodation expenses incurred in connection with their work on the Board. The 11 (13) other senior executives received salary and remuneration during 2013 with a total amount of SEK 16,276 (18,972) thousand, of which the variable part amounted to SEK 1,756 (2,266) thousand. The variable part is based on result that are quantitative as well as qualitative. Social security contribution amounted to SEK 5,387 (5,767) as well as taxes on pension payments of SEK 695 (777) thousand. Pension premiums amounted to SEK 2,865 (3,540) thousand. During 2013 other senior executives acquired 57,000 warrants at market price. The market price for these warrants at time of allotment amounted to SEK 120 thousand. During 2012 other senior executives acquired 55,000 warrants at a fair value of SEK 95 thousand. Other senior executives have a mutual term of notice of 3–6 months and in most cases are entitled to severance pay equivalent to 3–6 months on notice given by the company. The retirement age for all other senior executives is 65 years. Matters relating to salary and remuneration paid to other senior executives were decided by the CEO of HiQ International, in certain cases following consultation with the chairman of the Board. The information above applies to the parent company as well as for the group.

30. GROUP COMPANIES

Specification of the Parent Company's and the Group's shares in Group companies:

Name	Corporate ID	Registered office	Country	Shares	Share of capital	Book value (SEK thousand)
HiQ København A/S	20851147	Frederiksberg	Danmark	500	100%	3,495
Frends Technology OY	0757272-2	Vaanta	Finland	13,155	100%	38,583
HiQ Finland OY	0648086-9	Espoo	Finland	600	100%	235,338
ZAO MobilEyes INN	7707281246	Moskva	Ryssland	69,042	100%	2,545
HiQ Accelerated Concept Evaluation AB	556640-3415	Linköping	Sverige	523,600	100%	26,849
HiQ Computer and Audio-Technical Systems AB	556194-0403	Stockholm	Sverige	10,000	100%	1,200
HiQ Göteborg AB	556244-6384	Göteborg	Sverige	1,020	100%	44,798
HiQ Karlskrona AB	556534-5336	Karlskrona	Sverige	1,000	100%	600
HiQ Linköping AB	556738-3400	Linköping	Sverige	1,000	100%	1,100
HiQ MobilEyes AB	556563-2345	Stockholm	Sverige	1,000	100%	9,867
HiQ Mälardalen AB	556443-8736	Lidingö	Sverige	1,000	100%	215
HiQ Skåne AB	556628-0136	Lund	Sverige	1,000	100%	100
HiQ Stockholm AB	556506-5819	Stockholm	Sverige	1,000	100%	41,532
						406,222

Book value of Frends Technology includes capital loans of SEK 3.5 million and acquired accrued interest of SEK 5.12 million.

Parent Company (SEK thousand)	**2013**	**2012**
ACQUISITON VALUE		
At beginning of year	534,845	520,345
Acquisitions/adjustment acquisition price	–	5,000
Given group contributions	9,000	9,500
At end of year	**543,845**	**534,845**
ACCUMULATED WRITE-DOWNS		
At beginning of year	– 128,623	– 119,535
Write-downs	– 9,000	– 9,088
At end of year	**– 137,623**	**– 128,623**
Closing book value of shares in subsidiaries	**406,222**	**406,222**

During 2013, the Parent Company has given group contributions to HiQ Mobileyes AB with 9 MSEK. In connection to this, the value of the shares in HiQ Mobileyes AB was written down with 9 MSEK.

31. CASH FLOW FROM OPERATING ACTIVITIES

	Group		Parent Company	
Interests paid and dividends received	**2013**	**2012**	**2013**	**2012**
Interest received	1,694	2,504	944	12,243
Interest paid	– 803	– 1,589	– 301	– 355
Total	**891**	**915**	**643**	**11,888**

	Group		Parent Company	
Adjustments for items not included in cash flow	**2013**	**2012**	**2013**	**2012**
Anticipated dividends from Group companies	–	–	– 26,000	– 3,500
Depreciation	10,935	13,337	608	563
Write-down of shares in Group companies	–	–	9,000	9,088
Total	**10,935**	**13,337**	**-16,392**	**6,151**

	Group		Parent Company	
Transactions not leading to payments	**2013**	**2012**	**2013**	**2012**
Acquisition of assets by financial leasing	5,500	6,029	0	0

Cash and cash equivalents (SEK thousand)	**2013**	**2012**	**2013**	**2012**
The following components are included in the liquid assets:				
Cash and cash equivalents	207,349	190,011	168,218	143,033
Short-term investments	–	20,000	–	–
Total cash and cash equivalents	**207,349**	**210,011**	**168,218**	**143,033**

The Parent Company (and the Group) has an unutilised overdraft facility of SEK 50 million.

