4C Strategies

Be Ready. Be Resilient. Foresee.

Annual Report 2024

Our offering

→ Read more about our offering

Exonaut

Resilience platform
Exonaut is a complete platform for building organizational resilience and enabling the efficient, secure and seamless management of incidents, crises and risks.

Training and exercise platform
Exonaut is a world-leading software solution for both military and civilian customers in training management and capability development.

Expertise

Software-related services
Our software consultants provide ongoing technical support to our customers. To begin with, this relates to scoping, initiating and implementing 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.

Contents

4C Strategies – A global software provider

4C Strategies operates in the global and fast-growing market for organizational resilience and training and exercise management solutions for the public, corporate and defence sectors.

Through the Exonaut software platform, 4C Strategies offers a complete platform for building organizational readiness. Exonaut enables efficient, secure, and seamless management of incidents, crises, risks and ensuring regulatory compliance. Exonaut also supports the maintenance of continuity in operations affected by disruptions and crises and provides a software solution for both military and civilian customers in exercise management and capability development.

→ Read more about our operations and strategy

The year in brief

New CEO and stronger product focus
Jonas Jonsson assumed the role of CEO in April 2024 with a clearer strategy for product development and faster go-to-market processes.

New strategic contracts in North America
Strategic customer agreements were secured during the second half of the year, strengthening market position and future growth opportunities.

Focus on COTS solutions for faster delivery and growth
Sales of COTS-based software solutions within both Defence and Resilience have enabled growth and supported profitability.

AI and New Technology Strengthen the Product Offering
Integration of AI and automation into the software platform has improved functionality and increased customer value.

Improved Resilience solutions with clearer packaging
The Resilience products have been repackaged with a stronger customer focus, resulting in better solutions and increased growth potential.

Operational efficiencies implemented
Efficiency improvements, especially within support functions, have delivered the desired effect and established a stronger foundation for 2025.

"Looking back at 2024, I am confident that we are on the right track. From a weak first half to a strong finish"

Jonas Jonsson, CEO

Key figures	2024	2023	2022
Net sales (MSEK)	343.1	332.1	331.3
Net sales growth (%)	3%	0%	27%
FX adjusted organic net sales growth (%)	2%	-3%	18%
Software revenue (MSEK)	235.2	210.4	211.6
Software as a percentage of net sales (%)	69%	63%	64%
EBIT (MSEK)	-5.9	-5.9	28.6
EBIT margin (%)	-2%	-2%	9%
Adjusted EBIT (MSEK)	-5.9	-5.3	49.6
Adjusted EBIT margin (%)	-2%	-2%	13%
Net income for the period (MSEK)	-3.5	-9.3	26.3
Earnings per share before dilution (SEK)	-0.10	-0.27	0.79
Earnings per share after dilution (SEK)	-0.10	-0.27	0.74

343.1 (331,3) Net sales (MSEK)

–2% (–2%) Adjusted EBIT (MSEK)

69% (63%) Software as a percentage of net sales

2% (-3%) FX adjusted organic net sales growth

CEO comment

From challenges to strengthened momentum

2024 was marked by both challenges and progress. The first half of the year was impacted by delayed contracts and prolonged sales processes, especially in North America, which negatively affected our results. At the same time, we launched important internal initiatives – including a new operational structure, improved cost control, and a sharper product focus – to address the challenges and improve performance. During the second half, these efforts began to bear fruit. We saw clear improvements: North America returned to growth, interest in EMEA increased, profitability in Expert Services was restored, and our position in APAC was strengthened. The fourth quarter ended the year with growth, improved EBIT margin, and positive cash flow.

Full-year net sales amounted to SEK 343 million, a 2 percent increase compared to 2023, with software revenue accounting for 69 percent. We enter 2025 strengthened by our second-half performance, while remaining humbly aware that realizing the company's full potential will require continued focus and effort.

The year in review

EMEA – Strengthened customer relationships and a growing focus on Resilience
In EMEA, we continued to reinforce our strong position in the defence market. During the year, we extended and expanded several strategically important contracts, both with our existing UK customers and through new agreements with NATO to support initiatives strengthening military preparedness and presence in Europe. These deals confirm the continued demand for our Exonaut platform and expertise among leading defence actors in the region.

We also saw positive development in the Resilience area. Our efforts to package solutions into more standardized products began to yield results during the year. In Sweden, we launched several new projects focused on continuity and incident management for both public and private customers. Interest from municipalities and government agencies in total defence and preparedness increased significantly in 2024, aligned with our offering. We saw a clear increase in dialogues and inquiries in this area. Overall, the EMEA segment ended the year strongly, laying a solid foundation for continued growth in the years ahead.

North America – A turnaround driven by new key contracts
The first half of the year was affected by uncertainty surrounding the U.S. defence budget and prolonged decision-making processes, which negatively impacted revenue. In response, we strengthened our leadership in the region and focused on building a stronger pipeline across both defence and private sector markets.

