



4C STRATEGIES

4C Group AB  
Q4 Year End Report 2023

Be Ready.  
Be Resilient.  
Foresee.

“Strong end to a  
challenging year”

# The period in summary

## 2023 Q4

- Net sales (MSEK)  
107.7 (91.0)
- Net sales growth  
18% (-7%)
- FX adjusted organic net sales growth  
18% (-13%)
- Software revenue in relation to net sales  
67% (60%)
- Adjusted EBIT margin  
15% (11%)

## 2023 Q1-Q4

- Net sales (MSEK)  
332.1 (331.3)
- Net sales growth  
0% (27%)
- FX adjusted organic net sales growth  
-3% (18%)
- Software revenue in relation to net sales  
63% (64%)
- Adjusted EBIT margin  
-2% (13%)

- A strong fourth quarter concludes a challenging 2023. Segment International's strong growth in 2023 is 120 percent and balances the challenges we have experienced in North America.
- The investments in Exonaut New Generation have cemented Exonaut as a competitive software, which is evidenced by several extended and new agreements during the fourth quarter.
- To strengthen cooperation with the U.S. Armed Forces, a new board has been appointed for our North American activities focused on the military sector.

“During the quarter we have seen a strong growth in the International segment.”

## Key ratios

	2023 Q4	2022 Q4	2023 Q1-Q4	2022 Q1-Q4
Net sales (MSEK)	107.7	91.0	332.1	331.3
FX adjusted organic net sales growth (%)	18%	-13%	-3%	18%
Software revenue (MSEK)	72.2	54.3	210.4	211.6
Software revenue in relation to net sales (%)	67%	60%	63%	64%
EBIT (MSEK)	16.6	9.7	-5.9	28.6
EBIT margin (%)	15%	11%	-2%	9%
Adjusted EBIT (MSEK)	16.6	9.7	-5.3	43.9
Adjusted EBIT margin (%)	15%	11%	-2%	13%
Net income for the period (MSEK)	16.2	5.2	-9.3	26.3
Earnings per share before dilution (SEK)	0.48	0.16	-0.27	0.79
Earnings per share after dilution (SEK)	0.46	0.15	-0.27	0.74

# -3%

FX-adjusted  
organic net sales  
growth RTM

# 63%

Software revenue  
in relation to net  
sales RTM

# -2%

Adjusted  
EBIT margin RTM



“We have won and extended several new software agreements of significant nature.”

## A word from the CEO

# Strong end to a challenging year

2023 has been challenging, but we are ending the year strong. During the quarter we have seen a strong growth in the International segment, while delayed sales processes within the North America segment have negatively impacted our revenues. Overall, the group reports a growth in the fourth quarter of 18 percent with an EBIT-margin of 15 percent, and software revenue in relation to net sales increased from 60 percent to 67 percent. For the full year 2024, we anticipate solid revenue growth and improved margins, we do however expect the quarterly volatility to continue, something that will decrease as the overall business grows.

As we summarize the fourth quarter, we see that our diversified business (multiple segments and sectors) has been advantageous for the group. Our *North America* segment has been characterized by delays in negotiations with the U.S. Government. At the same time, our *International* segment has shown very strong development, which overall has contributed to the group's growth and the margin being strong in the fourth quarter. We have won and extended several new software agreements of significant nature, which shows that Exonaut is a very competitive software. During the fourth quarter several delayed deals within the corporate sector were converted, resulting in an increase in sales of 121 percent for the quarter and 12 percent for the full year. We have also launched a new version of the software platform Exonaut New Generation. This version upgrade provides Exonaut with improved user interface, scalability, as well as an enhanced ability to integrate with external systems.

### Financial results

During the fourth quarter of the year, net sales reached MSEK 107.7, an increase of 119 percent compared to the previous quarter and 18 percent compared to the fourth quarter of 2022. The EBIT-margin for the quarter amounted to 15 percent. For the full year, the revenue was unchanged, with an EBIT-margin of -2 percent.

### Nordics

During the quarter, the *Nordics* segment has secured several strategic contracts, but was simultaneously characterized by delays in sales processes. This negatively impacted the growth within the segment for both the quarter and the year. Contracts signed in the defence sector includes licenses and new development, which confirms our strong position in the industry. This will have a positive effect on sales of the coming years. Net sales for the quarter is at the same level as the

corresponding period in 2022. To strengthen our position in the Nordics, significant investments have been made in the sales organization, as well as in a geographic expansion to Finland.

#### North America

During 2023, the *North America* segment has been affected by delayed sales processes. The fundamental reason for this is that American defence budget is delayed and not yet approved by the Congress. The procurements are therefore on hold, and we expect more clarity during the upcoming quarters. The assessment is that the budget will be approved by the end of the second quarter of 2024, and that orders must be finalized by the end of September, as the next fiscal year begins on October 1st. In the fourth quarter, revenues decreased by 61 percent compared to the same period previous year, to MSEK 8.9. In the *North America* segment, the defence sector accounts for 87 percent of the revenue. The remaining revenues are generated within the private sector, where we have invested for expansion throughout the year, and secured new contracts during the quarter. As previously announced, new Presidents have been recruited for both companies and a new board has been appointed in one of the companies to strengthen collaboration with the American defence.

#### International

The *International* segment has significantly advanced its positions during 2023. This resulted in revenues increasing by 120 percent compared to the same period last year, amounting to MSEK 62.3. Thus, this segment accounts for 58 percent of the group's revenues in the quarter. The growth is primarily driven by Europe and the APAC (Asia-Pacific) region. Through investments in the sales organization, we have expanded our international presence, which has been a significant contributor to our increased growth. Important for the quarter and the future is our signing of major contract

extensions with NATO, further enhancing our presence with new solutions. Sweden's anticipated membership in NATO is also expected to give us improved access to procurements and new potential customers and users. A significant success in 2023 is also that we have delivered solutions to one of the world's largest humanitarian organizations (NGO). 77 percent of the revenues come from the defence sector, with the remainder primarily from the private sector.

#### Outlook for 2024

During the upcoming year, many of the delayed sales processes from 2023 are expected to materialize. Due to the size of individual deals, they may have a significant quarterly impact. We therefore anticipate continued quarterly volatility and expect growth to pick up no later than the second half of the year when the situation in *North America* should improve.

One of 4C Strategies' key strengths is our high customer satisfaction and loyalty, with continued marginal churn rates. The high customer satisfaction is reflected in existing customers not only renewing their contracts, but also expanding their businesses with us. We see no reason for our historical growth to stagnate. With a comprehensive and stable global customer base of over 150 customers in North America, Europe, and APAC, we generate increasing recurring revenues while attracting new customers.

The *International* segment is expected to continue driving our growth in 2024. We see a strong growth and anticipate expanding the Exonaut-family with new NATO-countries. Regarding the *Nordic* segment, we have a growing pipeline and a strong belief that the sales organization will deliver. The investments we have made in Finland are expected to contribute to growth in the future. Regarding the segment *North America*, there is continued uncertainty regarding the finalization of

**“We therefore anticipate continued quarterly volatility and expect growth to pick up no later than second half of the year when the situation in North America should improve.”**

contracts in the defence sector, but we expect strong development from the middle of the year onwards. We also see many new contract opportunities linked to our focus on the private sector. 4C has nearly two years of investments behind us, especially in R&D, sales, and market outreach. The work to strengthen our global brand continues, but we do not expect investments in R&D, support functions and administration to increase. Existing and upcoming R&D work is shifting from transformation to Exonaut Next Generation, to an increased innovation focus on, for example, AI as an integrated part in Exonaut.

Our ambition is, in the medium term, to achieve an average annual currency-adjusted organic net sales growth of more than 20 percent, and that 70 percent of total net sales are generated by software revenues as well as an adjusted EBIT margin of at least 20 percent.

**Magnus Bergqvist**  
CEO

# Financial overview

## Net sales

Net sales in the quarter increased by 18% (-7%) compared to same period previous year and amounted to MSEK 107.7 (91.0). Software revenue amounted MSEK to 72.2 (54.3) for the period.

Our service business, which comprises of software-related services and expert services, contributed with a revenue of MSEK 35.4 (36.7) during the quarter. During the fourth quarter, several of the software deals that were delayed in the third quarter were converted into contracts. This indicates that we are heading in the right direction with higher software conversion rate.

Net sales for the year amounted to MSEK 332.1 (331.3) in line with the same period previous year. Change by 0% (27%) compared with same period previous year. Software revenue amounted to MSEK 210.4 (211.6), while our service revenue accounted for MSEK 121.7 (119.7) during the year.

