

HiQ ANNUAL REPORT 2014





A stylized, handwritten signature in black ink, appearing to read 'Lars Stugemo'.

Lars Stugemo, President and CEO, HiQ

Mind-set for a new era

2 March 2015

HiQ's net sales in 2014 total SEK 1,378.8 million and operating profit amounts to SEK 147.4 million. We have a strong cash flow of SEK 104.0 million and a solid balance sheet. In view of the company's strong financial position, the Board of Directors proposes a dividend of SEK 2.60 per share.

We at HiQ, are now leaving our teenage years behind us to celebrate our 20th birthday. If we had known 20 years ago that, by the end of 2014, we would have such a strong track record, with 63 of our 64 quarterly reports as a listed company showing a profit – most of them with the best margins in the business – it would have made us immensely happy and proud. And if we had known 20 years ago what we can do with the aid of technology today, we would have been amazed.

The rapid pace of technical innovation and development affects each and every one of us – as individuals, companies and organisations. Value chains and business models in all sectors are being put under pressure. New companies are springing up to challenge the market and established competitors must constantly develop in order to defend their positions. The dominant trends worldwide are mobility, digitisation, and innovation around existing business models. Against the background of ever-accelerating activities in service and product development, the key to success in every industry is usability.

The “Internet of Things” is a trend that has been talked about for a long time. Now it's happening! Everything around us becomes interconnected and everyone is affected. Our view of the internet will change faster than we can imagine.

As the members of the rock group Backyard Babies reunite to make their comeback, the music itself is no longer the sole focus. The digital platform now works as the hub in their communication with media and fans. HiQ's success in winning the role as the band's digital partner highlights the long reach of today's digital age – an age where everyone sees the advantages of effective communication. Today, communication takes place between people, between businesses and between devices.

Today we have a broad-based approach to working with our clients, guiding them from idea to design and technical development, through to implementation and application management. Our offer is stronger than ever and it attracts attention over the year.

We are at our best when faced with tough challenges and tight deadlines. We combine our know-how from more than 15 different industries to help create success for our clients.

Speed and joy are obvious elements at HiQ and we are still as eager as we have always been to perform at the peak of our potential and to make a real difference in people's lives. We have fantastic co-workers with both heart and brains, exciting assignments and a list of clients that others can only dream of. Together we create a company in the absolute forefront and a world that is more fun and better. That is needed.

Welcome to the bright future that we call HiQ.

Lars Stugemo, President and CEO

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ANNUAL GENERAL MEETING

The Annual General Meeting will take place at 10 a.m. (10:00 C.E.T.) on 24 March 2015 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.

DATUM FÖR FINANSIELL INFORMATION

Interim report January – March 2015 will be published 22 April 2015

Interim report January – June 2015 will be published 12 August 2015

Interim report January – September 2015 will be published 22 October 2015

Year-end report 2015 will be published 27 January 2016

HiQ helps to make the world a better place by making people's lives simpler and better. We are the perfect partner for everyone eager to achieve results that make a difference in our world.

In a world that is spinning faster and faster, HiQ has the know-how and experience to help our clients all the way from idea to implementation. We see technology as part of a larger context,

and as a tool for making a difference in people's everyday lives.

HiQ was established in 1995 and is today listed on the Nasdaq Stockholm

MidCap list. With 1,400 specialists and the Nordic countries as our base, we work with global brands that, just like us, want to make life a little simpler. And a lot more fun.

The year at a glance

Looking back at 2014, we see that we continue hiring, growing and winning new clients and framework agreements. We do this in a market that feels the impact of the uncertainty in our surrounding world. We increase our net sales and profits, and with 1,400 employees we are today more employees than ever before. HiQ has a strong position in the Nordic Market and we also win several new assignments internationally.

We have a strong cash flow of SEK 104.0 million and a solid balance sheet. HiQ's liquid assets totalled SEK 180.1 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 138.2 million, in

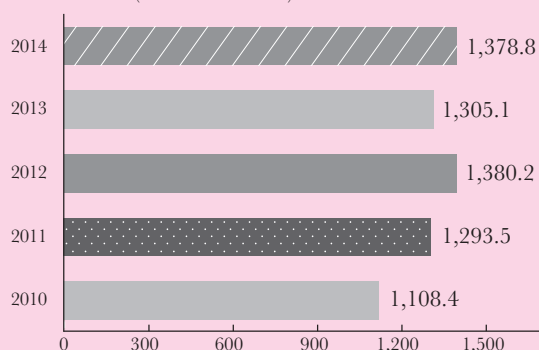
the form of a split and a compulsory redemption programme.

Digitisation and mobility continue to put HiQ on the map in 2014, in the Nordic region and globally. We want to simplify people's lives and make the world a better place. The solutions that we develop together with our clients truly create value for people. During the year we win many new framework agreements, for example with organisations such as the city of Gothenburg and the Swedish Tax Agency. The "Internet of Things" is made possible by the digital and mobile development. During 2014 it changes from a trendy term to something that creates business value. We see this in, for example, the "Roam Delivery" project, that has

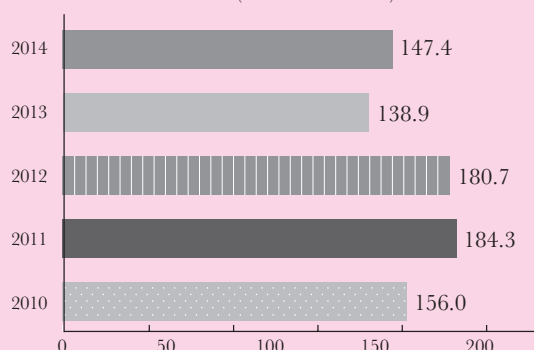
been acknowledged worldwide. In the project, we help Volvo Cars to simplify the delivery of goods. Another example is when we develop mobile banking and payment services that are used daily by nearly 3 million users.

The Knowledge Bar, HiQ's tour of seminars, music and social activities, sets a new record by gathering over 4,000 guest in seven cities during the autumn. We also recruit many new employees and we are proud that so many creative, brave and ambitious people want to work with us. We believe in creating winning results in combination with joy, passion and energy. Together we will continue building the company that we, ourselves, want to work in.

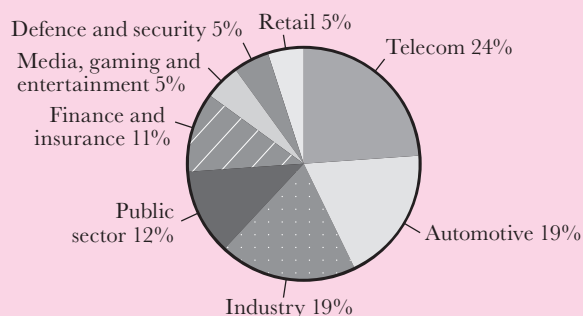
NET SALES (SEK MILLION)



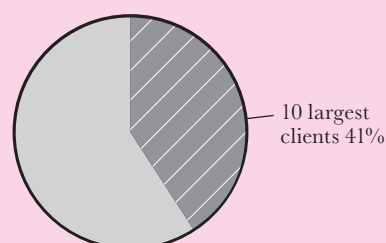
OPERATING PROFIT (SEK MILLION)



NET SALES PER MARKET



NET SALES, 10 LARGEST CLIENTS



Values

At HiQ, our values results, responsibility, simplicity and joy affect everything we do. These words at HiQ are not an elaborate document – they are the way we act everyday in every project, in order to create a competitive advantage and a more joyful everyday life for ourselves and for our clients.

Our values have been with us since the start 20 years ago 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 we take responsibility and are committed, that we dare to suggest unexpected and more efficient solutions, and that we bring joy to the teams that we work in. At HiQ we do our utmost to improve and simplify our clients' operations, while at the same time having fun together.

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 people's everyday life simpler, safer and more fun. Even though HiQ is turning 20 we remain a young, hungry and result-oriented company, constantly striving to make a difference in people's lives and in our clients' organisations.

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. By doing that little extra we 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. At HiQ, we say that simplicity is the innovation of our time.

JOY

When having fun at work and being yourself, we believe that you perform better. We have fun working together with our clients, and this shows in the results we create. Having good dynamics supports creativity, which in turn makes us more innovative and competitive. Joy is a benefit for us as a company, for us as co-workers and for all the clients we meet every day.

This is what we do for our clients

HiQ's passion is to create products and services that shape the future. Our origins are firmly rooted in IT and the development of services and products is part of our corporate DNA. Combined with our in-depth understanding of communication and vast business experience, this means that we can help our clients to grasp the potential that new technology brings. With our experience and our track record we can take an idea from the drawing board to implementation and further on to administration.

The speed with which technology is developing today and the digital transformation require new ways of thinking

and an open-minded attitude towards changing and challenging existing business models. Mobility, digitisation and the Internet of Things are impacting on just about every industry at every level. With increased connectivity, the challenge of interlinking production, business operations and communication will require a holistic approach, innovative solutions and flexibility. Circumstances like these require a will to create simple solutions to complex challenges.

We see what this means in practice when we develop mobile payment solutions and when we create intelligent vehicles that detect hazards and prevent

accidents. And we see it, too, when we use technology to simplify people's contact with authorities and healthcare institutions.

HiQ's domestic market is the Nordic region but we are also winning assignments internationally. We often enter partnerships with companies who, like us, see mobility, digitisation and the Internet of Things as business-critical aspects. As a partner, HiQ provides innovative power and technical competence. We also take overall responsibility in specific fields, such as testing and quality assurance processes, digital strategies and innovation processes.

Our client segments

HiQ's clients are found in many different industries and they all have a clear common denominator – that digitisation and mobility are re-drawing the map and affecting their businesses.

Together with our innovative and brave clients, HiQ develops solutions with the aim to simplify and improve. We divide our clients, 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 a very strong standing in this segment and works with global and market-leading clients. We have extensive technical expertise as well as 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 almost everyone are dependent on telecom technology and mobility.

For example, HiQ helps Microsoft Devices with an efficient and cloud based “Internet of Things” solution for analytics. The data gathered with the solution aims to improve quality of the mobile devices as well as the end-user experience. The solution makes it easier to forecast trends and modify functionality.

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

AUTOMOTIVE

Vehicles and their components are increasingly becoming connected and able to communicate with each other, which simplifies for people and increases safety on our roads. 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 innovative clients we are developing active safety systems,

such as road trains. Several vehicles travel in a semi-autonomous convoy, which contributes to enhanced safety and reduced fuel consumption. We are also developing a 360-degree field of vision around vehicles. This enables the vehicle to identify hazards and thereby avoid accidents.

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 Volvo Group.

INDUSTRY

More and more companies are completely dependent on, and open to the possibilities of, mobility and IT. HiQ creates new business offers and solutions that simplify operations. 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 processes.