The turning point came in the third quarter. We signed a substantial operations and maintenance contract in the region (initial value of approximately SEK 100 million over three years), alongside new contracts for the delivery of our standardized software to U.S. defence customers. These deals not only confirmed a renewed demand but also paved the way for future business. The positive momentum continued into the fourth quarter. We secured additional Exonaut contracts within training and exercise, while previously signed contracts moved into the delivery phase. A key example is our collaboration with the U.S. Army's Joint Modernization Command (JMC) under Project Convergence – a key modernization initiative. By delivering Exonaut to JMC, we demonstrate how our platform streamlines planning, execution, and evaluation of large-scale exercises, strengthening our role in supporting U.S. military capability.

We also made progress within the Resilience area, with increased interest in our crisis preparedness and continuity offerings. Participation in leading conferences clearly demonstrated that our solutions are well aligned with market needs.

In summary, North America moved from a challenging position to becoming a growth driver. While mindful of quarterly fluctuations, we enter 2025 with improved market positioning, stronger references, and a highly relevant offering.

APAC – Strategic initiatives and strengthened presence

In APAC, we followed our long-term strategy, with particular focus on Australia, where our presence is now beginning to yield results. In 2024, we successfully delivered support to the multinational exercise Talisman Sabre – a key initiative in U.S.–Australian defense cooperation. Our contribution provided a clear demonstration of how Exonaut enhances the planning and execution of complex training exercises. The event included participation from 18 nations, providing significant visibility for our platform in the region.

We also extended our contracts with the Australian Special Forces, supporting their capability development and evaluation efforts. These assignments reaffirm our position as a key training and exercise partner with strong growth potential.

The segment's revenue increased year-on-year, mainly driven by delivery on previously signed contracts. While results may vary by quarter due to the region's business cycle, the overall trend is positive. Our presence at major industry events, such as Land Forces in Melbourne, has further raised our profile and positioned us well to secure new business.

Global Expert Services – Restored profitability and rising demand

Our services segment, Global Expert Services, ended the year on a strong note. Following a period of change, the segment returned to profitability in the second half. Revenue for the fourth quarter was in line with the previous year, but with an improved cost structure that yielded strong margins. The order backlog going into 2025 is robust and provides a solid platform for continued growth.

Interest in strengthening organizational resilience and crisis preparedness increased significantly, particularly in the Nordics, where both public and private actors are prioritizing preparedness within a more uncertain world. We are also seeing growing international interest in the Swedish total defence concept. With more than 20 years of experience, 4C Strategies is well positioned to support both existing and new customers.

Expert Services remains a vital complement to our software business. By combining expert services with digital solutions, we deliver greater value to our clients, deepen relationships, and contribute to building more resilient organizations globally.

"We carry strong momentum into 2025. With a global team in place, a compelling offering, and a clear strategy, we are ready to meet both challenges and opportunities."

Closing remarks and Outlook

As a new CEO, it can be tempting to drive rapid change. We have made significant progress during the year, but with a clear focus: to build a strong and profitable business over the long term. Looking back at 2024, I am confident that we are on the right track. From a weak first half to a strong finish, we have sharpened our focus, improved cost-efficiency, and clarified our value proposition.

For a company with just over 200 employees, 4C Strategies has a remarkable global reach and strong customer trust. This gives us solid potential to continue expanding – both geographically and into new domains. Within the defense area, we see opportunities to grow into areas such as naval, air, and space. In the resilience space, demand continues to rise, and both public and corporate sectors are increasingly recognizing the need to enhance preparedness. 4C Strategies is well positioned to be a leading partner in this transformation.

At the same time, we enter 2025 against a backdrop of continued global uncertainty. A new political administration in the U.S., the ongoing war in Europe, and concerns around inflation and global economic outlook may cause short-term delays – for instance, we are seeing that certain defense-related investments may be postponed in the current climate. We also communicated in connection with our rights issue in early 2025 that this uncertainty could lead to delayed revenue recognition from contracted orders. However, I want to emphasize that this same global uncertainty also reinforces the need for what we offer. Defence capability, organizational resilience, and crisis management have perhaps never been more critical to governments, agencies, and businesses. Over the long term, we see significant growth opportunities – our markets enjoy strong structural tailwinds. Our responsibility is to manage short-term volatility with care while capitalizing on long-term potential.

After my first year as CEO, I clearly see the impact of the changes we've implemented and the high level of engagement within our organization. I am proud of our employees' efforts and grateful for the trust our customers and shareholders' place in us. We carry strong momentum into 2025. With a global team in place, a compelling offering, and a clear strategy, we are ready to meet both challenges and opportunities. We will continue to move forward – with focus, responsibility, and humility – to create long-term value and development for our customers, our employees, and you, our shareholders.

Jonas Jonsson
CEO

Share

As of December 31 2024 the share capital amounted to SEK 614,813 divided into 35 132 142 shares, where all shares are ordinary shares. Each common share gives the holder one vote and an equal right to share in 4C's assets and profits. The quota value can be found in Group's note G17.