32. RELATED-PARTY TRANSACTIONS

RELATED-PARTY RELATIONS:

The parent company has at related-party relation to its subsidiaries (note 30).

Purchases and net sales, Group internal, Parent company (SEK thousand)	**2013**	**2012**
Net sales to Group companies	27,932	31,493
Purchases from Group companies	9,549	22,025
Interest income from Group companies	179	10,741
Interest expenses paid to Group companies	298	355

Results from shares in Group companies, Parent company (SEK thousand)	**2013**	**2012**
Received dividends from Group companies	52,273	27,729
Received Group contributions	95,500	114,500
Write-down of shares in Group companies	– 9,000	– 9,088
Total	**138,773**	**133,141**

TRANSACTIONS WITH SENIOR EXECUTIVES

Remuneration to Board members have, according to a decision made by the Annual General Meeting, been paid with an amount of SEK 1,870 (1,815) thousand. In addition, SEK 62 (147) thousand have been paid as reimbursement of travel and accommodation expenses in connection with the Board work. No loans have been given to the Board members or any senior executives. For further information regarding benefits for senior executives, please refer to note 29.

TRANSACTIONS WITH ASSOCIATED COMPANIES

Group companies have paid rents to associates with SEK 536 (440) thousand.

33. APPROPRIATIONS

In 2013, the Parent Company has reversed the appropriations with SEK 25 million to taxation.

34. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

A. ESTIMATED IMPAIRMENT OF GOODWILL

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates (note 12). In note 12 a sensitivity analysis regarding the value of the Group's goodwill is presented. An impairment of goodwill would effect the Group's profit as well as the equity of the Group. However, the cash flow would not be effected.

B. REVENUE RECOGNITION

The Group applies the percentage of completion method in recognising revenues in fixed price contracts. The percentage of completion method requires estimates regarding the proportion of services performed (out of the total services required for the fixed price contract) on the balance sheet date. If the proportion between estimated performed services and total services would differ by 10% from the Management's assessment, net sales would increase if the performed proportion would have increased and decreased if the performed proportion would have decreased. The impact at the year-end is marginal due to the current low amount of fixed priced projects.

35. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including Foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall policy is to minimising the potential adverse effects on the Group's financial performance arising from these risks. The risk management is carried out centrally as well as decentralised by the subsidiaries, according to the Group's policies and guidelines.

A. MARKET RISK

Foreign exchange risk

HiQ has operations mainly in Sweden, Finland, Denmark and Russia. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. Most of the company's operations are local, i.e. income and expenses are in the same currency, which decreases the exposure to foreign exchange risks. In some cases, sales are made in a different currency from that in which the costs of producing the services were incurred. In cases where revenues and expenses are in different currencies the foreign exchange risk increase. Because of its limited foreign exchange exposure, HiQ does not currently employ any form of currency hedging. The company could be affected by substantial foreign exchange rate fluctuations, but we consider this risk to be small. The currency breakdown of the Group's incoming payments is SEK 83 %, Euro 17 % and other currencies 0 %. For outgoing payments the breakdown is SEK 84 %, Euro 16 % and other currencies 0 %. If the Swedish Crown had strengthened/weakened by 10% against the Euro (with all other variables held constant) the net profit 2013 would have been approximately SEK 3 million lower / higher. Equity would have been approximately SEK 33 million higher / lower, mainly as a result of foreign exchange difference on translation of goodwill. The Group has investments in foreign entities whose net assets are exposed to foreign exchange risks. The foreign exchange exposure arising from this are not hedged. All together HiQ's currency exposure is judged to be very limited.