HiQ has a strong position in this segment and works with several global players with the aim to simplify and improve. For example, HiQ is strategic partner to Finnair and SAS, with the responsibility to help the airline companies with development, support and operation of business critical crew management systems.

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

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 organisations. The IT development in this segment simplifies for us as citizens, in our contacts and dealings with various authorities.

HiQ grows within the healthcare segment and has a number of framework agreements with different municipalities and county councils. Through strategy and technology, we simplify for both healthcare providers and patients - before, during, and after the appointment. We see great possibilities to streamline within this important segment.

Some of our clients in this segment are the Swedish Civil Contingencies Agency, the city of Gothenburg, the Swedish Traffic Assurance Association, the Swedish Public Employment Service, the Government of Sweden, Region Västra Götaland, the Swedish Post and Telecom Authority, the Swedish Tax Agency, the Stockholm County Council and the Finnish customs.

FINANCE AND INSURANCE

Today, we want to manage our bank errands simply, quickly and securely – willingly with a mobile device. Because of this, the finance and insurance segment is undergoing great changes. At HiQ, we combine our financial insights with our expertise in mobility to create a very competitive offering within mobile payments and banking

services. This is an area in which we continue winning assignments in the Nordic region.

Swish, that HiQ develops together with Bankgirot for Sweden's six largest banks, is a success with more than two million users. Swish enables people to transfer money in real time, without bank card readers or account numbers.

In Finland, the field of mobile banking services is also a large and recognised area of expertise for HiQ. We have, for example, developed the world's first mobile bank that is connected to a retail chain's customer bonus system.

Some of our clients in this segment are Bankgirot, Collector, Handelsbanken, Nordea, OP Pohjola Group, the S Group, SEB, Skandiabanken, Swedbank, Varma and Wasa Kredit.

MEDIA, GAMING AND ENTERTAINMENT

Thanks to today's technology, this industry is changing rapidly. Today, we can play games or stream high-quality media content almost regardless of where we are. At HiQ we use our know-how and experience from other segments as we help both the experienced companies and the start-ups to create the solutions of tomorrow.

As an example, online-based TV is growing at a fast pace. HiQ is part of 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 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, Fintoto, GTECH, the Gothenburg Symphony Orchestra, King, MTG Radio, MTV 3 Finland, Natur & Kultur, Rovio, SBS TV, Spotify, Utbildningsradion and Veikkaus.

DEFENCE AND SECURITY

We live in a time in which defence and security are becoming more and more important. The view of the world is uncertain and the question of defence is put higher on the agenda - not least is IT security becoming even more important for both companies and authorities. HiQ's experience in this area is extensive, as it has been since the start 20 years ago.

With our expert know-how, HiQ has been 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.

RETAIL

Today, our shopping behaviour is completely different than it was only a few years back. Shopping online is convenient and simple, and online and mobile shopping is constantly breaking new records.

HiQ has a thorough understanding of the industry gained over many years, and we supply leading international retail chains with services ranging from concept and design to quality assurance. HiQ works within a broad range that includes e-commerce, mobile commerce, procurement and logistics systems, and tools for marketing and sales.

Some of our clients in this segment are ICA, Lähikauppa, Stockmann, and Volvohandels Utvecklings AB.

Strategies for success

CLEAR VALUES

HiQ's values have been with us since the start 20 years ago. They are the very heart and soul of HiQ. We know that our values; results, responsibility, simplicity and joy, are the foundation for top quality in all that we do and thereby for satisfied clients. Our values affect us in every project, every day. They are a decisive competitive advantage for both HiQ and our clients.

A CONSULTING COMPANY – PLAIN AND SIMPLE

HiQ is a consultancy company in the truest sense, acting as an independent advisor and putting the best interests of our clients first. Our mission is to provide our clients with know-how, dedication and innovation.

QUALITY, PROFITABILITY AND GROWTH

Just as our name suggests, high quality is the foundation on which HiQ is built. 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

As an idea, service and technology partner, we work closely with our clients as mobility and digitisation continue to affect their businesses. We see technology as part of a larger context and as a tool for making a difference in people's everyday life. 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 offers a flexible delivery model with the client's needs and conditions in focus. We provide specialist expertise for projects on site and also undertake projects at our own facilities and via our near shore office. We also offer complete teams which give the client flexibility.

KNOWLEDGE TRANSFER BETWEEN INDUSTRIES

We work actively with transferring knowledge between the various industries and market segments that we operate in. This way our clients can benefit from new competence and inspiration from completely other industries than their own. An example of this is when we use our know-how from telecom to develop mobile bank- and payment solutions. The need for communication solutions continues to grow in an ever increasing number of industries, and more and more segments are also calling for our help and expertise in areas such as mobility.

THE NORDIC REGION AS OUR BASE

HiQ is a consultancy company with roots in the Nordics, and a strong position in the region. At the same time, our international commitments are steadily increasing, both in terms of assignments for non-Nordic companies and for Nordic clients abroad. As an example, we work in projects in London and California during 2014.

Five-year summary

In 2014 our turnover was SEK 1,378.8 million with an operating margin of 10.7%. The tables below show HiQ's financial development over the 2010–2014 period.

INCOME STATEMENT

(SEK million)	2014	2013	2012	2011	2010
Net sales	1,378.8	1,305.1	1,380.2	1,293.5	1,108.4
Other operating income	—	—	—	1.1	—
Operating expenses, excl. Depreciation	– 1,221.1	– 1,155.3	– 1,186.2	– 1,097.5	– 941.2
Operating profit before depreciation	157.7	149.8	194.0	197.1	167.2
Depreciation	– 10.3	– 10.9	– 13.3	– 12.7	– 11.2
Operating profit	147.4	138.9	180.7	184.3	156.0
Financial net	0.5	0.4	0.7	1.6	– 0.9
Pre-tax profit	147.9	139.3	181.4	186.0	155.1
Tax charged to the year's profit	– 32.9	– 32.3	– 44.5	– 50.3	– 44.4
Profit after tax	115.0	107.1	136.9	135.7	110.6

BALANCE SHEET

(SEK million)	2014	2013	2012	2011	2010
ASSETS					
Intangible assets	344.0	330.6	324.8	337.7	344.8
Tangible fixed assets	36.1	36.8	36.9	34.3	26.9
Financial assets	15.1	14.2	13.2	11.7	14.8
Total fixed assets	395.2	381.5	374.9	383.7	386.6
Accounts receivable, trade	281.5	253.1	279.2	260.3	228.0
Other current assets, excl. cash	132.4	117.4	127.8	129.0	113.1
Cash and cash equivalents	180.1	207.3	210.0	190.5	163.5
Total current assets	593.9	577.8	617.0	579.8	504.6
Total assets	989.1	959.4	991.9	963.5	891.3

SHAREHOLDERS' EQUITY AND LIABILITIES

Shareholders' equity	698.2	691.0	699.3	686.2	633.8
Non-interest-bearing provisions	0.1	0.3	8.9	2.2	4.1
Interest-bearing long-term liabilities	21.9	23.5	23.5	25.0	20.7
Non-interest-bearing current liabilities	263.0	239.2	255.1	245.8	228.9
Interest-bearing current liabilities	5.8	5.3	5.1	4.3	3.7
Total shareholders' equity and liabilities	989.1	959.4	991.9	963.5	891.3

SALES AND PROFIT PER QUARTER 2014

	Q 1	Q 2	Q 3	Q 4
Net sales, SEK million	348.6	346.2	294.9	389.2
Operating profit, SEK million	36.1	30.3	27.3	48.4
Operating margin, %	10.3%	8.7%	11.1%	12.4%
Cash and cash equivalents per quarter	227.1	119.8	111.2	180.1

KEY RATIOS

	2014	2013	2012	2011	2010
Net sales, SEK million	1,378.8	1,305.1	1,380.2	1,293.5	1,108.4
Growth in net sales, %	5.6	-5.4	6.7	16.7	4.8
Gross margin, %	10.7	11.5	14.1	15.2	15.1
Operating margin, %	10.7	10.6	13.1	14.3	14.1
Return on shareholders' equity, %	16.6	15.4	19.8	20.6	18.0
Return on working capital, %	27.9	27.0	34.6	36.2	32.0
Net sales per employee, SEK thousand	1,115	1,086	1,150	1,169	1,173
Value add per employee, SEK thousand	881	858	889	901	901
Operating profit per employee, SEK thousand	119	116	151	167	165
Average number of employees	1,237	1,202	1,200	1,107	945
Number of employees at year-end	1,412	1,326	1,326	1,282	1,167
Equity ratio, %	70.6	72.0	70.5	71.2	71.1

For definitions see page 54.

KEY RATIOS PER SHARE

(SEK, unless stated otherwise)	2014	2013	2012	2011	2010
Earnings after tax, before dilution	2.18	2.03	2.60	2.58	2.14
Earnings after tax, after dilution	2.17	2.03	2.59	2.58	2.13
Cash flow, before dilution	-0.56	-0.05	0.37	0.51	0.61
Dividend (2013 proposed)	2.60 ¹⁾	2.60 ²⁾	2.40 ³⁾	2.20 ⁴⁾	1.80 ⁵⁾
Equity (before dividend)	13.14	13.10	13.26	13.01	12.12
Direct yield, %	6.3	6.6	6.7	7.6	4.7
Share price at year-end	41.10	39.60	36.00	29.00	38.30
Average number of shares, thousand	52,784	52,752	52,752	52,564	51,680
Average number of shares after dilution, thousand	52,890	52,842	52,752	52,568	51,876
Number of outstanding shares, thousand	53,139	52,752	52,752	52,752	52,303

1) The Board has proposed to distribute, via a share split and mandatory redemption, an amount of approximately SEK 138 million (SEK 2.60/share) to the shareholders.