Exchange rate fluctuations had a positive impact on net sales during the quarter. For the fourth quarter the Swedish krona has strengthened against the lower levels during the year, which decreases the overall effect for the year and last quarter. During the fourth quarter, the exchange rate effect on net sales was 1% (6%) in comparison to same period previous year, and for the year the exchange rate effect on net sales was 3% (9%).

The annual rate of recurring revenue (ARR) at the end of the quarter was MSEK 119.1 (107.2). Software accounted for MSEK 82.9 (70.5).

## Software revenue

Software revenue accounted for 67% (60%) of total net sales during the quarter, and for the year software revenue accounted for 63% (64%) of total net sales.

## EBITDA

Operating income before depreciation and amortization (EBITDA) amounted to MSEK 26.9 (17.5), rendering an EBITDA margin of 25% (19%) during the quarter. EBITDA development are explained by the improved sales conversion of software contracts for the fourth quarter.

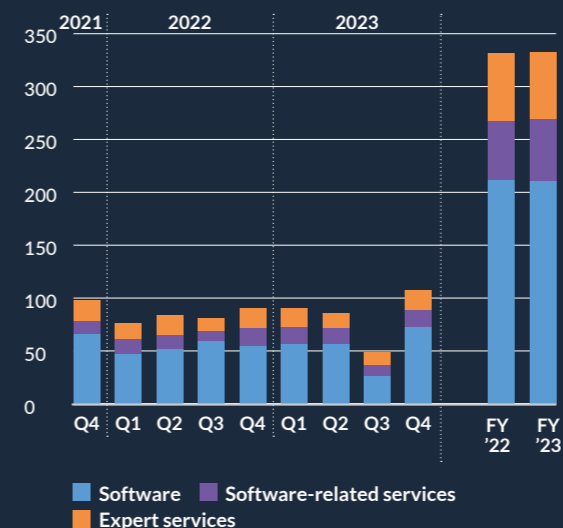
In connection with the IPO in May 2022, it was announced that several investments would be made primarily aimed at geographical expansion, sales resources and sales activities, as well as improvement of our offering. By the end of 2023, most of these investments have been completed.

EBITDA amounted to MSEK 31.6 (58.0) for the year, rendering an EBITDA margin of 10% (18%).

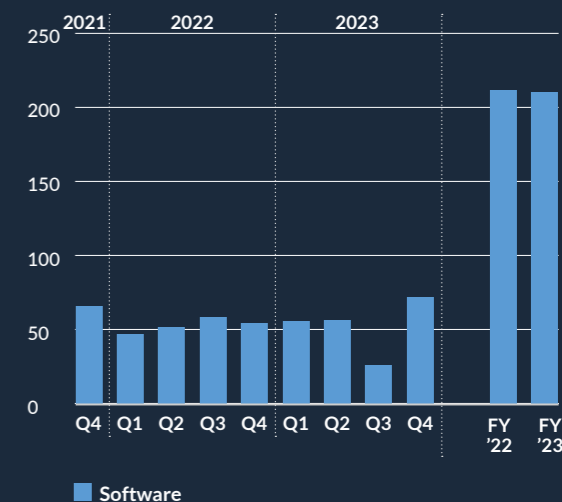
Adjusted EBITDA at the same level as EBITDA for the quarter, as no items are affecting comparability during the fourth quarter.

Adjusted EBITDA for the year was MSEK 32.2 (73.3) with a margin of 10% (22%). Adjustment of EBITDA corresponds to expenses related to public listing of MSEK 0.6 (15.3).

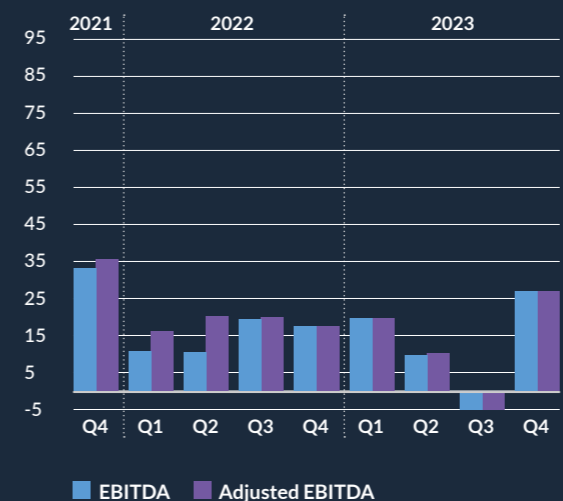
## Net sales, MSEK



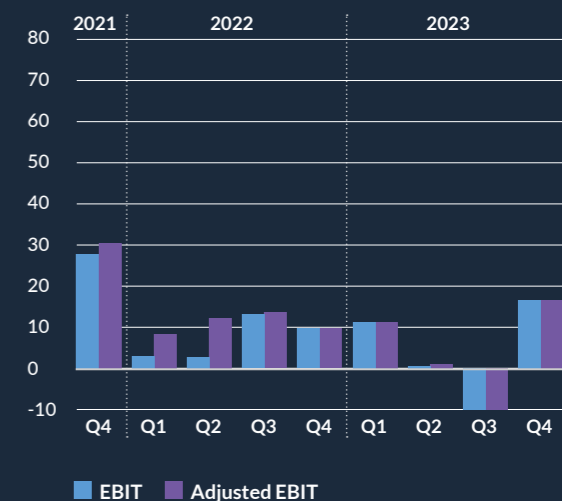
## Software revenue, MSEK



## EBITDA, MSEK



## EBIT, MSEK



### EBIT

Operating income (EBIT) amounted to MSEK 16.6 (9.7), rendering an EBIT margin of 15% (11%) in the quarter. EBIT for the year was MSEK -5.9 (28.6) with a margin of -2% (18%).

Adjusted EBIT at the same level as EBIT for the quarter, as no items are affecting comparability during the fourth quarter.

Adjusted EBIT for the year amounted to MSEK -5.3 (43.9) with an adjusted EBIT margin of -2% (13%).

### Financial position

The equity ratio at the end of the quarter was 59% (59%). Interest-bearing debt amounted to MSEK 61.6 (70.5) at the end of the year whereof MSEK 49.2 (42.6) refers to leasing liabilities. The rest of the interest-bearing debt of MSEK 12.4 (27.9) refers to postponed tax payments. The total debt of postponed tax payments is planned to be repaid during 2024-2025.

Cash and cash equivalents amounted to MSEK 62.2 (146.8) at the end of period. The net debt position thereby totalled to MSEK -0.6 (-76.3).

Equity amounted to MSEK 231.1 (231.8) corresponding to a SEK 6.8 (6.8) per outstanding share and SEK 6.6 (6.3) per outstanding share after dilution at the end of the quarter.

### Cash flow

- Cash flow from operating activities for the quarter amounted to MSEK 10.9 (41.2) and during the year MSEK -17.7 (24.6). The cash flow has been positively affected by larger software sales during the quarter, which has increased our operating income as we have had a cost base in line with expectations. Working

capital for the fourth quarter turned out negative, which is due to revenue being invoiced late.

- Cash flow from investing activities for the quarter amounted to MSEK -11.5 (-8.7) and during the year MSEK -37.4 (-28.5). The changes in cash flow refers to development and investments of Exonaut.
- Cash flow from financing activities for the quarter amounted to MSEK -5.6 (-5.5) and during the year MSEK -29.1 (78.9). The change in cash flow for the comparable quarter relates to payments of postponed tax and lease amortization. For the period we have made payments related to tax of MSEK 5.0 (1.5).

### Quarter

- Cash and cash equivalents amounted to MSEK 62.2 at the end of period, and MSEK 70.2 at the beginning of the period.

### Full year

- Cash and cash equivalents amounted to MSEK 62.2 at the end of period, and MSEK 146.8 at the beginning of the period.

### The 4C share

4C Group AB (publ) is listed on Nasdaq First North Premier Growth Market since 24 May 2022.

Number of new shares issued were 280 000 (0) during the period. Total shares at the end of period were 34,199,142 (33,919,142).

The warrant program 2017/2023 had its subscription period during the month of December 2023. Of the total of 700,000 options in the program, 280,000 options have been converted into newly issued shares during Q4 2023 and 388,000 options will be converted into newly issued shares during Q1 2024. The remaining 32,000 warrants have been chosen to not be subscribed for by the warrant holders.

### Number of employees

Number of employees are presented as an average of full-time employees during the last 12-month period considering normal working hours during a year. The number of full-time employees at the end of the period was 204 (189) whereof 63 (52) were women.