Cash flow and interest rate risk and fair values

As the Group has no significant interest-bearing assets, except cash at bank accounts, the Group's income and cash flows are substantially independent of changes in market interest rates. Borrowings issued at fixed rates could expose the Group to interest rate risk. Financial leasing agreements as well as the Group's credit facility are at variable interest rates. Therefore no interest rate regarding fair values arise. An increase in the average interest rate on financial leasing with 1 percentage point would effect the Group's profit negatively with approximately SEK 0.2 million. From time to time the Group's surplus liquidity could be invested in short-term investments exposed to some (low) price risk. The risk is regarded as low, due to the short duration of the investments. By the end of 2013 the Group had SEK 0 (20) million in short-term investments.

B. CREDIT RISK

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to clients, including outstanding receivables and committed transactions. Most of HiQ's assignments are charged on account, i.e. time spent is invoiced monthly. 98% of net sales is charged on account, with fixed-price assignments, i.e. projects charged according to a fixed schedule, accounting for the remaining 2%. Projects charged on account are invoiced monthly or at the conclusion of the project. Payment is normally due within 30 days, although shorter and longer payment periods occasionally apply. Each week, accounts receivables are followed up to ensure that payment terms are met. Interest is charged on late payments and unpaid invoices are referred to a debt collection agency. Most of HiQ's clients are large and well-established. The ten largest clients account for about 45% of net sales and include Ericsson, Volvo Group and FMV. New clients are subject to credit checks. Actual bad debts have historically been low. For further information regarding bad debts, please refer to note 17.

C. LIQUIDITY RISK

Liquidity risk is managed by maintaining sufficient cash and short-term investments and the availability of funding through an adequate amount of committed credit facilities. The management forecasts the Group liquidity (cash and cash equivalents and credit facilities) based upon forecasted cash flows. HiQ's liquidity is very good. Cash flow before investments in 2013 was SEK 130.8 (146.3) million and on 31 December 2013 cash and cash equivalents amounted to SEK 207.3 (210.0) million.

The table below analyses the due date for the Group's financial liabilities, based on time left to due date.

As of 31 December 2013	Less than 3 months	Between 3 months and 1 year	More than 1 year
Financial debt (excluding Financial leasing)	–	–	2,461
Financial leasing	1,336	4,010	21,035
Accounts payable, trade	44,757	–	–
Other liabilities	71,426	–	–

As of 31 December 2012	Less than 3 months	Between 3 months and 1 year	More than 1 year
Financial debt (excluding Financial leasing)	–	–	2,373
Financial leasing	1,271	3,811	21,145
Accounts playable, trade	56,035	–	–
Other liabilities	69,714	3,300	–

Management of capital risk

The Group’s aims as regards its capital structure are to safeguard the Group’s ability to continue its operations, such that it can continue to generate a return for shareholders and benefits for other stakeholders, and to maintain a capital structure that – against this background – keeps capital costs down. To maintain or adjust the capital structure, the Group may change the dividend paid to shareholders, repay capital to shareholders, issue new shares or sell assets in order to reduce debts. A consultancy company such as HiQ has a limited asset-based security base for borrowing. The Group’s strategy in 2013, which as unchanged from 2012, was to maintain positive net funds. As at 31 December 2013 financial net funds amounted to SEK 178.5 million (SEK 181.4 million as at 31 December 2012).

The Board of Directors and the Managing Director declare that the consolidated financial statements have been prepared in accordance with IFRS as adopted by the EU and give a true and fair view of the Group’s financial position and results of operations. The financial statements of the Parent Company have been prepared in accordance with generally accepted accounting principles in Sweden and give a true and fair view of the Parent Company’s financial position and results of operations. The statutory Administration Report of the Group and the Parent Company provides a fair review of the development of the Group’s and the Parent Company’s operations, financial position and results of operations and describes material risks and uncertainties facing the Parent Company and the companies included in the Group.

Stockholm 7 March 2014

ANDERS LJUNGH
Chairman of the Board

GUNNEL DUVEBLAD
Member of the Board

JOHANNA FAGRELL KÖHLER
Member of the Board

KEN GERHARDSEN
Member of the Board

ULRIKA HAGDAHL
Member of the Board

ERIK HALLBERG
Member of the Board

RAIMO LIND
Member of the Board

LARS STUGEMO
Member of the Board and Chief Executive Officer

Our Auditors’ report for this annual report was submitted on 7 March 2014.