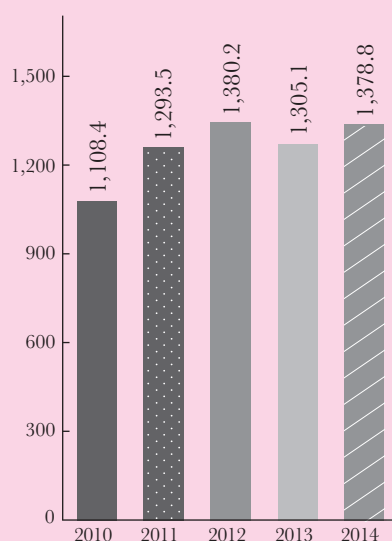
2) 2013 share split and distribution to shareholders of approx. SEK 137 million (SEK 2.60/share)

3) 2012 share split and distribution to shareholders of approx. SEK 127 million (SEK 2.40/share)

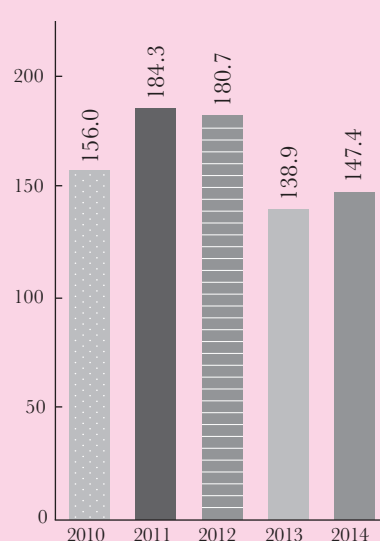
4) 2011 share split and distribution to shareholders of approx. SEK 116 million (SEK 2.20/share)

5) 2010 share split and distribution to shareholders of approx. SEK 94 million (SEK 1.80/share)

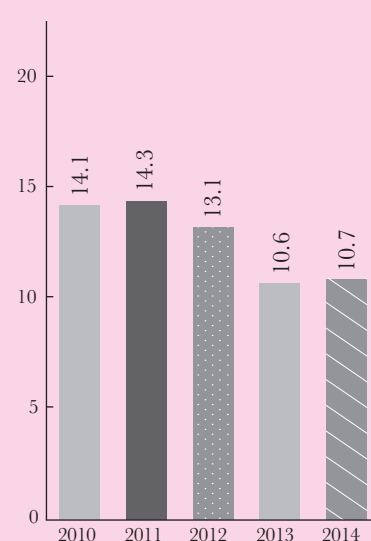
NET SALES (SEK MILLION)



OPERATING PROFIT (SEK MILLION)



OPERATING PROFIT (SEK MILLION)



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 co-workers, along with our clients, are HiQ's biggest asset. The average HiQ employee has a degree in engineering and around twelve 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.

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 41% 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. HiQ has clients many different market segments and a strong balance sheet. Thanks to this, we are well prepared to tackle an economic down-turn.

FINANCIAL RISKS

For a description of financial risks, please refer to note 35 on page 50.

The HiQ co-worker – a few facts

At HiQ we work everyday to create a better world by using IT to simplify and improve. We recruit the best employees, and this creates strong teams that combine people with different backgrounds, origins and competences and a mix of women and men, as well as old and young. Diversity and the possibility to be oneself at the workplace come for free and are good for dynamics. Good dynamics support creativity, which in turn makes us more innovative and

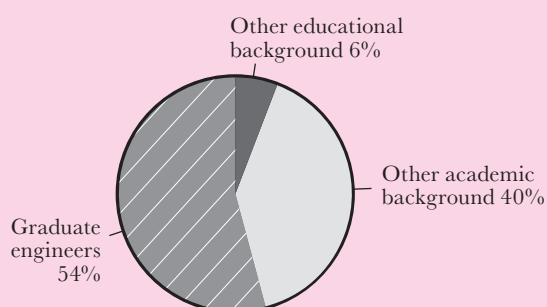
competitive. As an example, we can see that the proportion of women at HiQ is increasing and that more than 30 different nationalities are represented among our employees.

We believe that having a balance in life is important. What we do in our spare time is reflected in our work and vice versa. HiQ has a strong corporate culture and we work hard to make sure that our employees are satisfied and feel

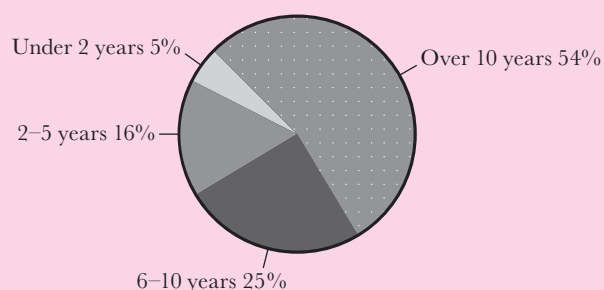
that they are developing. We are proud when HiQ is ranked high as an employee in different surveys. For example, when we were recently selected as one of Sweden's career companies. High competence is typical for our employees. A HiQ employee has 12 years' experience of technology and business development: 54 per cent are graduate engineers and 40 per cent have other university degrees.

Key ratios 5 years	2014	2013	2012	2011	2010
Net sales per employee, thousand	1,115	1,086	1,150	1,169	1,173
Value add per employee, thousand	881	858	889	901	901
EBIT per employee, thousand	119	116	151	167	165
Number of employees at end of year	1,412	1,326	1,326	1,282	1,167
Average number of employees	1,237	1,202	1,200	1,107	945
Proportion of women	24%	24%	22%	21%	23%
Average age, years	39	38	37	37	37

EDUCATIONAL BACKGROUND



INDUSTRY EXPERIENCE AMONG EMPLOYEES



The HiQ share

On 31 December 2014, the share capital in HiQ totaled SEK 5,313,902, represented by 53,139,023 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 March 2014 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 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 in Share capital	Total Share capital	Number of outstanding shares
2010	Opening balance	—	5,160,526	51,605,258
2010	Opening balance	—	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 of shares	2,580,263	5,160,526	51,605,258
2010	Purchase consideration Friends 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 of 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 of 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 of shares	2,637,576	5,275,152	52,751,523
2014	Redemption – Split 2:1	—	5,275,152	105,503,046
2014	Redemption of shares	– 2,637,576	2,637,576	52,751,523
2014	Bonus issue of shares	2,637,576	5,275,152	52,751,523
2014	Redemption of warrants	38,750	5,313,902	53,139,023

EMPLOYEE SHARE PROGRAMS

From 1998 up to and including 2014 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 warrants. The programmes are divided into sub-programmes in order to allow warrants to be offered to new employees on an ongoing basis. The Annual General Meeting in March 2014 approved a warrants programme aimed at all employees in Finland and Sweden, divided into two series. The

number of warrants subscribed for in the two series was 573,688. Of the total number of warrants, 470,888 were acquired at market price and 102,800 were allocated as matching warrants, according to principles adopted by the Annual General Meeting. During 2014 387,500 warrants, issued in 2011, has been exercised into shares and 348,000 warrants, issued in 2011, lapsed without exercise. The total number of outstanding warrants, where each warrant entitles the holder to subscribe for 1 share, was 2,000,983 at yearend, corresponding to a maximum dilution effect

of 3.6%. 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. Starting in 2014, a matching warrant (received without consideration) has been introduced for key employees that are still employed by HiQ at time of exercise. The cost of the subsidy amounted to SEK 1.2 (0.3) million in 2014. For more detailed information regarding the programs, please refer to note 20.

WARRANT DATA

Name	No of warrants	No underlying shares	Term	Subscription period	Strike price
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
2014:1	395,000	395,000	3 years	May 2017	39.20
2014:2	178,688	178,688	3 years	Nov 2017	38.20

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

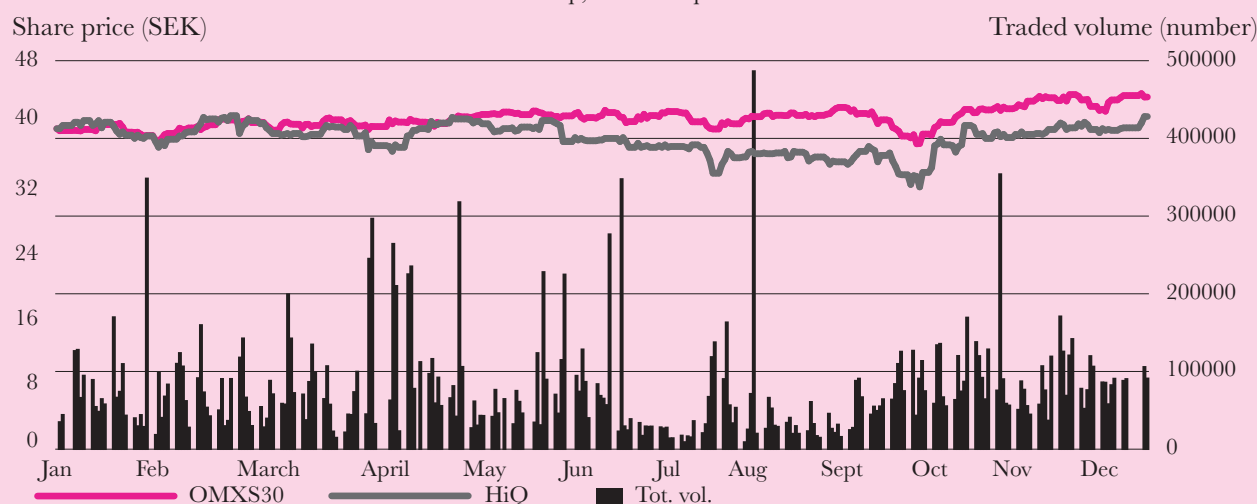
At year-end, HiQ had 10,370 shareholders. Foreign ownership amounted to 28.9% and was distributed over the following countries: Nordic countries (except Sweden) 11.4%, Europe (except

Nordic region) 12.8%, the US 4.3% and other countries 0.4%. At yearend, Swedish institutional investors owned 45% of the shares. 17% of the shares were held directly by the shareholders, while 83% were registered in the name of a nominee.

SHARE PRICE DEVELOPMENT

The graph below illustrates how the HiQ share has performed over the period 1 January 2014 to 31 December 2014. For up-to-date share information, please consult the Nasdaq Nordic website at www.nasdaqomxnordic.com. HiQ is listed on Nasdaq 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 2014, the market price was SEK 41.10. HiQ's market capitalization thus amounted to around SEK 2.184 million (before dilution). The highest price paid during the year was SEK 41.50 on 30 December 2014. The lowest price paid during the year was SEK 32.10 on 16 October 2014. During the year, a total of 19.9 million shares were traded. On average, approximately 80,000 shares were traded per day.



Holdings	No of owners	Percentage of owners	No of shares	Percentage of shares
1 – 1,000	8,026	77.4%	2,879,979	5.4%
1,001 – 5,000	1,853	17.9%	4,606,870	8.7%
5,001 – 10,000	233	2.2%	1,813,715	3.4%
10,001 – 15,000	69	0.7%	877,326	1.7%
15,001 – 20,000	44	0.4%	795,244	1.5%
20,001 –	145	1.4%	42,165,889	79.3%
Total	10,370	100.0%	53,139,023	100.0%

TOP 15 SHAREHOLDERS 31 DECEMBER 2014 (AND KNOWN CHANGES)

Name	No of shares	Share of capital & votes
Swedbank Robur fonder	5,131,648	9.7%
Nordea fonder	4,660,676	8.8%
SEB Investment Management	4,407,562	8.3%
Lannebo fonder	3,441,000	6.5%
Handelsbanken fonder	3,142,873	5.9%
Skandia fonder	2,445,776	4.6%
DnB Carlson fonder	1,729,372	3.3%
AMF Försäkring och fonder	1,669,587	3.1%
Avanza Pension	1,212,216	2.3%
Hannu Lehesaari	1,100,000	2.1%
Fjärde AP-fonden	821,990	1.6%
Rolf Anderson	815,132	1.5%
Fidelity fonder	814,900	1.5%
Folketrygdfondet	602,157	1.1%
Lars Stugemo	433,651	0.8%

Holdings include related-party holdings and holdings through companies.