### The Parent Company

The Parent Company business is primarily focused on product development and group administration. The financial statements for the Parent Company can be found on page 12-13 .

### Other significant events during and after the period

At the end of the fourth quarter, we can conclude that the uncertain global situation continues to challenge organisations around the world. The war in Ukraine and the Israeli-Palestinian conflict continues, which continues to keep the defence sector on high alert and contributes to further uncertainty in the global security situation. The high inflation and interest rates that affected the economic situation during the year have subsided somewhat during the fourth quarter, with indications of lower inflation and lower market interest rates. 4C Strategies has established internal measures that are continuously evaluated and revised to ensure that we act, and can act, proactively to handle this and future situations.

No other significant events have occurred after the period.

### Annual general meeting (AGM)

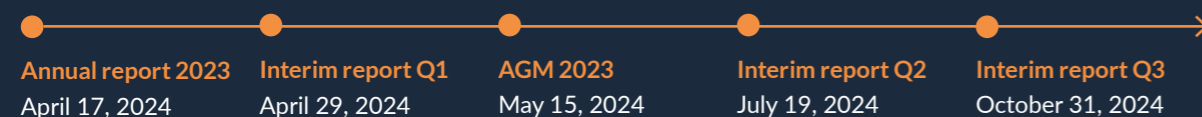
The AGM 2023 was held on the 1st of June 2023.

The Board of Directors proposed no dividend for the financial year of 2022, which is in line with our dividend policy. 4C Strategies intend to use generated cash flow for investments and further growth of the company, and no dividend is proposed in the short and medium term. In addition, the following decisions were made (in brief):

- The income and balance statement for the financial year of 2022 were adopted.
- The board members and CEO were discharged of liability for the financial year of 2022.
- Further information can be obtained from the minutes that can be found on our website.

# Financial Reporting Information

## Financial calendar



## Report information

4C Group AB (publ) has published the report in both English and Swedish. This is an unaudited translation of the Swedish interim report. If any disparities between the Swedish and the English version would exist, the Swedish version shall prevail. This report has not been subject to review by the company's auditor. The information inside this report is information that 4C Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation (MAR).

Financial reports and calendar are available on 4C's website, [investors.4cstrategies.com](https://investors.4cstrategies.com).

The Board of Directors and the CEO declares that the interim report provides a fair view of the parent company's and the Group's business, financial position and results of operations.

Magnus Bergqvist, CEO  
4C Group AB (publ)

15th February 2024  
Stockholm, Sweden

Board of Directors of 4C Group AB (publ):

**Andreas Hedskog**  
Chairman

**Louise Bagewitz**  
Board Member

**David Lidbetter**  
Board Member

**Lena Ridström**  
Board Member

**Christine Rankin**  
Board Member

**Jörgen Ericsson**  
Board Member

## Contact

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Magnus Bergqvist  
CEO



Anders Nordgren  
CFO

## Consolidated statement of profit and loss

KSEK	2023 Q4	2022 Q4	2023 Q1-Q4	2022 Q1-Q4
Net sales	107,693	90,958	332,101	331,277
Other revenue	599	1,084	3,082	3,075
<b>Total revenue</b>	<b>108,292</b>	<b>92,043</b>	<b>335,183</b>	<b>334,351</b>
<b>Operating expenses</b>				
Other external costs	-27,531	-25,026	-91,814	-87,397
Personnel costs	-63,973	-57,629	-244,550	-214,383
Capitalized work for own account	11,424	8,138	36,085	26,298
Other operating expenses	-1,328	-74	-3,274	-836
<b>Total operating expenses</b>	<b>-81,408</b>	<b>-74,590</b>	<b>-303,553</b>	<b>-276,319</b>
<b>Operating income before depreciation and amortization</b>	<b>26,884</b>	<b>17,452</b>	<b>31,629</b>	<b>58,033</b>
Depreciation	-5,390	-4,290	-19,995	-14,425
Amortization	-4,859	-3,464	-17,537	-14,969
<b>Operating income</b>	<b>16,636</b>	<b>9,698</b>	<b>-5,902</b>	<b>28,638</b>
Financial income	5,396	-332	15,039	13,911
Financial expenses	-9,291	-4,155	-17,657	-9,978
<b>Income after financial items</b>	<b>12,740</b>	<b>5,211</b>	<b>-8,521</b>	<b>32,572</b>
Taxes	3,455	-40	-822	-6,281
<b>Net income for the period</b>	<b>16,195</b>	<b>5,171</b>	<b>-9,343</b>	<b>26,291</b>
<b>Income attributable to:</b>				
Parent company's shareholders	16,195	5,171	-9,343	26,291
<b>Other information</b>				
Earnings per share before dilution (SEK)	0.48	0.16	-0.27	0.79
Earnings per share after dilution (SEK)	0.46	0.15	-0.27	0.74

## Consolidated statement of other comprehensive income

KSEK	2023 Q4	2022 Q4	2023 Q1-Q4	2022 Q1-Q4
Net income for the period	16,195	5,171	-9,343	26,291
<b>Other comprehensive income</b>				
<i>Items which will be reclassified to the income statement (net of tax)</i>				
Translation adjustments attributable to foreign operations	-1,210	-445	-28	1,643
<b>Other comprehensive income for the period, net of tax</b>	<b>-1,210</b>	<b>-445</b>	<b>-28</b>	<b>1,643</b>
<b>Total comprehensive income for the period</b>	<b>14,985</b>	<b>4,726</b>	<b>-9,371</b>	<b>27,933</b>



# Consolidated statement of financial position in summary

KSEK	2023-12-31	2022-12-31
<b>ASSETS</b>		
Intangible assets	73,639	55,091
Tangible assets	4,014	4,306
Right-to-use assets	50,328	46,436
Financial fixed assets	1,362	1,023
Contract assets	38,781	25,125
Deferred tax asset	4,093	298
<b>Total non-current assets</b>	<b>172,217</b>	<b>132,279</b>
Accounts receivables	38,675	35,258
Tax receivables	8,379	6,313
Contract assets	93,211	61,061
Other current receivables	11,731	9,931
Cash and cash equivalents	62,227	146,805
<b>Total current assets</b>	<b>214,222</b>	<b>259,369</b>
<b>Total assets</b>	<b>386,440</b>	<b>391,648</b>

KSEK	2023-12-31	2022-12-31
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
<i>Equity attributable to the parent company's shareholders</i>	226,501	231,756
<b>Total equity</b>	<b>226,501</b>	<b>231,756</b>
Interest-bearing non-current liabilities	1,985	5,955
Non-current lease liabilities	29,801	30,704
Deferred tax liability	15,170	13,281
Other non-current liabilities	497	1,176
<b>Total non-current liabilities</b>	<b>47,453</b>	<b>51,115</b>
Interest-bearing current liabilities	10,401	21,962
Current lease liabilities	19,402	11,930
Accounts payables	10,815	9,092
Tax liabilities	694	2,689
Contract liabilities	28,291	19,591
Other current liabilities	42,882	43,512
<b>Total current liabilities</b>	<b>112,486</b>	<b>108,776</b>
<b>Total equity and liabilities</b>	<b>386,440</b>	<b>391,648</b>

# Changes in consolidated equity

KSEK	Share capital	Other contributed capital	Reserves	Profit/loss brought forward	Total equity
<b>Opening balance 1 January 2022</b>	<b>170</b>	<b>54,858</b>	<b>1,202</b>	<b>51,363</b>	<b>107,593</b>
Net income for the period	-	-	-	26,291	26,291
Other comprehensive income	-	-	1,643	-	1,643
<b>Total other comprehensive income</b>	<b>0</b>	<b>0</b>	<b>1,643</b>	<b>26,291</b>	<b>27,933</b>
<b>Transaction with owners</b>					
New share issues	50	94,260	-	-	94,310
Payment warrants	-	1,920	-	-	1,920
Bonus issue	374	-	-	-374	0
<b>Total transaction with owners</b>	<b>424</b>	<b>96,180</b>	<b>0</b>	<b>-374</b>	<b>96,230</b>
<b>Closing balance 31 December 2022</b>	<b>594</b>	<b>151,038</b>	<b>2,844</b>	<b>77,280</b>	<b>231,756</b>
<b>Opening balance 1 January 2023</b>	<b>594</b>	<b>151,038</b>	<b>2,844</b>	<b>77,280</b>	<b>231,756</b>
Net income for the period	-	-	-	-9,343	-9,343
Other comprehensive income	-	-	-28	0	-28
<b>Total other comprehensive income</b>	<b>0</b>	<b>0</b>	<b>-28</b>	<b>-9,343</b>	<b>-9,371</b>
<b>Transaction with owners</b>					
New share issues	5	3,372	-	-	3,377
Warrant premiums	-	739	-	-	739
<b>Total transaction with owners</b>	<b>5</b>	<b>4,111</b>	<b>0</b>	<b>0</b>	<b>4,116</b>
<b>Closing balance 31 December 2023</b>	<b>598</b>	<b>155,149</b>	<b>2,816</b>	<b>67,937</b>	<b>226,501</b>