PricewaterhouseCoopers AB

NICKLAS KULLBERG
Authorised Public Accountant

AUDITOR'S REPORT

To the annual general meeting of HiQ International AB (publ), Corporate Identity Number 556529-3205

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS
We have audited the annual accounts and consolidated accounts of HiQ International AB (publ) for the year 2013, with the exception of the corporate governance report on pages 18–21. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 16–51.

Responsibilities of the Board of Directors and the Managing Director for the annual accounts and consolidated accounts
The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these annual accounts in accordance with International Financial Reporting Standards as adopted by the EU and the Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts and consolidated accounts. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions
In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2013 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Group as of 31 December 2013 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinion does not cover the corporate governance statement on pages 18–21. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts. We therefore recommend that the annual meeting adopt the income statement and balance sheet for the parent company and the statement of comprehensive income and the balance sheet for the Group.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS
In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of HiQ International AB (publ) for the year 2013. We have also conducted a statutory examination of the corporate governance statement.

Responsibilities of the Board of Directors and the Managing Director
The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the Managing Director are responsible for administration under the Swedish Companies Act and that the corporate governance statement on pages 18-21 has been prepared in accordance with the Annual Accounts Act.

Auditor's responsibility
Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Swedish Companies Act. As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company. We also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the Swedish Companies Act, the Annual Accounts Act or the Articles of Association. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions. Furthermore, we have reviewed the corporate governance statement, and based on that reading and our knowledge of the company and the group we believe that we have sufficient basis for our opinons. This means that our statutory examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

Opinions
We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year. A corporate governance statement has been prepared, and its statutory content is consistent with the other parts of the annual accounts and consolidated accounts.

Stockholm 7 March 2014
PricewaterhouseCoopers AB

NICKLAS KULLBERG
Authorized Public Accountant

DEFINITIONS OF KEY RATIOS

Gross margin: Operating profit/loss after reversal of depreciation, as a percentage of net sales.

Operating margin: Operating profit/loss, as a percentage of net sales.

Operating capital: Equity and interest bearing debt, minus liquid assets and other interest bearing assets.

Return on shareholders' equity: Profit/loss after tax in relation to average of opening and closing shareholders' equity.

Return on operating capital: Operating profit/loss in relation to average of opening and closing working capital.

Net sales per employee: Net sales in relation to average number of employees.

Added value: Operating profit/loss plus salary expenses, including social security contributions and pension expenses.

Added value per employee: Added value in relation to average number of employees.

Operating profit per employee: Operating profit/loss in relation to average number of employees.

Average number of employees: Average number of employees during the year, converted into full-time employee equivalents.

Equity/assets ratio: Closing shareholders' equity as a percentage of closing balance sheet total.

Yield: Proposed dividend as a percentage of share price at end of financial year.

Earnings/share: Profit after tax divided by average number of shares, before and after dilution.

Equity/share: Shareholders' equity in relation to total number of outstanding shares.

Cash flow/share before dilution: Cash flow for the year in relation to total number of outstanding shares.

HISTORY

1992 The foundation stone of HiQ is laid with the formation of Statyetten Konsult AB and its subsidiary, Approve AB. Simulation technology forms the basis of the Group's operations.

1995 HiQ is established in Stockholm with the task of expanding the business, focusing on telecoms.

1998 The name of the Parent Company is changed to HiQ International AB.

1998 Subsidiaries in Gothenburg and Oslo are established.

1999 HiQ International is listed on the Stockholm Stock Exchange.

2000 Two new subsidiaries are acquired, HiQ København in Denmark and HiQ Open in Gothenburg.

2000 A subsidiary is established in Finland, HiQ East Oy.

2002 Softplan Oy of Finland is acquired.

2002 A new subsidiary, HiQ Skåne AB, is established in Lund. HiQ East Oy and HiQ A/S are wound up.

2003 HiQ Väst and HiQ Open are merged into one company, HiQ Göteborg AB.

2004 Computer and Audio Technical Systems AB is acquired.

2004 A new subsidiary, HiQ Karlskrona AB, is established.

2007 Acquired MobilEyes AB.

2008 Acquired Ace Simulation AB.

2008 Acquired HiQ Quality Services Oy.

2010 Acquired Frends Technology Oy.

2011 HiQ is established in Borlänge.

BOARD OF DIRECTORS

ULRIKA HAGDAHL, born 1962, Master of science Engineering Physics, Royal Institute of Technology. Member since 2012. Founder of Orc Software AB, Head of Development Orc Software 1987-1990, President and CEO Orc Software AB 1990-2000. Other assignments: Member of the board of IFS AB and Beijer Electronics AB.