Source: Euroclear and known holdings

Director's Report

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 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 2014 the Group generated sales of SEK 1,378.8 million. At year-end the Group had 1,412 employees, and operations in Sweden, Finland, Denmark and Russia.

OWNERSHIP

HiQ International is listed on the Nasdaq Nordics MidCap list in Stockholm. At year-end HiQ had a total of 10,370 shareholders. For a more detailed description of the ownership of HiQ International AB, see The HiQ share on page 14.

IMPORTANT EVENTS DURING THE YEAR

During 2014 HiQ continues to grow and win market shares. We are more employees than ever before and we are winning new clients and framework agreements. We want to simplify people's lives and make the world a better place, and the solutions we develop together with our clients create value for people at large. HiQ has a strong standing in the Nordic market and we are also winning new international assignments. We are currently involved in projects in London, California and elsewhere.

The development of services and products is part of our corporate DNA and this, together with our deep know-how within communication and business, enables us to help our clients reap the benefits of new technology. This means we can guide a client from initial idea all the way through to implementation and even application management. The breadth of our offer means we can work with our clients not only via the traditional points of contact, but also directly with their marketing departments, for whom technology is becoming increasingly important.

HiQ is also winning assignments that involve a full-service responsibility within certain specific areas. Examples include testing and quality assurance processes, digital strategies and simulations. HiQ also successfully operates extensive projects close to our clients - so called home shoring projects.

Our innovative and brave clients come from a broad spectrum of industries. We divide them into eight main market segments: Telecom, Automotive, Industry, Public sector, Finance and insurance, Media, gaming and entertainment, Defence and security, and Retail. On pages 7 and 8 you can read more about where our clients operate and how HiQ helps them to simplify and improve.

In 2014 HiQ wins new assignments in all the segments in which we operate. Regardless of the nature of their business, all HiQ clients have one thing in common - that IT is becoming a bigger and increasingly business-critical aspect of their operations. Our broad expertise and long experience enable us to contribute with both innovative power and technical know-how to our clients' development. Take the automotive industry, for example, where development is moving at a rapid pace. In the "Non-Hit Car & Truck" project we are working closely with our client to create a 360-field of vision around the vehicle in order to prevent accidents. In the "Roam Delivery" project we help to simplify the delivery of goods. With the help of GPS technology and a digital key the delivery is made directly to the trunk of a parked vehicle.

"Roam Delivery" is an example of what we call the "Internet of Things". During the course of 2014 this has evolved from a trendy term to creating actual commercial value. Today HiQ is one of the leading players in this field, helping a number of clients to investigate the possibilities. One such client is Microsoft Devices who we are assisting

with the development of an analytics solution for their mobile division. The efficient Internet of Things solution is built on a cloud-based platform and aims to use the data gathered to improve the quality of mobile devices and the end-user experience.

HiQ is passionate about simplifying people's lives. Together with our clients we continue doing this during the year. Two projects that really do make a difference to people's lives are ResLedaren ("Travel Guide") and Fejjan för alla ("Facebook for Everybody"). The latter is a solution that enables deafblind people or those with severe visual impairments to use Facebook in much the same way as everyone else. ResLedaren is a mobile service that makes it simpler and safer for people with cognitive functional disorders such as ADHD and autism to use public transport in Stockholm.

Health and medical care is an area that we look at with great reassurance. It is an area in great need of improving the patient's experience before, during and after an appointment. We use our experience from many different industries and we have a strong team of specialists who win several important framework agreements and assignments during the year.

In 2014 HiQ plays an important part in the annual digital business conference SIME in Stockholm. As more and more people with connections to marketing become aware of what HiQ can offer, our participation in events like SIME is acquiring increasing importance.

In 2014 the Knowledge Bar, HiQ's road show with lectures, music and social activities, breaks all previous records by attracting more than 4,000 visitors in seven cities. We are proud and delighted to welcome so many people who are interested to learn more about us as a company, while joining in the fun and benefiting from the knowledge and energy that the Knowledge Bar generates.

To sum up, we are pleased to report that HiQ's performance in 2014 is, in all essentials, good. We are hiring and growing and we continue to create good results in a market that feels the impact of the uncertainty in our surrounding world.

The market in Finland is challenging but HiQ Finland does a good job and continues to show good results. In Sweden different parts of the market are developing in different ways. In Stockholm, HiQ is a leading player, with presence in all market segments. The company advances its position in the local market and performs well during the year. In the Mälardalen region, with offices in Arboga, Borlänge, Västerås and Örebro, HiQ has its main presence in the industry and defence segments. The company has potential for improvement on the road ahead. In Gothenburg, HiQ continues to be the leading idea- and technology company. HiQ Gothenburg grows and delivers a steady result, and is acknowledged globally together with its clients. Our business in Öresund broadens its operations in a market that keeps looking brighter. The company is represented in several segments and works with large, global brands. Our subsidiary in Linköping is growing and reporting good result. In 2014, HiQ opens an office in Norrköping, which quickly generates its own client base. In Karlskrona, HiQ performs a good result on a market dominated by telecom and defence, while at the same time broadening the market mix.

RESULTS AND FINANCIAL POSITION

HiQ's net sales in 2014 amounted to SEK 1,378.8 (1,305.1) million, an increase of 6%. Operating profit amounted to SEK 147.4 (138.9) million, giving an operating profit margin of 10.7 (10.6) percent. Consolidated net financial items for the period were SEK 0.5 (0.4) million. Profit before tax amounted to SEK 147.9 (139.3) million.

Cash flow from operating activities was positive at SEK 104.0 (130.8) million. At 31 December 2014 the Group had liquid assets of SEK 180.1 (207.3) million. During the year cash flow

was affected by a share redemption of approximately SEK 137 million implemented in May 2014. Interest-bearing net funds at the end of the period were SEK 152.3 (178.5) million. Shareholders' equity at the end of the period was SEK 698.2 (691.0) million and the equity/assets ratio was 70.6 (72.0) 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). In 2014, the trustee manager has adjusted the claims to SEK 5.6 million (VAT included). As HiQ see these demands as being ill-founded, no reservations for this amount have been set. According to the information HiQ currently have, the Court of Gothenburg will make a decision in the case during the autumn 2015.

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 8.7 (8.8) million during the period. Investments in improvements to premises amounted to SEK 1.7 (1.3) million, equipment SEK 1.7 (2.0) million, finance leases SEK 5.3 (5.5) million.

EMPLOYEES

At year-end HiQ had 1,412 (1,326) employees, 1,301 (1,227) 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 2014 was 4.1% (3.5%). HiQ is a member of a corporate health-care 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 irrespec-

tive 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 36.4 (28.3) million. Operating profit was SEK -11.9 (-10.9) million. Net financial items were SEK 107.0 (138.1) million, which includes result from participations in Group companies of SEK 107.9 (138.8) million. After tax of SEK 13.8 (22.0) million, net profit was SEK 81.3 (130.2) million. At 31 December the Company's interest-bearing net funds were SEK 35.6 (97.9) million, adjusted shareholders' equity SEK 487.2 (529.6) million and the equity/assets ratio 85.5 (87.9) percent. The Company's net investments in the period totalled SEK 0.0 (0.3) 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 2014 387,500 shares have been issued at the price of SEK 31.80 as a result of conversion of warrants. Net after issue costs, the Company has received SEK 12.3 million. In addition, the shareholders' equity increased with SEK 1.1 million due to payment of premiums for 573,688 warrants. 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. For a more detailed description of outstanding warrant programmes, see Note 20, on page 44.

THE HIQ SHARE

At 31 December 2014 HiQ's share capital totalled SEK 5,313,902.30 spread over 53,139,023 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 March 2014 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 March 2014 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, services and business models.

As an idea and service partner we work closely with our clients, as IT becomes an increasingly important part of our clients' businesses.

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 innovative and leading specialist service company with the core of its operations in the Nordic countries.

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 consultancy company 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 50.

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 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 Stockholm. The share capital amounts to SEK 5.3 million, spread over 53,139,023 shares with a quota value of SEK 0.10. There is one share class. The number of shareholders at year-end amounted to 10,370 (8,259). The foreign ownership share was 29 (33)%. Swedish institutions owned 45% 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 2014

The 2014 Annual General Meeting (AGM) was held in Stockholm on 31 March 2014. Around 47 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. 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 137 million, corresponding to SEK 2.60 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.
- adopt principles for remuneration and other terms of employment of the executive management as proposed by the Board.
- establish a Nomination Committee and adopt 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 2015

The 2015 Annual General Meeting will be held at 10 a.m. on Tuesday 24 March, 2015 on the company's premises at Regeringsgatan 20, 9th floor, in Stockholm.

Nomination committee

HiQ's 2014 AGM resolved that by 31 July 2014 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 sharehold-

ers 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), Björn Henriksson (Nordeas Fonder), Johan Strandberg (SEB Investment Management), 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 individually. 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 56-57.

	Independent in relation to		
	Company	Larger shareholders	Presence
Anders Ljungh	Yes	Yes	8/8
Ken Gerhardsen	Yes	Yes	7/8
Gunnel Duveblad	Yes	Yes	8/8
Raimo Lind	Yes	Yes	8/8
Lars Stugemo	No	Yes	8/8
Johanna Fagrell Köhler	Yes	Yes	8/8
Erik Hallberg	Yes	Yes	7/8
Ulrika Hagdahl	Yes	Yes	7/8

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 2014 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 the Company.

The work of the Board in 2014

In 2014 the Board held 8 meetings (7 meetings were held in 2013), including a statutory meeting following the AGM on 31 March 2014. 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. 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. At every regular Board meeting an update is given on the business situation and financial monitoring. 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 incitements for managements and compensation package for CEO.

Audit committee

The audit committee of 2014 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 2014. They have also held meetings with the auditors. Matters that have been taken under 2014 includes review of 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 survey. 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 2014. As described in the section "The work of the Board in 2014", the auditor has also met 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 and segment 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, www.hiq.se.

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 31 March 2014 passed a resolution concerning the following principles for remuneration and terms of employ-

ment 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 executive management are 0–100% of the fixed salary cost depending on target fulfillment. The Board proposes that 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 at HiQ 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.