# Consolidated cash flow statement

KSEK	2023 Q4	2022 Q4	2023 Q1-Q4	2022 Q1-Q4
<b>Cash flow from operating activities</b>				
Operating income	16,636	9,698	-5,902	28,638
Adjustment for non-cash items	11,171	7,654	36,676	28,445
Financial items	-3,896	-4,386	-2,619	4,883
Income tax paid	-1,316	-4,134	-6,702	-5,610
<b>Cash flow from operating activities, before changes in working capital</b>	<b>22,595</b>	<b>8,832</b>	<b>21,453</b>	<b>56,356</b>
Change in working capital	-11,729	32,341	-39,199	-31,733
<b>Cash flow from operating activities</b>	<b>10,866</b>	<b>41,173</b>	<b>-17,746</b>	<b>24,623</b>
<b>Cash flow from investing activities</b>				
Acquisition of intangible assets	-11,424	-8,139	-36,085	-26,298
Acquisition of tangible assets	-121	-555	-990	-2,324
Acquisition of financial assets	-3	-	-370	-
Repayment of deposits	-	1	-	84
Other	3	-	-	-
<b>Cash flow from investing activities</b>	<b>-11,545</b>	<b>-8,693</b>	<b>-37,445</b>	<b>-28,538</b>

KSEK	2023 Q4	2022 Q4	2023 Q1-Q4	2022 Q1-Q4
<b>Cash flow from financing activities</b>				
New share issues	3,377	-	3,377	94,310
Warrant premiums	56	-	739	1,920
Repayment of interest bearing debts	-4,622	-883	-15,531	-2,338
Cash payments for principal portion of the lease liability	-4,403	-4,646	-17,669	-15,367
Other	-	5	-	395
<b>Cash flow from financing activities</b>	<b>-5,592</b>	<b>-5,524</b>	<b>-29,084</b>	<b>78,920</b>
<b>Cash flow for the period</b>	<b>-6,271</b>	<b>26,956</b>	<b>-84,275</b>	<b>75,005</b>
<b>Change in cash and cash equivalents</b>				
Cash and cash equivalents at the beginning of the year	70,167	119,502	146,805	66,026
Exchange rate differences in cash and cash equivalents	-1,669	347	-303	5,775
<b>Cash and cash equivalents at the end of the year</b>	<b>62,227</b>	<b>146,805</b>	<b>62,227</b>	<b>146,805</b>

# Parent company income statement

KSEK	2023 Q4	2022 Q4	2023 Q1-Q4	2022 Q1-Q4
<b>Operating revenue</b>				
Net sales	55,330	42,812	187,246	201,846
Other revenue	28	-8	7	7
<b>Total revenue</b>	<b>55,359</b>	<b>42,804</b>	<b>187,253</b>	<b>201,853</b>
<b>Operating expenses</b>				
Other external costs	-20,709	-20,344	-91,744	-77,794
Personnel costs	-32,476	-30,066	-124,924	-116,391
Other operating expenses	-	-12	-	-15
<b>Total operating expenses</b>	<b>-53,185</b>	<b>-50,422</b>	<b>-216,668</b>	<b>-194,199</b>
<b>Operating income before depreciation and amortization</b>	<b>2,173</b>	<b>-7,617</b>	<b>-29,415</b>	<b>7,653</b>
Depreciation and amortization	-129	-83	-455	-256
<b>Operating income</b>	<b>2,044</b>	<b>-7,700</b>	<b>-29,870</b>	<b>7,397</b>
Financial income and expenses	-2,613	-2,394	1,077	6,023
<b>Income after financial items</b>	<b>-569</b>	<b>-10,094</b>	<b>-28,793</b>	<b>13,420</b>
Appropriations	20,970	5,400	9,120	-300
<b>Income before tax</b>	<b>20,401</b>	<b>-4,694</b>	<b>-19,673</b>	<b>13,120</b>
Taxes	3,661	2,024	3,661	-1,795
<b>Net income for the period</b>	<b>24,062</b>	<b>-2,670</b>	<b>-16,012</b>	<b>11,325</b>

# Parent company balance statement

KSEK	2023-12-31	2022-12-31
<b>ASSETS</b>		
<b>Fixed assets</b>		
<i>Tangible assets</i>		
Machinery and equipment	1,775	1,497
<b>Total tangible fixed assets</b>	<b>1,775</b>	<b>1,497</b>
<i>Financial fixed assets</i>		
Shares in subsidiaries	21,680	21,560
Deferred tax asset	3,676	-
<b>Total financial fixed assets</b>	<b>25,357</b>	<b>21,560</b>
<b>Total non-current assets</b>	<b>27,132</b>	<b>23,057</b>
<i>Current assets</i>		
Current intercompany receivables	129,771	118,484
Other current receivables	6,301	1,486
Accrued income and prepaid expenses	7,455	8,215
Cash and cash equivalents	34,543	119,861
<b>Total current assets</b>	<b>178,070</b>	<b>248,046</b>
<b>Total assets</b>	<b>205,202</b>	<b>271,103</b>

KSEK	2023-12-31	2022-12-31
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
<i>Restricted equity</i>		
Share capital	598	594
<b>Total restricted equity</b>	<b>598</b>	<b>594</b>
<i>Unrestricted equity</i>		
Additional paid in capital	155,149	151,038
Profit/loss brought forward	25,630	14,304
Net income for the period	-16,012	11,325
<b>Total unrestricted equity</b>	<b>164,767</b>	<b>176,668</b>
<b>Total equity</b>	<b>165,366</b>	<b>177,262</b>
<b>Untaxed reserves</b>	<b>-</b>	<b>9,380</b>
<b>Total non-current liabilities</b>	<b>0</b>	<b>0</b>
<i>Current liabilities</i>		
Accounts payables	7,606	3,553
Current intercompany liabilities	14,473	42,092
Current tax liabilities	-	1,789
Other current liabilities	8,713	28,126
Accrued expenses and prepaid income	9,044	8,902
<b>Total current liabilities</b>	<b>39,836</b>	<b>84,462</b>
<b>Total equity and liabilities</b>	<b>205,202</b>	<b>271,103</b>

# Notes

## Accounting principles

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts act. The group's financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and the accounting policies which constitute the accounting standard for this interim report, are stated in the most recent annual report. New accounting principles that came into effect on 1 January 2023 have not had any significant impact on the Group's reporting as of 31 December 2023. Preparing the financial reports in accordance with IFRS requires the 4C management team to decide on how to apply the accounting policies which may impact the reported figures of assets, liabilities and result.

The Parent Company prepares its financial statements in accordance with the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities. The same accounting policies have been applied in the interim report.

Note that rounding in the financial tables may incur differences of maximally 1 KSEK in column subtotals or totals.

## Alternative Performance measures (APM)

Alternative performance measures (APM) have been identified, which are believed to enhance management and investors' possibility to evaluate the company's performance. The APMs presented in the report may differ from equivalently named measures used by other companies, thereby a definition of each measure can be found under the section Key Ratios. The APMs should be seen as a supplement to the key ratios defined by IFRS.

## Risks and uncertainties

4C Strategies is exposed to risks in its operations, both business and financial, and these are described together with other risks in the latest published report, the Annual Report, 3rd of May 2023. With the ongoing Russian invasion in Ukraine, escalation in the Israel-Palestinian conflict, continued high inflation rates and interest rates, as well as other uncertainties across the world, 4C Strategies has implemented measures for securing that risks that are emerge and actualized can be handled. There have been no other changes to risk and uncertainty factors during the period.

## Currency translations

The Group operates in different countries and currently the following currencies are managed: Swedish Krona (SEK), Sterling Pound (GBP), US Dollar (USD), Norwegian Krone (NOK), Australian Dollar (AUD) and Euro (EUR). Assets and liabilities in foreign exchange are translated at the closing rate on the date of the balance statement.

Transaction differences of operational balance items due to translation are recognized as 'Other Revenue' and 'Other Operating Expenses'. The differences of other balance sheet items in foreign currency, such as 'Cash and cash

equivalents', are recognized within financial items. Differences that occur from translating net sales and operating expenses in foreign currency are recognized under respective revenue and cost item.