RAIMO LIND, born 1953. Master Degree Economics, Helsinki School of Economics. CFO of Wärtsilä Oyj 1998-2013, deputy MD since 2005. Worked for Wärtsilä 1976-1989 with positions both in Finland and abroad. CFO and managerial positions at Tamrock Oy 1992-1998, MD Scantrailer Ajoneuvoteollisuus Oy 1990-1991. Other assignments: Chairman of the board of Elisa Oyj and member of the board of several other foundations.

KEN GERHARDSEN, born 1952. Master of science Engineering Physics, Linköping Institute of Technology. Member since 1995. President and CEO of HiQ International AB until February 2000. Other assignments: Member of the board of Ymer Technologies and Stockholm Text. Holdings in HiQ: 375,557 shares.

JOHANNA FAGRELL KÖHLER, born 1966. Master's Degree International Economics, French, University of Lund. Member since 2011. President and CEO Mobiento since 2011. CEO ONE Media Holding 2005–2010. MD Summer Design 2002–2005. Business Area Manager IconMedialab 1998–2002. Other assignments: Member of the board of Ekelöw Info Security AB.

LARS STUGEMO, born 1961. Master of science Electrical Engineering, Royal Institute of Technology. President and CEO of HiQ International AB since 2000. Employed since March 1995. Managing Director, HiQ Data AB 1998–2000. Previous positions: Managing Director Communicator Infotech; Consultant and Sales, Enator Teknik. Other assignments: Member of the board of Zacco A/S, member of the Advisory Board of Kambi AB (subsidiary of Unibet) and Hero AB. Holdings in HiQ: 583,651 shares, 30,000 warrants.

ANDERS LJUNGH, born 1942. Ph.D. in Technology, Royal Institute of Technology; M.Sc. Business and Economics, Stockholm School of Economics. Chairman and member of the board since 2003. Senior Advisor, Morgan Stanley 1996–2001; CFO, European Bank for Reconstruction and Development 1991–1994; Head of Handelsbanken's Overseas Department 1975–1990; World Bank 1969–1975. Other assignments: Chairman of the boards of Axiomatics, Living Capital Management, Elinbolagen and Mobilize Systems. Holdings in HiQ: 12,000 shares.

GUNNEL DUVEBLAD, born 1955. Computer Science, Umeå University. Member since 2007. Managing Director, EDS North Europe 2002– 2006. Employed by IBM 1977–2002, holding various managerial positions within IBM at Nordic and European level. Other assignments: Chairman of the boards of Team Olivia AB, Global Scanning AS and Stiftelsen Ruter Dam and member of the boards of i.e. Sweco and PostNord. Holdings in HiQ: 2,000 shares.

ERIK HALLBERG, born 1956. Engineer in Mechanical Engineering. Member since 2012. Executive Vice President TeliaSonera Eurasia, various management positions at TeliaSonera i.e. Market Area Baltic Countries, Head of Broadband Sweden and Mobility Sweden. Founder and Chairman of the board of Glocalnet 1996 – 1999, MD Diners Club Sweden 1990-1994. Other assignments: Member of the board Cygate AB, Tetab Försäljning AB and boards in Eurasian countries (Kazakhstan, Uzbekistan, Moldova, Georgia, Tajikistan, Afghanistan, Nepal, Azerbaijan) and Turkey.

AUDITOR: PricewaterhouseCoopers AB. Responsible auditor Nicklas Kullberg, born 1970. Authorised Public Accountant. Auditor of HiQ since 2010.

Includes related party holdings and holdings through companies.