In 2014, the guidelines have been waived in 1 occasion. The Board member Johanna Fagrell Köhler, via company, has conducted consultancy services to the subsidiary HiQ Stockholm AB. A total fee of SEK 209 thousand has been paid for the services provided.

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

The Board of Directors proposes to the Annual General Meeting 2015 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	117,195
Profit brought forward	241,966
Profit for the year	81,263
Total	440,424

The Board and the CEO propose that profits be appropriated such that SEK 440,424 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 138 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 85.5% to 80.8% and the consolidated equity/assets ratio from 70.6% to 65.8%. 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 longterm 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 2 March 2015.

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	2014	2013
Net sales	3, 4, 8	1,378,841	1,305,116
Assignment-specific external costs	8	– 159,560	– 159,986
Staff expenses	5, 29, 32	– 980,644	– 921,856
Other external expenses	6, 27	– 80,943	– 73,437
Depreciation	11, 12, 27	– 10,288	– 10,935
Operating profit		147,406	138,902
Finance income	7	1,130	3,968
Finance costs	7	– 676	– 3,525
Pre-tax profit		147,860	139,345
Income tax	9	– 32,867	– 32,283
Profit for the period		114,993	107,062
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss			
Exchange differences on translating foreign operations	21	15,890	10,229
Other comprehensive income for the period		15,890	10,229
Comprehensive income for the period attributable to the equity holders of the Company		130,883	117,291
Profit per share attributable to the equity holders of the Company			
Basic	22	2.18	2.03
Diluted	22	2.17	2.03

Consolidated balance sheet

CONSOLIDATED BALANCE SHEET (SEK thousand)	Note	2014-12-31	2013-12-31
ASSETS			
FIXED ASSETS			
Tangible fixed assets	11	36,073	36,763
Intangible assets	12	344,031	330,605
Investments in associates	13	12,066	11,331
Deferred tax	10	2,688	2,539
Financial assets	15	312	310
Total fixed assets		395,170	381,548
CURRENT ASSETS			
Accounts receivables, trade	17	281,485	253,062
Current income tax assets		20,366	17,775
Other receivables	16	3,709	4,673
Accrued income and prepaid expenses	18	108,283	94,985
Cash and cash equivalents	19	180,050	207,349
Total current assets		593,893	577,844
Total assets		989,063	959,392
EQUITY AND LIABILITIES			
EQUITY			
Capital and reserves attributable to the Parent Company's equity holders			
Share capital	20	5,314	5,275
Other contributed capital		336,108	322,685
Other reserves	21	2,790	– 13,100
Retained earnings		353,957	376,118
Total equity		698,169	690,978
LIABILITIES			
Long-term liabilities			
Long-term interest-bearing debt	24, 27	21,946	23,496
Deferred tax	10	140	336
Total long-term liabilities		22,086	23,832
Short-term liabilities			
Short-term interest-bearing debt	24, 27	5,789	5,346
Accounts payable, trade		49,123	44,757
Other liabilities	25	82,367	71,426
Accrued expenses and prepaid income	26	131,529	123,053
Total short-term liabilities		268,808	244,582
Total liabilities		290,894	268,414
Total equity and liabilities		989,063	959,392

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

Consolidated statement of changes in shareholders' equity

(SEK thousand)	Note	Attributable to the equity holders of the parent company				
		Share capital	Other contributed capital	Reserves	Retained earnings	Total equity
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
Balance at 1 January 2014		5,275	322,685	– 13,100	376,118	690,978
Comprehensive income						
Profit for the period					114,993	114,993
Other comprehensive income						
Currency translation adjustments	21			15,890		15,890
Comprehensive income				15,890	114,993	130,883
Transactions with shareholders						
Warrant premiums	20		1,139			1,139
Share issue conversion of warrants		39	12,284			12,323
Redemption of shares	23				– 137,154	– 137,154
Total transactions with shareholders		39	13,423		– 137,154	– 123,692
Balance at 31 December 2014		5,314	336,108	2,790	353,957	698,169

Consolidated cash flow

(SEK thousand)	Note	2014	2013
Cash flow from operating activities			
Pre-tax profit		147,860	139,345
Adjustment for items not included in the cash flow	31	10,677	10,935
Paid tax		– 35,808	– 46,352
Cash flow from operating activities before changes in working capital		122,729	103,928
Cash flow from changes in working capital			
Increase (–)/decrease (+) in operating assets		– 39,597	44,210
Increase (+)/decrease (–) in operating liabilities		20,822	– 17,388
Cash flows from current operations		103,954	130,750
Cash flow from investing activities			
Investments in tangible assets		– 3,312	– 3,173
Investments in financial assets		–	–
Cash flow from investing activities		– 3,312	– 3,173
Cash flow from financing activities			
Warrant premiums		1,139	1,001
Share issue		12,323	–
Repayment of debt		– 6,568	– 5,396
Redemption of shares	23	– 137,154	– 126,604
Cash flow from financing activities		– 130,260	– 130,999
Cash flow for the period		– 29,618	– 3,422
Cash and cash equivalents at beginning of year		207,349	210,011
Effects of exchange rate changes		2,318	760
Cash and cash equivalents at end of year	19	180,050	207,349

Income statement, parent company and statement of comprehensive income

INCOME STATEMENT, PARENT COMPANY (SEK thousand)	Note	2014	2013
Net sales	4, 32	36,427	28,346
Assignment-specific external costs	32	– 6,638	– 1,491
Other external expenses	6	– 18,481	– 16,903
Staff expenses	5, 29, 32	– 22,595	– 20,226
Depreciation and write-downs	11	– 617	– 608
Operating profit		– 11,904	– 10,882
Profit from shares in Group companies	7	107,911	138,773
Finance income	7	1,102	2,375
Finance costs	7	– 2,021	– 3,011
Profit after financial items		95,088	127,255
Appropriations	33	0	25,000
Income tax	9	– 13,825	– 22,046
Profit for the period		81,263	130,209
STATEMENT OF COMPREHENSIVE INCOME, PARENT COMPANY (SEK thousand)			
Profit for the period		81,263	130,209
Comprehensive income for the period		81,263	130,209

Balance sheet parent company

BALANCE SHEET, PARENT COMPANY (SEK thousand)	Note	2014-12-31	2013-12-31
ASSETS			
FIXED ASSETS			
Tangible fixed assets:			
Equipment	11	378	503
Improvement expenses for other's properties	11	779	1,272
Deferred tax asset	10	277	196
Financial fixed assets:			
Shares in Group companies	30	406,122	406,222
Total fixed assets		407,556	408,193
CURRENT ASSETS			
Short-term receivables			
Accounts receivable, trade		141	244
Current income tax assets		6,797	6,881
Receivables – Group companies	14	40,208	13,388
Other receivables	16	856	1,652
Accrued income and prepaid expenses	18	3,874	4,024
Total current assets		51,876	26,189
Cash and cash equivalents		110,452	168,218
Total assets		569,884	602,600
EQUITY AND LIABILITIES			
EQUITY			
Restricted equity			
Share capital (53.139.023 shares with a quota value of SEK 0.10)		5,314	5,275
Statutory reserve		41,419	41,419
Total restricted equity		46,733	46,695
Non-restricted equity			
Share premium reserve		117,195	103,772
Retained earnings		241,966	248,910
Profit for the period	23	81,263	130,209
Total non-restricted equity		440,424	482,891
Total equity		487,157	529,586
CURRENT LIABILITIES			
Accounts payable, trade		4,975	727
Liabilities – Group companies		67,451	61,404
Other liabilities	25	1,059	1,506
Accrued expenses and prepaid income	26	9,242	9,377
Total current liabilities		82,727	73,014
Total equity and liabilities		569,884	602,600
Pledged assets		None	None
Contingent liabilities	28	24,345	25,578

Shareholders' equity – parent company

Equity		2014		2013	
		Shares	Votes	Shares	Votes
Number of shares and votes		53,139,023	53,139,023	52,751,523	52,751,523
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					
Redemption 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
Parent Company 2014 (SEK thousand)	Note	Share capital	Statutory reserve	Premium reserve	Retained earnings
Balance at 1 January 2014		5,275	41,419	103,772	379,120
Comprehensive income					
Profit for the period					81,263
Comprehensive income					81,263
Transactions with shareholders					
Redemption of shares	23				– 137,154
Warrant premiums	20			1,139	
Share issue		39		12,284	
Total transactions with shareholders		39		13,423	– 137,154
Balance at 31 December 2014		5,314	41,419	117,195	323,229

Cash flow statement for the parent company

Cash flow statement (SEK thousand)	Note	2014	2013
Cash flow from operating activities			
Pre-tax profit		95,088	127,255
Adjustment for items not included in the cash flow	31	– 6,983	– 16,392
Paid tax		– 13,741	– 19,704
Cash flow from operating activities before changes in working capital		74,364	91,159
Cash flow from changes in working capital			
Increase (–)/decrease (+) in operating assets		– 9,851	57,831
Increase (+)/decrease (–) in operating liabilities		9,713	11,140
Cash flows from current operations		74,226	160,130
Cash flow from investing activities			
Investments in tangible assets		–	– 342
Investments in financial assets		– 8,300	9,000
Cash flow from investing activities		– 8,300	– 9,342
Cash flow from financing activities			
Warrant premiums		1,139	1,001
Share issue		12,323	–
Redemption of shares	23	– 137,154	– 126,604
Cash flow from financing activities		– 123,692	– 125,603
Cash flow for the period		– 57,766	25,185
Cash and cash equivalents at beginning of year		168,218	143,033
Cash and cash equivalents at end of year	31	110,452	168,218

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 Stockholm MidCap. These consolidated financial statements have been approved for issue by the Board of Directors on 2 March 2015. The income statements and balance sheets are to be adopted by the Annual General Meeting on 24 March 2015.

2. TOTALRY 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) and interpretations from IFRS Interpretations Committee (IFRS IC) 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

The following standards have been adopted by the Group for the financial year beginning on 1 January 2014:

IFRS 10 “Consolidated Financial Statments” is based on already existing principles indentifying control as the determining factor if a company should be included in the Group accounting. The standard gives additional guidance in order to decide whether control exists in cases where this could be difficult to determine.

IFRS 12 “Disclosure of Interest in Other Entities” include information requirement for all kinds of holding in other companies, such as subsidiaries, joint ventures, associates and non-consolidated structural companies.

Other standards, amendments and interpretations which are effective for the financial year beginning on 1 January 2014 are not material to the group.

NEW STANDARDS, AMENDMENTS 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 2014, 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 9, ‘Financial instruments’, addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains

but simplifies the mixed measurement model. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The group is yet to assess IFRS 9’s full impact.