## Transactions with related parties

Any transactions with related parties have been conducted on market terms. No significant transactions with related parties to be considered for the period.

## Taxes

The tax expense has been based on the earnings in each subsidiary and the current tax situation in each domestic area.

## Earnings per share

The calculation of Earnings per share is based on the period's earnings in the Group attributable to the parent company's owners and on the weighted average number of shares outstanding during the period. When calculating Earnings per share after dilution, the average number of shares is adjusted to take into account the effects of issued options. The dilution effect from warrants is only accounted for if a conversion to shares results in a lower profit per share or a higher loss per share.

## Financial instruments

The Group's financial instruments are valued at accrued acquisition value. The carrying amount of all the Group's financial instruments is considered to be a good approximation of the fair value.

## Segment summary

The Group's operating segments are divided into the Nordics, International and North America. The evaluation of the business performance is divided into three geographical regions. These operating segments have the same business model, i.e. sales and delivery.

The operating segments are reported in compliance with the internal reporting structure as provided to the chief operating decision maker for the Group (CODM). The CODM is the function responsible for allocation of resources and assessment of the operating segments' profit or loss. In the Group, this function is identified as the Chief Executive Officer.

Operating segments are assessed based on net sales and EBITDA. The evaluation excludes the management of assets and liabilities, which instead are managed centrally by group management. Internal transactions between the segments refer to cost allocation.

KSEK	Nordics	International	North America	Total Segment	Group Common	Eliminations	Group
<b>Q4 2023</b>							
Software	16,286	47,436	8,524	<b>72,246</b>	-	-	<b>72,246</b>
Software-related services	589	15,905	31	<b>16,525</b>	-	-	<b>16,525</b>
Expert services	19,660	-939	201	<b>18,922</b>	-	-	<b>18,922</b>
<b>Revenue from contracts with customers</b>	<b>36,535</b>	<b>62,402</b>	<b>8,756</b>	<b>107,693</b>	<b>0</b>	<b>0</b>	<b>107,693</b>
Other revenue	141	1,435	87	<b>1,662</b>	-1,063	-	<b>599</b>
Internal revenue	2,431	7,049	7,864	<b>17,344</b>	4,281	-21,625	<b>0</b>
<b>Total revenue</b>	<b>39,107</b>	<b>70,885</b>	<b>16,707</b>	<b>126,699</b>	<b>3,218</b>	<b>-21,625</b>	<b>108,292</b>
Personnel costs	-16,378	-17,075	-10,549	<b>-44,002</b>	-19,972	-	<b>-63,973</b>
Other external costs	-4,407	-8,579	-2,761	<b>-15,746</b>	-1,688	-	<b>-17,434</b>
Internal costs	-2,265	-2,988	-2,602	<b>-7,855</b>	-13,770	21,625	<b>0</b>
<b>Total cost</b>	<b>-23,049</b>	<b>-28,641</b>	<b>-15,912</b>	<b>-67,603</b>	<b>-35,430</b>	<b>21,625</b>	<b>-81,408</b>
<b>EBITDA</b>	<b>16,058</b>	<b>42,244</b>	<b>794</b>	<b>59,096</b>	<b>-32,212</b>	<b>0</b>	<b>26,884</b>
Amortization	-	-	-	<b>0</b>	-4,859	-	<b>-4,859</b>
Depreciation	-	-	-	<b>0</b>	-5,390	-	<b>-5,390</b>
Financial income	-	-	-	<b>0</b>	5,396	-	<b>5,396</b>
Financial expenses	-	-	-	<b>0</b>	-9,291	-	<b>-9,291</b>
<b>Income before tax</b>	<b>16,058</b>	<b>42,244</b>	<b>794</b>	<b>59,096</b>	<b>-46,356</b>	<b>0</b>	<b>12,740</b>
Items affecting comparability	-	-	-	<b>0</b>	-	-	<b>0</b>
<b>Adjusted EBT</b>	<b>16,058</b>	<b>42,244</b>	<b>794</b>	<b>59,096</b>	<b>-46,356</b>	<b>0</b>	<b>12,740</b>

KSEK	Nordics	International	North America	Total Segment	Group Common	Eliminations	Group
<b>Q4 2022</b>							
Software	18,240	15,093	20,968	<b>54,302</b>	-	-	<b>54,302</b>
Software-related services	3,630	12,198	1,912	<b>17,740</b>	-	-	<b>17,740</b>
Expert services	17,928	988	-	<b>18,916</b>	-	-	<b>18,916</b>
<b>Revenue from contracts with customers</b>	<b>39,798</b>	<b>28,279</b>	<b>22,881</b>	<b>90,958</b>	<b>0</b>	<b>0</b>	<b>90,958</b>
Other revenue	141	379	0	<b>520</b>	564	-	<b>1,084</b>
Internal revenue	623	5,818	7,887	<b>14,328</b>	3,247	-17,575	<b>0</b>
<b>Total revenue</b>	<b>40,562</b>	<b>34,476</b>	<b>30,768</b>	<b>105,806</b>	<b>3,812</b>	<b>-17,575</b>	<b>92,043</b>
Personnel costs	-13,267	-13,478	-11,959	<b>-38,704</b>	-18,925	-	<b>-57,629</b>
Other external costs	-4,097	-7,768	-2,700	<b>-14,566</b>	-2,396	-	<b>-16,961</b>
Internal costs	-1,782	-1,372	-31	<b>-3,185</b>	-14,390	17,575	<b>0</b>
<b>Total cost</b>	<b>-19,147</b>	<b>-22,618</b>	<b>-14,691</b>	<b>-56,455</b>	<b>-35,710</b>	<b>17,575</b>	<b>-74,590</b>
<b>EBITDA</b>	<b>21,416</b>	<b>11,858</b>	<b>16,077</b>	<b>49,351</b>	<b>-31,899</b>	<b>0</b>	<b>17,452</b>
Amortization	-	-	-	<b>0</b>	-3,464	-	<b>-3,464</b>
Depreciation	-	-	-	<b>0</b>	-4,290	-	<b>-4,290</b>
Financial income	-	-	-	<b>0</b>	-332	-	<b>-332</b>
Financial expenses	-	-	-	<b>0</b>	-4,155	-	<b>-4,155</b>
<b>Income before tax</b>	<b>21,416</b>	<b>11,858</b>	<b>16,077</b>	<b>49,351</b>	<b>-44,140</b>	<b>0</b>	<b>5,211</b>
Items affecting comparability	-	-	0	<b>0</b>	-	-	<b>0</b>
<b>Adjusted EBT</b>	<b>21,416</b>	<b>11,858</b>	<b>16,077</b>	<b>49,351</b>	<b>-44,140</b>	<b>0</b>	<b>5,211</b>

KSEK	Nordics	International	North America	Total Segment	Group Common	Eliminations	Group
<b>Q1-Q4 2023</b>							
Software	40,129	105,772	64,547	210,448	-	-	210,448
Software-related services	6,080	50,007	2,172	58,259	-	-	58,259
Expert services	60,715	2,362	317	63,394	-	-	63,394
<b>Revenue from contracts with customers</b>	<b>106,924</b>	<b>158,140</b>	<b>67,037</b>	<b>332,101</b>	<b>0</b>	<b>0</b>	<b>332,101</b>
Other revenue	143	2,846	87	3,075	7	-	3,082
Internal revenue	3,396	27,952	30,264	61,612	14,677	-76,289	0
<b>Total revenue</b>	<b>110,463</b>	<b>188,938</b>	<b>97,388</b>	<b>396,788</b>	<b>14,684</b>	<b>-76,289</b>	<b>335,183</b>
Personnel costs	-59,819	-63,810	-43,873	-167,502	-77,049	-	-244,550
Other external costs	-12,328	-27,000	-9,755	-49,082	-9,921	-	-59,003
Internal costs	-7,889	-8,463	-3,042	-19,394	-56,895	76,289	0
<b>Total cost</b>	<b>-80,036</b>	<b>-99,273</b>	<b>-56,670</b>	<b>-235,978</b>	<b>-143,864</b>	<b>76,289</b>	<b>-303,553</b>
<b>EBITDA</b>	<b>30,427</b>	<b>89,664</b>	<b>40,718</b>	<b>160,810</b>	<b>-129,180</b>	<b>0</b>	<b>31,629</b>
Amortization	-	-	-	0	-17,537	-	-17,537
Depreciation	-	-	-	0	-19,995	-	-19,995
Financial income	-	-	-	0	15,039	-	15,039
Financial expenses	-	-	-	0	-17,657	-	-17,657
<b>Income before tax</b>	<b>30,427</b>	<b>89,664</b>	<b>40,718</b>	<b>160,810</b>	<b>-169,331</b>	<b>0</b>	<b>-8,521</b>
Items affecting comparability	-	-	-	0	589	-	589
<b>Adjusted EBT</b>	<b>30,427</b>	<b>89,664</b>	<b>40,718</b>	<b>160,810</b>	<b>-168,742</b>	<b>0</b>	<b>-7,932</b>