MANAGEMENT

MAGNUS GUDÉHN, born 1962. Managing Director, HiQ Stockholm since 2013. Bachelor of Science, Royal Institute of Technology, 1986. Employed since March 1995. Business Area Manager 2008-2013, MD HiQ Cats 2005-2008. Previous positions: consultant manager, project manager and developer at Enator and Logica Sydney. Holdings in HiQ: 500 shares and 50,000 warrants.

ANDERS NILSSON, born 1970. Managing Director, HiQ Mälardalen since 2004. Qualified Engineer 1990. Employed since 2000. Previous positions: Project Manager, Celsius Test Systems; Product Manager, Volvo Aero Support; Licence Engineer, ABB. Holdings in HiQ: 840 shares and 10,000 warrants.

ANDERS KARÉN, born 1957. Vice President Operations, HiQ International since 2002. Master of Science Industrial Economics, Linköping Institute of Technology 1981. Employed since 1999. Previous positions: Logistics Manager, Ericsson Radio Systems; Business Development Manager, Ericsson Radio Systems. Holdings in HiQ: 20,000 shares.

JERKER LINDSTÉN, born 1971. Managing Director, HiQ Göteborg since 2004. Master of science Automation Engineering, Chalmers University of Technology 1995. Employed since 2004. Previous positions: Regional Manager, Sales Manager, Framfab Region West; Business Area Manager, etc., Telia. Holdings in HiQ: 6,000 shares, 60,000 warrants.

JUKKA RAUTIO, born 1974. Managing Director, HiQ Finland Oy since 2010, Managing Director HiQ Quality Services Oy 2008 – 2010. Bachelor of Science 2001, Oulu University. Employed since 2008. Previous positions: Founder and MD, TSG Test Solutions. Holdings in HiQ: 242,000 shares.

ANNA KLEINE, born 1973. Managing Director, HiQ Skåne since 2012. Bachelor of Science, Information technology, University of Lund. Employed since 2003. Previous positions: consultant, sales and business area manager HiQ, consultant and project manager Telia ProSoft AB.

LARS STUGEMO, born 1961. President and CEO of HiQ International since 2000. Master of Science Electrical Engineering, Royal Institute of Technology 1986. Employed since March 1995. Managing Director, HiQ Data 1998–2000. Previous positions: Managing Director, Communicator Infotech AB; Consultant and sales, Enator Teknik AB. Holdings in HiQ: 583,651 shares, 30,000 warrants.

MIKAEL TENG, born 1964. Business Development Manager, HiQ International since 2007. Master of Science Engineering, Royal Institute of Technology 1990. Employed since 1998. Previous positions: Global Account Manager and consultant, HiQ Stockholm; Manager, Accenture; Consultant, Tieto Enator; SW Engineer, Oerlikon Contraves AG, Switzerland.

PETER L. HÄGGSTRÖM, born 1976. Head of Corporate Communication and Marketing, HiQ International, since 2010. Bachelor of Science Pedagogy, University of Gothenburg, Communication and Journalism, University of Houston and Poppius. Previous positions: Competence developer Åhlénsgruppen, Head of owned brands MQ Retail, Head of sales Sportcore, self- employed in Plankträff.

KLAS NYSTRÖM, born 1955. Managing Director, HiQ Karlskrona since 2007. Naval Officer. Employed since 2007. Previous positions: Various positions at Telenor; Founder and Vice President of Testbolaget Sverige; Ericsson; Lieutenant-Commander in the Swedish Navy. Holdings in HiQ: 20,000 warrants.

FREDRIK MALM, born 1974. CFO, HiQ International since 2002. Master of Science Business and Economics, Stockholm School of Economics 1997. Employed since 2002. Previous positions: Corporate Finance, Enskilda Securities; Corporate Finance, Nordea Securities; Holdings in HiQ: 25,000 shares, 42,000 warrants.

PATRIK HOLM, born 1966. Managing Director, HiQ Ace since 2009. Master of Science Industrial Economics, Linköping Institute of Technology 1993. Employed since 2008. Previous positions: Senior Vice President, Enea Nordic Services, Managing Director, Enea Systems AB, Managing Director, Enea Epact AB. Holdings in HiQ: 16,624 shares, 20,000 warrants.

Includes related party holdings and holdings through companies.