IFRS 15, ‘Revenue from contracts with customers’ deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity’s contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 ‘Revenue’ and IAS 11 ‘Construction contracts’ and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2017 and earlier application is permitted. The group is assessing the impact of IFRS 15.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material 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 consultancy services to its clients. 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 2014, the proportion of fixed price assignments was 1,4% (1,6%).

Sales of goods

Sales of goods are recognized when the revenue could be measured reliably, 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, third party software licenses etc as a part of a consultancy assignment.

License income

Income from license sales is booked in accordance with the financial impact 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 control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the 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 policies adopted by the Group.

TANGIBLE FIXED ASSETS

Tangible fixed assets are reported at historical cost less depreciation. 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 or more often if changes imply a decrease in value 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 divided 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 likelihood 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 9.52 (8.94), DKK/SEK 1.28 (1.20), and RUB/SEK 0.14 (0.20).

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.

D). Share-based payments

The group operates one share-based compensation plan under which the entity receives services from employees as consideration for equity instruments (matching warrants) of the Group.

The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is

determined by reference to the fair value of the options granted and the terms associated with the allocation of warrants.

At the end of each reporting period, the group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions and service conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

When the options are exercised, the company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

The social security contributions payable in connection with the grant of the share options is considered an integral part of the grant itself, and the charge will be treated as a cash-settled transaction.

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 depreciation 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. 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. Sweden and Öresund have similar eco-

nomical environment and the services provided and clients are the same. 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 consultancy 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.

(SEK thousand)	Finland		Sverige & Öresund		Group Elim.		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
External revenues	226,808	217,540	1,152,033	1,087,576	0	0	1,378,841	1,305,116
Revenues from other segments	0	0	0	0	0	0	0	0
Total revenues	226,808	217,540	1,152,033	1,087,576	0	0	1,378,841	1,305,116
Operating profit	29,757	30,911	131,133	120,329	- 13,484	- 12,338	147,406	138,902
Operating margin	13.1%	14.2%	11.4%	11.1%			10.7%	10.6%
Depreciation	1,766	2,935	8,522	8,000	—	—	10,288	10,935
Investments in fixed assets	537	984	2,838	2,239	11,589	13,504	14,964	16,727

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							147,406	138,902
Financial items							454	443
Profit before tax							147,860	139,345

Assets	335,148	309,126	634,600	570,855	19,315	79,411	989,063	959,392
Of which in associates	12,066	11,331						
Share of profit in associated companies	0	0	—	—	—	—	0	0

Non-allocated assets amounting to SEK 19,315 (79,411) thousand relates to assets, including cash, in the parent company

4. SALES DISTRIBUTION

Net Sales (SEK thousand)	Group		Parent Company	
	2014	2013	2014	2013
Consultancy services	1,339,575	1,283,356	0	0
Re-billed expenses	37,991	9,717	13,424	880
Other	1,275	12,043	23,003	27,466
Total	1,378,841	1,305,116	36,427	28,346

Of net sales, clients in Sweden account for SEK 1,136,096 (1,069,108) thousand, clients in Finland SEK 217,825 (213,330) thousand and other countries SEK 24,920 (22,678) thousand.

In 2014 one client accounted for more than 10% of net sales. This client's proportion of net sales was 14%. The client belongs to the segment Sweden & Öresund.

5. EMPLOYEES AND SALARIES

Average number of employees:	2014			2013		
	Total	Women	Men	Total	Women	Men
PARENT COMPANY						
The municipality of Stockholm	6	2	4	8	3	5
SUBSIDIARIES						
Sweden	980	224	756	952	215	737
Denmark	6	2	4	1	0	1
Finland	213	46	167	211	45	166
Russia	32	7	25	30	5	25
Total for the Group	1,237	281	956	1,202	268	934

	2014			2013		
	No on balance sheet date	Of which men	Of which women	No on balance sheet date	Of which men	Of which women
Group (incl subsidiaries)						
Board members	13	77%	23%	14	79%	21%
CEO and other						
Senior executives	11	91%	9%	12	92%	8%

	2014			2013		
	No on balance sheet date	Of which men	Of which women	No on balance sheet date	Of which men	Of which women
Parent Company						
Board members	8	62%	38%	8	62%	38%
CEO and other						
Senior executives	4	100%	0%	5	100%	0%

	2014		2013	
	Group	Parent Company	Group	Parent Company
Salaries and other remuneration (SEK thousand)				
The Board of Directors and CEO	19,592	7,851	19,306	7,146
Other employees	639,238	4,778	604,633	5,501
Bonus reservation (warrant programme)	938	938	191	191
Costs matching warrants	47	47	-	-
Total salaries and other remuneration	659,815	13,614	624,130	12,838
Legal and contractual social security contributions	191,063	4,537	181,827	4,556
Bonus reservation and matching warrants	295	295	60	60
Pension expenses				
The Board of Directors and CEO	3,299	444	3,386	446
Other employees	88,827	1,186	83,532	1,047
Total salaries and remuneration, pension expenses and social security contribution	943,299	20,076	892,935	18,947

Salaries, remuneration, pension expenses and social security contributions for group companies in 2014 totalled SEK 782,149 (745,253) thousand in Sweden, SEK 5.634 (2,508) thousand in Denmark and SEK 145,692

(136,022) thousand in Finland and in Russia SEK 9,824 (9,151) thousand. The variable part of the salaries and remuneration paid to the Board of Directors and the CEO is SEK 5,168 (4,375) thousand for the Group and

SEK 3,381 (3,000) thousand for the Parent Company. For further information regarding benefits for senior executives, please refer to note 29.

6. AUDITOR'S FEE

(SEK thousand)	2014		2013	
	Group	Parent Company	Group	Parent Company
PricewaterhouseCoopers				
Auditing	1,040	213	916	210
Associated services within auditing	293	184	238	212
Tax advisory	183	132	137	128
Other services	11	0	0	0
Total	1,528	529	1,291	550

7. FINANCIAL INCOME AND COSTS

Group	2014	2013
Interest income	708	1,684
Dividends	0	10
Exchange rate changes	422	2,274
Financial income	1,130	3,968

Group	2014	2013
Interest expenses	- 598	-803
Exchange rate changes	- 78	-2,722
Financial expenses	-676	-3,525
Financial net	454	443

Parent Company	2014	2013
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RESULTS FROM SHARES IN GROUP COMPANIES

Write-down of shares in subsidiaries	-8,400	-9,000
Received dividends	32,311	52,273
Received Group contribution	84,000	95,500
Total	107,911	138,773

INTEREST INCOME AND SIMILAR ITEMS

Exchange rate changes	635	1,431
Interest income, Group companies	39	179
Interest income, other	428	765
Total	1,102	2,375

INTEREST EXPENSES AND SIMILAR ITEMS

Exchange rate changes	-1,570	-2,710
Interest expenses, Group companies	-451	-298
Interest expenses, other	0	-3
Total	-2,021	-3,011

8. FOREIGN EXCHANGE DIFFERENCES

Group (SEK thousand)	2014	2013
Net sales	388	412
Assignment-specific external expenses	-381	-415
Total	7	-3

9. TAXES

Group (SEK thousand)	2014	2013
CURRENT TAX		
Tax for the period	33,161	41,282
Adjustment of previous years' tax	51	0
DEFERRED TAX		
Deferred tax temporary differences	- 345	- 8,564
Loss carried forward	-	- 435
Total tax cost – Group	32,867	32,283

Parent Company (SEK thousand)	2014	2013
CURRENT TAX		
Tax for the period	15,651	24,107
Deferred tax on given group contributions	-1,826	- 2,061
Total tax cost – Parent Company	13,825	22,046

Note 9 continued

Effective tax rate

Group	2014 (%)	2014	2013 (%)	2013
Profit before tax (SEK thousand)		147,860		139,345
Income tax rate in Sweden	22.0%		22.0 %	
Effect of foreign income tax	- 0.4%		0.9%	
Non-deductible costs	0.9%		0.7%	
Non-taxable income	0.0%		0.0%	
Other	- 0.3%		- 0.4%	
Average tax rate	22.2%	32,867	23.2%	32,283

Effective tax rate

Parent Company	2014 (%)	2014	2013 (%)	2013
Profit before tax (SEK thousand)		95,088		152,255
Income tax rate in Sweden	22.0%		22.0%	
Non-deductible costs / Non-taxable income	- 5.5%		-6.2%	
Other	- 2.0%		-1.3%	
Average tax rate	14.5%	13,825	14.5%	22,046

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

	2014			2013		
	Pre tax	Tax effect	After tax	Pre tax	Tax effect	After tax
Exchange differences	15,890	—	15,890	10,229	—	10,229

10. DEFERRED TAX ASSETS/LIABILITIES

	2014		2013	
	Group	Parent Company	Group	Parent Company
DEFERRED TAX ASSETS				
Losses carried forward	2,383	0	2,310	0
Fixed assets	305	277	229	196
Total	2,688	277	2,539	196
DEFERRED TAX LIABILITIES				
Untaxed reserves	0	0	8	0
Intangible fixed assets	140	0	328	0
Total	140	0	336	0

Recovery date for deferred tax assets

(SEK thousand)	2014		2013	
	Group	Parent Company	Group	Parent Company
Deferred tax liabilities to be recovered after 1 year	2,688	277	2,539	196

Recovery date for deferred tax liabilities

(SEK thousand)	2014		2013	
	Group	Parent Company	Group	Parent Company
Deferred tax liabilities to be recovered within 1 year	140	—	198	—
Deferred tax liabilities to be recovered after 1 year	—	—	138	—

	Deferred Tax assets		Deferred tax liabilities	
Book value (SEK thousand)	Group	Parent Company	Group	Parent Company
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	—
As of 1 January 2014	2,539	196	336	—
Change during the year	149	81	-196	—
As of 31 December 2014	2,688	277	140	—

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.