KSEK	Nordics	International	North America	Total Segment	Group Common	Eliminations	Group
<b>Q1-Q4 2022</b>							
Software	42,553	49,141	119,919	211,612	-	-	211,612
Software-related services	13,790	34,607	6,994	55,391	-	-	55,391
Expert services	61,079	3,194	-	64,274	-	-	64,274
<b>Revenue from contracts with customers</b>	<b>117,422</b>	<b>86,942</b>	<b>126,912</b>	<b>331,277</b>	<b>0</b>	<b>0</b>	<b>331,277</b>
Other revenue	290	2,205	0	2,496	579	-	3,075
Internal revenue	1,187	22,077	25,628	48,893	14,229	-63,122	0
<b>Total revenue</b>	<b>118,900</b>	<b>111,225</b>	<b>152,541</b>	<b>382,665</b>	<b>14,808</b>	<b>-63,122</b>	<b>334,351</b>
Personnel costs	-50,184	-49,246	-37,117	-136,547	-77,837	-	-214,383
Other external costs	-10,119	-20,234	-9,765	-40,118	-21,817	-	-61,936
Internal costs	-9,274	-4,441	-163	-13,878	-49,243	63,122	0
<b>Total cost</b>	<b>-69,577</b>	<b>-73,921</b>	<b>-47,045</b>	<b>-190,544</b>	<b>-148,897</b>	<b>63,122</b>	<b>-276,319</b>
<b>EBITDA</b>	<b>49,323</b>	<b>37,304</b>	<b>105,495</b>	<b>192,122</b>	<b>-134,089</b>	<b>0</b>	<b>58,033</b>
Amortization	-	-	-	0	-14,969	-	-14,969
Depreciation	-	-	-	0	-14,425	-	-14,425
Financial income	-	-	-	0	13,911	-	13,911
Financial expenses	-	-	-	0	-9,978	-	-9,978
<b>Income before tax</b>	<b>49,323</b>	<b>37,304</b>	<b>105,495</b>	<b>192,122</b>	<b>-159,550</b>	<b>0</b>	<b>32,572</b>
Items affecting comparability	-	-	-	0	15,259	-	15,259
<b>Adjusted EBT</b>	<b>49,323</b>	<b>37,304</b>	<b>105,495</b>	<b>192,122</b>	<b>-144,291</b>	<b>0</b>	<b>47,831</b>



### Net sales by income stream

The Group's income streams are Software, Software-related services and Expert services. Software consists of revenue from our Exonaut software which can be divided into licenses, software development and service and support agreements (SSA). Software-related services refers to software consultancy related to Exonaut. Software consultancy involves both implementation and integration of software, as well as Managed Services. Expert Services incorporate our advisory and consulting services which refer to building risk, business continuity and crisis management capability of organizations.

KSEK	2023 Q4	2022 Q4	2023 Q1-Q4	2022 Q1-Q4
Software	72,246	54,302	210,448	211,612
Software-related services	16,525	17,740	58,259	55,391
Expert services	18,922	18,916	63,394	64,274
<b>Net sales</b>	<b>107,693</b>	<b>90,958</b>	<b>332,101</b>	<b>331,277</b>

### Net sales by sector

The Group finds their customers in three different sectors which are named Defence, Public and Corporate. In the Defence sector, most of the customers can be found in the world's leading armed forces. In the Public and Corporate sector, the majority of the customer originates from government institutions and large international corporations. Net sales by sector is presented to describe how the Group's revenue is divided depending on what type of market the customers are operating in.

KSEK	2023 Q4	2022 Q4	2023 Q1-Q4	2022 Q1-Q4
Defence	70,306	65,230	226,418	226,292
Public	14,028	15,135	51,628	56,652
Corporate	23,359	10,593	54,055	48,333
<b>Net sales</b>	<b>107,693</b>	<b>90,958</b>	<b>332,101</b>	<b>331,277</b>

### Net sales per sector and segment

The Group's operating segments are divided into the Nordics, International and North America. Net sales by sector and segment are presented to describe how the segment operates in each sector.

KSEK	2023 Q4	2022 Q4	2023 Q1-Q4	2022 Q1-Q4
Defence	14,764	19,504	32,168	38,993
Public	13,927	14,551	49,670	51,499
Corporate	7,845	5,743	25,086	26,930
<b>Nordics</b>	<b>36,535</b>	<b>39,798</b>	<b>106,924</b>	<b>117,422</b>
Defence	47,953	22,845	128,495	60,386
Public	101	584	1,958	5,152
Corporate	14,348	4,850	27,687	21,404
<b>International</b>	<b>62,402</b>	<b>28,279</b>	<b>158,140</b>	<b>86,942</b>
Defence	7,590	22,881	65,755	126,912
Public	-	-	-	-
Corporate	1,166	-	1,283	-
<b>North America</b>	<b>8,756</b>	<b>22,881</b>	<b>67,037</b>	<b>126,912</b>
Defence	70,306	65,230	226,418	226,292
Public	14,028	15,135	51,628	56,652
Corporate	23,359	10,593	54,055	48,333
<b>Net sales</b>	<b>107,693</b>	<b>90,958</b>	<b>332,101</b>	<b>331,277</b>

# Key Ratios

The Group's key ratios are presented in this section. Alternative Performance Measures (APM) have been identified to enhance the evaluation of 4C Strategies' performance as a company. The APMs should be seen as a supplement to the existing measures defined by IFRS.

## FX adjusted organic net sales growth

FX adjusted organic net sales growth consists of organic net sales growth adjusted for foreign exchange effects. The measure neutralizes the effects of currency effects on the net sales growth and indicates what the real growth is. This is a financial target for 4C.

KSEK	2023 Q4	2022 Q4	2023 Q1-Q4	2022 Q1-Q4
Software	72,246	54,302	210,448	211,612
Software-related services	16,525	17,740	58,259	55,391
Expert services	18,922	18,916	63,394	64,274
<b>Net sales</b>	<b>107,693</b>	<b>90,958</b>	<b>332,101</b>	<b>331,277</b>
Net sales growth (%)	18%	-7%	0%	27%
FX adjusted organic net sales growth (%)	18%	-13%	-3%	18%

The currency translation effect on net sales growth during the quarter amounted to 1% (6%), and during the year months 3% (9%).

## Software revenue

Software revenue consists of revenue from our Exonaut software. Software as a percentage of net sales indicates the share of total sales that is derived from Exonaut sales. This is a financial target for 4C.

KSEK	2023 Q4	2022 Q4	2023 Q1-Q4	2022 Q1-Q4
Software	72,246	54,302	210,448	211,612
Software-related services	16,525	17,740	58,259	55,391
Expert services	18,922	18,916	63,394	64,274
<b>Net sales</b>	<b>107,693</b>	<b>90,958</b>	<b>332,101</b>	<b>331,277</b>
Software as a percentage of net sales (%)	67%	60%	63%	64%

## Recurring revenue

Revenue of an annually recurring nature such as software and software-related services related income. The measure obtains the amount of revenue that are of recurring nature of the total revenue during the period.

KSEK	2023 Q4	2022 Q4	2023 Q1-Q4	2022 Q1-Q4
Software	36,432	31,779	105,279	81,645
Software-related services	11,063	9,871	35,883	32,385
<b>Recurring revenue</b>	<b>47,494</b>	<b>41,650</b>	<b>141,162</b>	<b>114,030</b>
Recurring revenue growth (%)	14%	-3%	24%	6%

KSEK	2023 Q4	2022 Q4	2023 Q1-Q4	2022 Q1-Q4
Recurring revenue	47,494	41,650	141,162	114,030
Net sales	107,693	90,958	332,101	331,277
<b>Recurring revenue, as percentage of net sales (%)</b>	<b>44%</b>	<b>46%</b>	<b>43%</b>	<b>34%</b>

## Annual recurring revenue (ARR)

Recurring revenue at the last month of the quarter, recalculated to a 12-month period. There is thus no direct connection between the ARR-figure and future software revenues. The figure should be seen as an indication. The total recognized recurring revenue is affected by contract initiation date and especially, by the initiation date of contract extensions.

KSEK	2023 Q4	2022 Q4
Software	82,923	70,450
Software-related services	36,198	36,756
<b>Annual recurring revenue</b>	<b>119,121</b>	<b>107,206</b>
<b>Annual recurring revenue growth (%)</b>	<b>11%</b>	<b>1%</b>

## EBITDA

Earnings before depreciation and amortization on fixed assets. The measure indicates the performance of the operational activities.

KSEK	2023 Q4	2022 Q4	2023 Q1-Q4	2022 Q1-Q4
Operating income	16,636	9,698	-5,902	28,638
Depreciation	5,390	4,290	19,995	14,425
Amortization	4,859	3,464	17,537	14,969
<b>EBITDA</b>	<b>26,884</b>	<b>17,452</b>	<b>31,629</b>	<b>58,033</b>
Net sales	107,693	90,958	332,101	331,277
<b>EBITDA (%)</b>	<b>25%</b>	<b>19%</b>	<b>10%</b>	<b>18%</b>

## EBIT

Earnings before interest and tax. The measure indicates the performance of the operational activities including the cost of capital investments and the company's earning ability.

KSEK	2023 Q4	2022 Q4	2023 Q1-Q4	2022 Q1-Q4
Operating income	16,636	9,698	-5,902	28,638
<b>EBIT</b>	<b>16,636</b>	<b>9,698</b>	<b>-5,902</b>	<b>28,638</b>
Net sales	107,693	90,958	332,101	331,277
<b>EBIT (%)</b>	<b>15%</b>	<b>11%</b>	<b>-2%</b>	<b>9%</b>

## Items affecting comparability

Items affecting comparability refers to items that are reported separately since they affect comparability and are considered to be divergent to the company's ordinary operations. Examples are expenses related to public listing, restructuring and acquisition-related expenses, which are defined in the table below.

KSEK	2023 Q4	2022 Q4	2023 Q1-Q4	2022 Q1-Q4
Expenses related to public listing	-	-	589	15,259
<b>Items affecting comparability</b>	<b>0</b>	<b>0</b>	<b>589</b>	<b>15,259</b>

## Adjusted EBITDA

EBITDA before items affecting comparability. The measure is a supplement to EBITDA adjusted for items affecting comparability and enables the comparison with other periods.

KSEK	2023 Q4	2022 Q4	2023 Q1-Q4	2022 Q1-Q4
EBITDA	26,884	17,452	31,629	58,033
Items affecting comparability	-	-	589	15,259
<b>Adjusted EBITDA</b>	<b>26,884</b>	<b>17,452</b>	<b>32,218</b>	<b>73,292</b>
Net sales	107,693	90,958	332,101	331,277
<b>Adjusted EBITDA (%)</b>	<b>25%</b>	<b>19%</b>	<b>10%</b>	<b>22%</b>

## Adjusted EBIT

EBIT before items affecting comparability. The measure is a supplement to EBIT adjusted for items affecting comparability and enables comparison with other periods. The measure is a financial target for 4C.

KSEK	2023 Q4	2022 Q4	2023 Q1-Q4	2022 Q1-Q4
EBIT	16,636	9,698	-5,902	28,638
Items affecting comparability	-	-	589	15,259
<b>Adjusted EBIT</b>	<b>16,636</b>	<b>9,698</b>	<b>-5,313</b>	<b>43,898</b>
Net sales	107,693	90,958	332,101	331,277
<b>Adjusted EBIT (%)</b>	<b>15%</b>	<b>11%</b>	<b>-2%</b>	<b>13%</b>

## Net working capital

Net of current assets excluding cash and cash equivalents, and current liabilities excluding interest-bearing items. The purpose is to show the business' short term liquidity and operational efficiency.

KSEK	2023-12-31	2022-12-31
Current assets excl cash and cash equivalents	151,996	112,563
Current liabilities excl interest-bearing items	82,683	74,884
<b>Net working capital</b>	<b>69,313</b>	<b>37,680</b>

## Net debt

Net of cash and cash equivalents and interest-bearing liabilities. Net debt ratio calculated as a percentage of adjusted EBITDA RTM. The measure shows the real level of debt and indicates the ability to fulfil financial commitments.

KSEK	2023-12-31	2022-12-31
Interest-bearing non-current liabilities	31,786	36,659
Interest-bearing current liabilities	29,803	33,892
Cash and cash equivalents	62,227	146,805
<b>Net debt</b>	<b>-637</b>	<b>-76,255</b>
Adjusted EBITDA RTM	32,218	73,292
<b>Net debt ratio</b>	<b>-0.02</b>	<b>-1.04</b>

## Earnings per share

Earnings per share and Earnings per share after dilution are defined in accordance to IFRS.

	2023 Q4	2022 Q4	2023 Q1-Q4	2022 Q1-Q4
Weighted average number of shares	33,989,142	33,204,857	33,989,142	33,204,857
Dilution effect after dilutive shares	1,217,000	2,310,000	1,217,000	2,310,000
<b>Weighted average number of shares after dilution</b>	<b>35,206,142</b>	<b>35,514,857</b>	<b>35,206,142</b>	<b>35,514,857</b>

The dilution effect from warrants is only accounted for if a conversion to shares results in a lower profit per share or a higher loss per share.

	2023 Q4	2022 Q4	2023 Q1-Q4	2022 Q1-Q4
Net income for the period (KSEK)	16,195	5,171	-9,343	26,291
<b>Income attributable to Parent company's shareholders (KSEK)</b>	<b>16,195</b>	<b>5,171</b>	<b>-9,343</b>	<b>26,291</b>
Weighted average number of shares	33,989,142	33,204,857	33,989,142	33,204,857
<b>Earnings per share before dilution (SEK)</b>	<b>0.48</b>	<b>0.16</b>	<b>-0.27</b>	<b>0.79</b>
Weighted average number of shares after dilution	35,206,142	35,514,857	35,206,142	35,514,857
<b>Earnings per share after dilution (SEK)</b>	<b>0.46</b>	<b>0.15</b>	<b>-0.27</b>	<b>0.74</b>

## Selected historical financials per quarter and year

	2023 Q4	2023 Q3	2023 Q2	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2023 YTD	2022 YTD	2021 YTD
Net sales (MSEK)	107.7	49.1	85.4	89.9	91.0	81.0	83.3	76.0	98.0	332.1	331.3	261.2
Net sales growth (%)	18%	-39%	3%	18%	-7%	30%	29%	110%	101%	0%	27%	41%
FX adjusted organic net sales growth (%)	18%	-41%	-1%	13%	-13%	16%	22%	97%	99%	-3%	18%	44%
Software revenue (MSEK)	72.2	26.2	56.3	55.8	54.3	58.7	51.4	47.2	65.7	210.4	211.6	159.5
Software as a percentage of net sales (%)	67%	53%	66%	62%	60%	72%	62%	62%	67%	63%	64%	61%
Recurring revenue (MSEK)	47.5	28.4	39.5	25.8	41.7	24.7	29.7	18.0	43.1	141.2	114.0	107.9
Annual recurring revenue (MSEK)	119.1	110.5	109.8	108.2	107.2	99.8	100.2	97.2	106.6	119.1	107.2	106.6
Annual recurring revenue - Software (MSEK)	82.9	75.0	73.4	72.7	70.5	63.2	63.3	60.9	60.7	82.9	70.5	60.7
Annual recurring revenue - Software-related services (MSEK)	36.2	35.5	36.4	35.5	36.8	36.5	36.8	36.3	45.9	36.2	36.8	45.9
EBITDA (MSEK)	26.9	-24.5	9.7	19.5	17.5	19.4	10.4	10.8	33.1	31.6	58.0	73.2
EBITDA margin (%)	25%	-50%	11%	22%	19%	24%	12%	14%	34%	10%	18%	28%
EBIT (MSEK)	16.6	-34.3	0.5	11.3	9.7	13.1	2.7	3.1	27.9	-5.9	28.6	47.1
EBIT margin (%)	15%	-70%	1%	13%	11%	16%	3%	4%	29%	-2%	9%	18%
Items affecting comparability (MSEK)	-	0.1	0.5	-	-	0.5	9.6	5.2	2.5	0.6	15.3	2.5
Adjusted EBITDA (MSEK)	26.9	-24.4	10.2	19.5	17.5	19.8	20.0	16.0	35.6	32.2	73.3	75.7
Adjusted EBITDA margin (%)	25%	-50%	12%	22%	19%	24%	24%	21%	36%	10%	22%	29%
Adjusted EBIT (MSEK)	16.6	-34.2	1.0	11.3	9.7	13.6	12.3	8.3	30.4	-5.3	43.9	49.6
Adjusted EBIT margin (%)	15%	-70%	1%	13%	11%	17%	15%	11%	31%	-2%	13%	19%
Net income for the period (MSEK)	16.2	-34.2	1.0	7.6	5.2	13.3	5.0	2.8	23.9	-9.3	26.3	39.0
Earnings per share before dilution (SEK)	0.48	-1.01	0.03	0.22	0.16	0.40	0.16	0.09	0.77	-0.27	0.79	1.26
Earnings per share after dilution (SEK)	0.46	-0.94	0.03	0.21	0.15	0.38	0.15	0.08	0.71	-0.27	0.74	1.17
Net working capital (MSEK)	69.3	62.0	69.6	61.3	37.7	60.8	20.3	18.6	21.4	69.3	37.7	21.4
Net debt (MSEK)	-0.6	-1.1	-44.1	-54.5	-76.3	-68.3	-99.3	-11.9	-16.6	-0.6	-76.3	-16.6

# Definitions

## SEK

The currency Swedish Krona.