11. FIXED TANGIBLE ASSETS

(SEK thousand)	Group				Parent Company	
	Improvement expenses for others' property	Equipment	Leased Equipment	Total	Equipment	Improvement expenses for others' property
ACQUISITION VALUE						
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
Balance at 1 January 2014	10,096	24,549	36,748	71,393	1,114	2,461
Investments	1,710	1,666	11,588	14,964	0	0
Acquired assets	0	461	0	461	0	0
Exchange differences	149	296	0	445	0	0
Disposals	- 239	- 1,044	- 10,274	- 11,557	0	0
Balance at 31 December 2014	11,716	25,928	38,062	75,706	1,114	2,461

(SEK thousand)	Group				Parent Company	
	Improvement expenses for others' property	Equipment	Leased Equipment	Total	Equipment	Improvement expenses for others' property
DEPRECIATIONS AND WRITE-DOWNS						
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	-
Exchange differences	-59	-112	0	-171	0	-
Balance at 31 December 2013	- 5,587	- 18,676	- 10,367	- 34,630	- 611	- 1,189
Balance at 1 January 2014	- 5,587	- 18,676	- 10,367	- 34,630	- 611	- 1,189
Depreciation	- 1,654	- 1,771	- 5,789	- 9,214	- 125	- 492
Disposals	70	608	3,919	4,597	0	0
Exchange differences	-127	-258	0	-385	0	0
Balance at 31 December 2014	- 7,298	- 20,097	- 12,237	- 39,632	- 736	- 1,681

(SEK thousand)	Group				Parent Company	
	Improvement expenses for others' property	Equipment	Leased Equipment	Total	Equipment	Improvement expenses for others' property
NET BOOK VALUES						
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
Balance at 1 January 2014	4,509	5,873	26,381	36,763	503	1,272
Balance at 31 December 2014	4,418	5,831	25,825	36,073	378	779

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 6,340 (6,040) thousand.

12. INTANGIBLE ASSETS

2. INTANGIBLE ASSETS			
Group (SEK thousand)	Goodwill	Acquired customer relations	Total
ACQUISITION VALUE			
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
Balance at 1 January 2014	328,944	30,215	359,159
Exchange differences	14,267	0	14,267
Balance at 31 December 2014	343,211	30,215	373,426

Note 12 continued

AMORTISATIONS AND WRITE-DOWNS

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
Balance at 1 January 2014	0	– 28,554	– 28,554
Amortisation	0	– 906	– 906
Exchange differences	0	65	65
Balance at 31 December 2014	0	– 29,395	– 29,395

Group (SEK thousand)	Goodwill	Acquired customer relations	Total
NET BOOK VALUES			
Balance at 1 January 2013	321,168	3,665	324,833
Balance at 31 December 2013	328,944	1,661	330,605
Balance at 1 January 2014	328,944	1,661	330,605
Balance at 31 December 2014	343,211	820	344,031

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)	2014	2013
HiQ Finland – consultancy services in Finland	188,088	176,566
HiQ Öresund – consultancy services in Öresund	48,481	45,451
HiQ Göteborg – consultancy services in Göteborg	25,537	25,537
HiQ Stockholm – consultancy services in Stockholm	61,166	61,452
HiQ Ace – consultancy services in Linköping	19,938	19,938
Total	343,211	328,944

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 1% (2% in 2013). This level is estimated to be in line with the expected level of inflation. Forecasted cash flows are discounted with a discount rate of 8.2%, pre-tax, (10,3% in 2013).

IMPORTANT ASSUMPTIONS AND VARIABLES WITH A SIGNIFICANT IMPACT ON THE CALCULATED RECOVERABLE AMOUNT:

The assumptions that the Company have made regarding top-line growth and operating margin are in line with with historical outcome as as well as external sources of information such as published market research regarding HiQ and the IT-consultancy sector. The assumptions do not imply any substantial increases compared to historically achieved levels.

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 relatively 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. The discount rate has also been compared to the levels required by the stock market for companies similar to HiQ.

Long-term growth: When calculating the recoverable amount HiQ has used a growth rate of 1% 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 Note 12 continued Group's long term financial targets)
- Discount rate: 8.2% (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)	2014	2013
At beginning of year	11,331	10,925
Share of profit	0	0
Exchange differences	735	406
Book value at end of year	12,066	11,331

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 2014. The Group's share of revenues, profit, assets and liabilities are outlined below:

(SEK thousand)	Sales	Profit	Assets	Liabilities	Equity	Ownership
2014						
Westend Affärscentrum OY	570	0	12,260	194	12,066	29.9 %
2013						
Westend Affärscentrum OY	536	0	11,480	149	11,331	29.9 %

14. RECEIVABLES – GROUP COMPANIES

Parent Company	2014	2013
Receivables – Group company	40,208	13,388

15. FINANCIAL FIXED ASSETS

Group (SEK thousand)	2014	2013
Available-for-sale financial assets – shares	28	26
Other receivables	284	284
Total	312	310

None of the receivables above have been due.

16. OTHER RECEIVABLES

Group (SEK thousand)	2014	2013
Work in progress	933	0
Other receivables	2,776	4,673
Total	3,709	4,673

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)	2014	2013
Other receivables	856	1,652

17. ACCOUNTS RECEIVABLES, TRADE

Group (SEK thousand)	2014	2013
Accounts receivables, trade	285,076	256,653
Provisions for bad debt	-3,591	-3,591
Book value of accounts receivables, trade	281,485	253,062

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	2014	2013
Not yet due	265,703	241,702
Up to 3 months overdue	15,100	11,200
Between 3 and 6 months overdue	621	157
More than 6 months overdue	61	3
Total	281,485	253,062

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:	2014	2013
Swedish kronor	243,982	216,130
Euro	37,225	36,749
Danish kronor	160	0
Dollar	118	0
Other currencies	0	183
Total	281,485	253,062

During the year the following change were made in the provisions for bad debt:	2014	2013
Opening balance	3,591	3,747
Provisions	0	0
Reversed provisions	0	-156
Confirmed bad debt	0	0
Closing balance	3,591	3,591

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)	2014	2013	2014	2013
Assignments not yet invoiced	88,520	81,308	0	0
Other	19,763	13,677	3,874	4,024
Total	108,283	94,985	3,874	4,024

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

19. CASH AND CASH EQUIVALENTS

Group (SEK thousand)	2014	2013
Cash and cash equivalent	180,050	207,349
Total	180,050	207,349

20. SHARE CAPITAL

	Number of shares
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
As of 1 January 2014	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
Share issue – conversion of warrants	387,500
As of 31 December 2014	53,139,023

The total number of ordinary shares as of 31 December 2014 amounted to 53,139,023 (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:

Time of issue	Subscription period	Strike price	Outstanding number of warrants	
			2014-12-31	2013-12-31
May 2011	May 2014	44.90 SEK	—	321,500
November 2011	November 2014	31.80 SEK	—	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	229,000
November 2013	November 2016	41.50 SEK	304,200	304,200
May 2014	May 2017	39.20 SEK	395,000	—
November 2014	November 2017	38.20 SEK	178,688	—
Total			2,000,983	2,162,795

The average subscription price for outstanding warrants amounted to SEK 38.25 at the end of 2014 and SEK 37.84 at the beginning of the year. In 2013, no warrants were used for subscription of shares. Average strike price for warrants issued in 2014 amounts to

SEK 38.89 (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 1.1 (1.0) million, recognised in equity.

The following assumptions have been used in valuation of warrants:

	Share price ¹⁾	Strike price ²⁾	Interest	Volatility	Term
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
May 2014	40.05	39.20	0.81 %	22 %	3 years
November 2014	39.08	38.20	0.12 %	24 %	3 years

1) 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. For the May-2014-serie the average closing price from the period 5 - 8 May 2014 was used. For the November-2014-serie the average price from the period 30 October - 4 November 2014 was used.

2) 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 100% of the average closing price for the period 23 October - 5 November 2013 was used. For the May-2014-serie 100% of the average closing price for the period 24 April - 8 May 2014 was used. For the November-2014-serie 100% of the average closing price for the period 22 October - 4 November 2014 was used.

Expenses associated with the warrant programs amounted to SEK 0.1 (0.1) million, of which 0.0 (0.0) million has been charged to costs and SEK 0.1 (0.1) million, recognised in equity

MATCHING WARRANTS

As a part of the share ownership program, approved by the AGM 31 March 2014, a total of 102,800 matching warrants has been issued. These matching warrants are included

in the total number of warrants in the table above. These matching warrants consist of warrants granted to key employees without any paid consideration. In order to qualify for the matching warrants, the key employees

shall still be employed at the start of the subscription period, i.e. after 3 years. The Group has no legal or constructive obligation to repurchase or settle the matching warrants in cash.

Movements in the number of matching warrants outstanding and their related weighted average exercise prices are as follows:

	Average strike price	Warrants
As of 1 January 2014	-	0
Granted	39.04	102,800
Forfeited	-	-
Exercised	-	-
Expired	-	-
As of 31 December 2014	39.04	102,800

None of the outstanding matching warrants could be exercised before 2017.

Time of issue	Subscription period	Strike price	Number of warrants
May 2014	May 2017	39.20	86,500
November 2014	November 2017	38.20	16,300

21. RESERVES

Group (SEK thousand)	Reserves	Exchange reserve	Total
Balance at 1 January 2013	46	- 23,375	- 23,329
Exchange differences:			
- Group	—	10,229	10,229
Balance at 31 December 2013	46	- 13,146	- 13,100
Balance at 1 January 2014	46	- 13,146	- 13,100
Exchange differences:			
- Group	—	15,890	15,890
Balance at 31 December 2014	46	2,744	2,790

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)	2014	2013
Profit for the period attributable to the equity holders of the company	114,993	107,062
Average number of outstanding shares (thousand)	52,784	52,752
Basic profit per share (SEK/share)	2.18	2.03

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)	2014	2013
Profit for the period attributable to the equity holders of the company	114,993	107,062
Average number of outstanding shares (thousand)	52,784	52,752
Possible dilution from warrants	106	90
Adjusted number of outstanding shares (thousand)	52,890	52,842
Diluted profit per share (SEK/share)	2.17	2.03

23. DIVIDEND PER SHARE

The dividend paid in 2014 and 2013 amounted to SEK 0 million (0.00 per share) and SEK 0 million (SEK 0.00 per share) respectively. During spring 2014, 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 2.60 each. Thereby a total of SEK 137,154 thousand was

distributed to the shareholders. 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. For 2015 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 138,161 thousand. The Annual General Meeting on March 24, 2015 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		Parent Company	
	2014	2013	2014	2013
LONG-TERM				
Leasing (note 27)	20,036	21,035	0	0
Bank loan	1,910	2,461	0	0
Total	21,946	23,496	0	0
SHORT-TERM				
Leasing	5,789	5,346	0	0
Total	5,789	5,346	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)	2014	2013
Social security contributions and tax	32,148	26,808
VAT	34,041	34,147
Other liabilities	16,178	10,471
Total	82,367	71,426

Parent Company

Other short-term liabilities (SEK thousand)	2014	2013
Social security contributions and tax	953	1,505
Other liabilities	106	1
Total	1,059	1,506

26. ACCRUED EXPENSES AND PRE-PAID INCOME

(SEK thousand)	Group		Parent Company	
	2014	2013	2014	2013
Holiday salaries, including social security contributions	82,390	76,180	894	1,937
Accrued payroll tax	16,903	16,258	395	362
Accrued salaries, including social security contributions	9,155	15,208	5,500	4,666
Other	23,081	15,406	2,453	2,412
Total	131,529	123,052	9,242	9,377

27. LEASING

		Group	Parent Company	
Operational leasing (SEK thousand)	2014	2013	2014	2013
Due for payment within 1 year	18,514	18,419	9,242	9,378
Due for payment between 1 and 5 years	26,389	35,721	15,747	24,905
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

	2014	2013
Due for payment within 1 year	5,789	5,346
Due for payment between 1 and 5 years	20,036	21,035

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 depreciation 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 24,345 (25,578) thousand. 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). In 2014, the trustee manager has adjusted the claims to SEK 5.6 million (VAT included). As HiQ see these demands as being ill-founded, no reservations for this amount has been set. According to the information HiQ currently have, the Court of Gothenburg will make a decision in the case during the autumn 2015.