## KSEK

The currency Swedish Krona in thousands.

## MSEK

The currency Swedish Krona in millions.

## RTM

Rolling twelve months, the past 12 consecutive months.

## Software (revenue)

The total revenue from our Exonaut software, which can be divided into licenses and software development, as well as income from service and support agreements (SSA).

## Software-related services

The total revenue of our software consultancy services, which include both implementation and integration of software, as well as income from managed services.

## Expert services

The total revenue of advisory and consulting related income.

## Net sales

The total revenue of software, software-related services and expert services.

## Other revenue

The total revenue of FX-effects and items that cannot be defined into one of the other categories.

## Recurring revenue

Revenue of a recurring nature such as software and software-related services related income.

## Annual recurring revenue

Recurring revenue in the last month of the quarter, recalculated to a 12-month period. There is thus no direct connection between the ARR-figure and future software revenues. The figure should be seen as an indication.

## FX adjusted organic net sales growth

Organic growth in net sales adjusted for foreign exchange effects.

## Items affecting comparability

Items affecting comparability refers to items that are reported separately since they affect comparability and are considered to be divergent to the company's ordinary operations. Examples are expenses related to public listing, restructuring and acquisition-related expenses.

## EBITDA

Operating income before depreciation and amortization.

## Adjusted EBITDA

Operating income before depreciation, amortization and items affecting comparability.

## EBITDA margin

EBITDA as a percentage of net sales.

## EBIT

Operating income before financial income and expenses, and taxes.

## Adjusted EBIT

Operating income before financial income and expenses, taxes and items affecting comparability.

## EBIT margin

EBIT as a percentage of net sales.

## EBT

Income before taxes, after financial income and expenses.

## Adjusted EBT

Income before taxes and items affecting comparability, after financial income and expenses.

## Net income

Net profit after tax.

## Earnings per share before dilution

Net income divided by the average number of shares during the period.

## Earnings per share after dilution

Net income divided by the average number of shares after dilution during the period.

## Net working capital

Net of current assets excluding cash and cash equivalents, and current liabilities excluding interest-bearing items.

## Equity ratio

Total equity as a percentage of total assets.

## Net debt

Net of cash and cash equivalents and interest-bearing liabilities.

## Net debt ratio

Net debt as a percentage of adjusted EBITDA RTM.

## Number of employees

Number of employees are presented as an average of full-time employees during the last 12-month period considering normal working hours during a year.

# 4C Strategies' Roadmap



## Mission

4C's mission is to combine the power of digital innovation with industrial expertise to build a safe society.



## Vision

4C Strategies' vision is to always be the preferred provider of solutions that create and maintain organizational readiness.



## Our values

4C is a value-driven organization. Our core values are primarily regard how we live and interact with each other, as well as with customers, partners, providers and other stakeholders. They are summed up in four words.

### Results

We always strive to deliver clear results that exceed our customers' expectations and to advance the development of our solutions through incremental and ground-breaking innovations.

### Integrity

We handle the information that we receive and the trust that has been granted to us with the utmost professionalism and discretion.

### Fun

We enjoy going to work and we actively contribute to a pleasant, inclusive and respectful work environment.

### Competence

We attract, develop and motivate exceptional colleagues to deliver value to our customers and grow as individuals and as an organization.



## Financial targets

The overall target areas for 4C Strategies have been set to; Growth, Software revenue and Profitability.

- 4C Strategies strives to achieve an average annual currency-adjusted organic net sales growth exceeding 20% in the medium term.

20%

- 4C Strategies strives for software revenue to exceed 70 per cent of net sales in the medium term.

70%

- 4C Strategies aims to achieve an adjusted EBIT margin of at least 20 per cent in the medium term.

20%

Dividend policy: The Board of Directors have determined that generated cash flow is to be used for investments and further growth in the company, and no dividend is proposed in the short and medium term.

## Strategy

To achieve its financial goals of profitable growth and to maintain its position as a leading software provider in organizational resilience and training readiness, 4C Strategies has formulated an ambitious growth strategy that focuses on four main pillars:

1. Accelerate organic software growth
2. Expand further in the private sector
3. Continued expansion in the defence sector
4. Continued geographical expansion to strategically important countries



# This is 4C

## 4C Strategies

4C Strategies was founded in 2000 and is a leading global provider of software solutions and expert services for organizational readiness, training, and crisis management. Through the Exonaut® software platform, 4C Strategies offers a complete platform for building organizational readiness. Exonaut enables effective, secure, and seamless management of incidents, crises, risks, and compliance assurance. Exonaut also supports the sustainment and continuity of operations affected by disruptions and crises and provides a software solution for both military and civilian customers in training management and capability development.

In addition to Exonaut, 4C also provides software-related services and expert services. We provide our solutions primarily to customers in mission-critical environments such as defence forces, public organizations, and companies in the corporate sector that have a need of managing risks and training for sudden and critical events.

4C Strategies has its headquarter in Sweden and has a global presence with offices in the Nordics, UK, US and Australia.

## Sustainability

4C Strategies recognizes that its business activities have direct and indirect environmental and social impacts, which the company believes it has an obligation to manage to the best of its abilities. Therefore, 4C Strategies has since 2005 been a member of the UN Global Compact, an initiative designed to encourage companies to adopt sustainable and socially responsible policies and to report on their implementation to bring about positive change in human rights, labour, the environment, and corruption.

For more examples of our sustainability work, please visit our website: [investors.4cstrategies.com](https://investors.4cstrategies.com).



**Australia**  
Brisbane

**Nordics**  
Helsinki  
Malmö  
Oslo  
Stockholm (HQ)

**UK**  
London  
Warminster

**US**  
Orlando  
Washington

150+

Customers

100+

Countries with Exonaut users

4C

The stock is traded on the Nasdaq First North Premier Growth Market, under the abbreviated name "4C"



# Our offering

## Exonaut software

### Resilience platform

Exonaut is a complete platform for building organizational readiness and enabling the efficient, secure and seamless management of incidents, crises and risks, as well as ensuring compliance. Exonaut is accredited for use by numerous defence forces, blue-light authorities (e.g. ambulance, police, fire, rescue services) and critical infrastructure providers and is classified for NATO SECRET and NATO UNCLASSIFIED, among other things.

### Training and exercise platform

Exonaut is a world-leading software solution for both military and civilian customers in training management and capability development. Exonaut's exercise platform is used by, among others, NATO and the Swedish, US, British and Australian defence forces.

## Consultancy services

### Software-related services

Our software consultants provide ongoing technical support to our customers. To begin with, this relates to scoping, initiating and implementing Exonaut. After commissioning, we support customers for example on site during large-scale exercises and provide follow-up reports based on training data. Furthermore, our customers are offered technical support depending on the needs and service delivery model in the form of digital innovation and further development of Exonaut.

### Expert services

We have an integrated approach to risk, continuity and crisis management with a focus on assisting our clients in building organizational resilience. Meeting our customers' expectations is key to us and we have high quality standards in everything we do. Together, we strengthen the client's capability to prevent, manage and learn from adverse events.



4C Strategies is the leading provider of training readiness and organizational resilience solutions. With over 20 years of expertise, we support high-profile international institutions, global enterprises and armed forces across 100 countries. We help our customers to train effectively and be ready for the resilience challenges ahead.

Our innovative Exonaut® platform empowers capability development, building on key insights for when it matters the most. Our experts work alongside our customers to prepare their operations for the future, allowing them to transform training, rethink risk, manage crises, and uphold continuity. With offices around the world, we are never far away.

**Be Ready. Be Resilient. Foresee.**



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