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) 2014	Base salaries	Variable salaries	Other benefits	Pension premiums	Other remuneration	Share-based payments	Total
Chairman of the Board	500	-	-	-	-	-	500
Other Board members	1,370	-	-	-	209	-	1,579
CEO	2,448	3,381	133	444	-	8	6,414
Other senior Executives (11 people)	14,030	1,787	1,255	2,828	-	11	19,986
Total	18,348	5,168	1,388	3,272	209	19	28,479

Salary and other remuneration (SEK thousand) 2013	Base salaries	Variable salaries	Other benefits	Other benefits	Other benefits	Share-based payments	Total
Chairman of the Board	500	-	-	-	-	-	500
Other Board members	1,370	-	-	-	-	-	1,370
CEO	2,448	3,000	110	445	-	-	6,003
Other senior Executives (11 people)	14,030	1,756	1,323	2,865	-	-	20,465
Total	18,348	4,756	1,433	3,310	0	0	28,338

Salaries and remuneration for the CEO in 2014 amounted to SEK 5,970 (5,558) thousand, of which the variable part amounted to SEK 3,381 (3,000)

thousand. A defined contribution pension premium was paid at the highest tax-deductible amount, SEK 444 (445) thousand. Social security contribu-

tions amounted to SEK 1,873 (1,746) thousand as well as taxes on pension payment of SEK 108 (108) thousand. The retirement age of the CEO is 65

years. In 2014 the CEO has acquired 15,000 warrants to a market value of SEK 41 thousand and also was granted 15,000 matching warrants with a value of SEK 41 thousand, conditioned by employment in May 2017. 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 (1,870) thousand, of which the chairman of the Board received SEK 500 (500) thousand. The AGM in March 2014 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. In 2014, the Board member Johanna Fagrell Köhler, via company, has conducted consultancy services to the subsidiary HiQ Stockholm AB. A total fee of SEK 209 thousand has been paid for the services provided. The 11 (11) other senior executives received salary and remuneration during 2014

with a total amount of SEK 15,828 (16,276) thousand, of which the variable part amounted to SEK 1,256 (1,756) thousand. The variable part is based on result that are quantitative as well as qualitative. Social security contribution amounted to SEK 5,213 (5,387) as well as taxes on pension payments of SEK 686 (695) thousand. Pension premiums amounted to SEK 2,903 (2,865) thousand. During 2014 other senior executives acquired 21,500 warrants at market price. The market price for these warrants at time of allotment amounted to SEK 58 thousand and thereby also was granted 21,500 matching warrants with a total value of SEK 58 thousand. During 2013 other senior executives acquired 57,000 warrants at a fair value of SEK 120 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	Kastrup	Denmark	500	100%	3,495
HiQ Finland OY	0648086-9	Espoo	Finland	600	100%	273,921
ZAO MobilEyes INN	7707281246	Moskva	Russia	69,042	100%	2,545
HiQ Accelerated Concept Evaluation AB	556640-3415	Linköping	Sweden	523,600	100%	26,849
HiQ Computer and Audio-Technical Systems AB	556194-0403	Stockholm	Sweden	10,000	100%	1,200
HiQ Göteborg AB	556244-6384	Göteborg	Sweden	1,020	100%	44,798
HiQ Karlskrona AB	556534-5336	Karlskrona	Sweden	1,000	100%	600
HiQ Linköping AB	556738-3400	Linköping	Sweden	1,000	100%	1,100
HiQ MobilEyes AB	556563-2345	Stockholm	Sweden	1,000	100%	9,767
HiQ Mälardalen AB	556443-8736	Lidingö	Sweden	1,000	100%	215
HiQ Skåne AB	556628-0136	Lund	Sweden	1,000	100%	100
HiQ Stockholm AB	556506-5819	Stockholm	Sweden	1,000	100%	41,532
						406,122

Note 30 continued

Parent Company (SEK thousand)	2014	2013
ACQUISITION VALUE		
At beginning of year	543,845	534,845
Given Group contributions	8,300	9,000
At end of year	552,145	543,845
ACCUMULATED WRITE-DOWNS		
At beginning of year	- 137,623	- 128,623
Write-downs	- 8,400	- 9,000
At end of year	- 146,023	- 137,623
Book value of shares in Group companies	406,122	406,222

All Group companies provides consultancy services within IT- and management.

31. CASH FLOW FROM OPERATING ACTIVITIES

	Group		Parent Company	
	2014	2013	2014	2013
Interests paid and dividends received				
Interest received	698	1,694	467	944
Interest paid	-598	- 803	- 451	- 301
Total	100	891	16	643
	Group		Parent Company	
	2014	2013	2014	2013
Adjustments for items not included in cash flow				
Anticipated dividends from Group companies	—	—	- 16,000	- 26,000
Depreciation	10,289	10,935	617	608
Provisions	388	—	—	—
Write-down of shares in Group companies	—	—	8,400	9,000
Total	10,677	10,935	-6,983	-16,392
	Group		Parent Company	
	2014	2013	2014	2013
Transactions not leading to payments				
Acquisition of assets by financial leasing	5,232	5,500	0	0
Cash and cash equivalents (SEK thousand)	2014	2013	2014	2013
The following components are included in the liquid assets:				
Cash and cash equivalents	180,050	207,349	110,452	168,218
Total cash and cash equivalents	180,050	207,349	110,452	168,218

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 a related-party relation to its subsidiaries (note 30).

Purchases and net sales, Group Internal, Parent Company (SEK thousand)	2014	2013
Net sales to Group companies	36,255	27,932
Purchases from Group companies	1,095	9,549
Interest income from Group companies	39	179
Interest expenses to Group companies	451	298
Results from shares in Group companies, Parent Company (SEK thousand)	2014	2013
Dividends received from Group companies	32,311	52,273
Received Group contributions	84,000	95,500
Write-down of shares in Group companies	-8,400	- 9,000
Total	107,911	138,773

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 (1,870)

thousand. In addition, SEK 72 (62) thousand have been paid as reimbursement of travel and accommodation expenses in connection with the Board work. In 2014, Johanna Fagrell Köhler, via company, carried out consultancy

work for HiQ Stockholm AB for a fee totaling SEK 209 thousand. 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 502 (536) 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 Man-

agement'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 82%, Euro 17% and other currencies 1%. For outgoing payments the breakdown is SEK 83%, Euro 16% and other currencies 1%. If the Swedish Crown had strengthened/weakened by 10% against the Euro (with all other variables held constant) the net profit 2014 would have been approximately SEK 3.2 million lower / higher. Equity

would have been approximately SEK 22 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 2014 the Group had SEK 0 (0) 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. 99% of net sales is charged on account, with fixed-price assignments, i.e. projects charged according to a fixed schedule, accounting for the remaining 1%. 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 41% 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 2014 was SEK 104.0 (130.8) million and on 31 December 2014 cash and cash equivalents amounted to SEK 180.1 (207.3) 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 2014	Less than 3 months	Between 3 months and 1 year	More than 1 year
Financial debt (excluding Financial leasing)	—	—	1,910
Financial leasing	1,464	4,392	20,276
Accounts payable, trade	49,123	—	—
Other liabilities	82,367	—	—
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	—	—

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 main-

tain 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 2014, which as unchanged from 2013, was to maintain

positive net funds. As at 31 December 2014 financial net funds amounted to SEK 152.3 million (SEK 178.5 million as at 31 December 2013).

NOTE 36 EVENTS AFTER THE REPORTING PERIOD

No substantial events have occurred after the reporting period.

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 Com-

pany 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 2 March 2015

Anders Ljungh
Chairman of the Board

Gunnel Duveblad
Member of the Board

Ulrika Hagdahl
Member of the Board

Erik Hallberg
Member of the Board

Johanna Fagrell Köhler
Member of the Board

Ken Gerhardsen
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 2 March 2015.
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 2014, with the exception of the corporate governance report on pages 16–52. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 18–21.

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 2014 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 2014 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 2014. 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 opinions. 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 2 March 2015
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 in 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 MobilEyes AB is acquired.

2008 Ace Simulation AB and HiQ Quality Services OY acquired.

2010 Friends Technology Oy is acquired.

2011 HiQ is established in Borlänge.

2014 HiQ is established in Norrköping and Örebro.



Board of Directors

1. 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: Chairman of the Board Kambi Group Plc and member of Avd VI The Royal Swedish Academy of Engineering Sciences (IVA). Holdings in HiQ: 433,651 shares, 45,000 warrants, 15,000 matching warrants.

2. 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.

3. 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: Chairman of the board of Ekelöv Info Security AB.

4. 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 & chairman of the audit committee Nokian Tyres. Holdings in HiQ 1 300 shares.

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

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5. 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, Reformed Spirits Co and Mobilize Systems. Holdings in HiQ: 12,000 shares.

6. KEN GERHARSEN, 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.

Holdings include related party holdings and holdings through companies.

7. ERIK HALLBERG, born 1956. Engineer in Mechanical Engineering. Member since 2012. Executive Vice President TeliaSonera and Managing Director 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 and TeliaSonera International Carrier AB.

8. 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 Stüfelsen Ruter Dam and member of the boards of i.e. Sweco and PostNord. Holdings in HiQ: 2,000 shares.



Management

1. 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: 15,000 shares, 40,000 warrants.

2. 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: 433,651 shares, 45,000 warrants, 15,000 matching warrants.

3. 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 14,000 warrants, 4,000 matching warrants.

4. 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, 34,500 warrants, 7,500 matching warrants.

5. PETER H. LINDECRANTZ, 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 Ahléngruppen, Head of owned brands MQ Retail, Head of sales Sportcore, self-employed in Plankträff.



6. 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: 36,624 shares.

7. 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: 220,000 shares.

8. 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: 5,500 shares and 40,000 warrants, 10,000 matching warrants.

9. 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.

10. 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

11. 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 include related party holdings and holdings through companies.

www.hiq.se