4C Strategies has been listed on the Nasdaq Premier Growth Market since May 24, 2022, under the symbol "4C". The initial offering price was SEK 35 per share, and by the end of 2024, the share price had reached SEK 9.88, with a total market capitalization of SEK 347 million.

Warrant program

The 2017/2023 warrant program had its subscription period in December 2023. Out of a total of 700,000 warrants in the program, the number of newly issued shares amounted to 280,000, which were issued in 2023. In the first quarter of 2024, 388,000 shares were newly issued from the program, resulting in the remaining 32,000 warrants not being subscribed to by the warrant holders.

The 2019/2024 warrant program had its subscription period in March 2024. Out of a total of 560,000 warrants in the program, the number of newly issued shares amounted to 545,000, meaning that the remaining 15,000 warrants were not subscribed to by the warrant holders. The total number of shares at the end of the period was 35,132,142 (34,199,142). For more information on the current warrant programs, see note G5 in the annual report.

Shareholder information

After the 2024 financial year, there have been slight changes among the largest shareholders. Among the existing owners who have increased their holdings are Tibia Konsult AB, Martin Gren (Grenspecialisten), and Polaris Management A/S. For more information about current shareholders, please visit our website.

Key information about 4C share

Ticker code: **4C**

Market place: **Nasdaq First North**

List: **Premier Growth Market**

Share price: **9.88 SEK per share at year-end**

Market capitalization: **347 MSEK at year-end**

Shareholders (2024-12-31)	Num. of shares	Capital	Votes
Andreas Hedskog	3,892,378	11.08%	11.08%
Martin Gren (Grenspecialisten)	2,989,989	8.51%	8.51%
Klas Lindström	2,983,962	8.49%	8.49%
Fjärde AP-fonden	2,597,857	7.39%	7.39%
Mikael Edqvist	2,205,898	6.28%	6.28%
Tibia Konsult AB	1,684,285	4.79%	4.79%
LMK-bolagen & Stiftelse	1,500,000	4.39%	4.39%
Chelverton Asset Management	1,380,000	3.93%	3.93%
Erik Syrén	1,346,482	3.83%	3.83%
Livförsäkringsbolaget Skandia	1,215,507	3.46%	3.46%
Total 10	21,796,358	62.16%	62.16%
Other	13,335,784	37.84%	37.84%
Total number of shares	**35,132,142**		

Financials

Directors' report

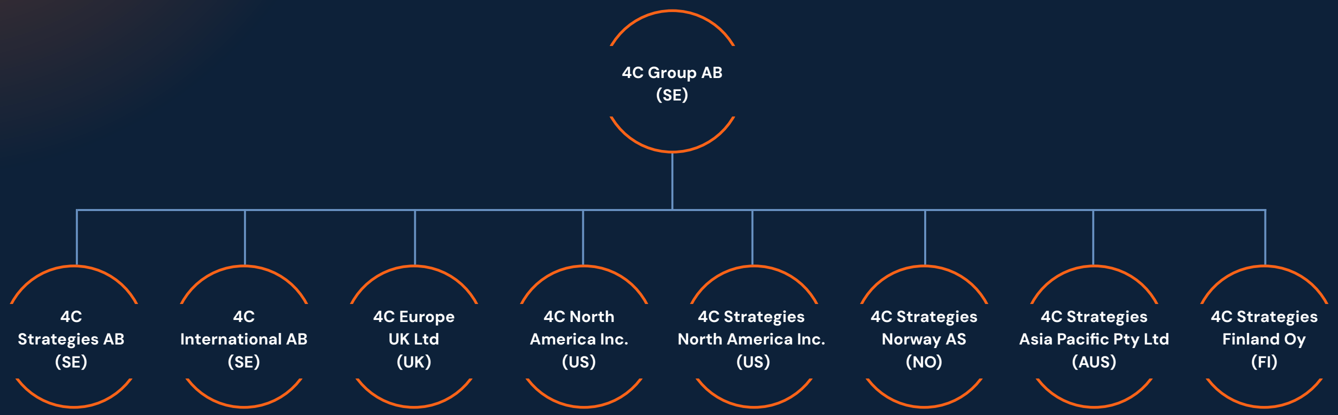
The Board of Directors and Chief Executive Officer (CEO) of 4C Group AB (publ) with registration number 556706-0412 hereby submit the annual report and consolidated financial statements for the Parent Company's and the Group's operations during the financial year 1 January 2024 to 31 December 2024. The annual report has been prepared in Swedish kronor.

Our business & organizational structure

Information in parentheses refers to the previous financial year, i.e. 2023. 4C Group AB (publ) is referred to as "4C Group", "4C", "the Company", "the Group" or similar, which in all cases refers to 4C Group AB and its subsidiaries.

4C Group AB is the Parent Company of the Group and is headquartered in Stockholm. The Group currently consists of eight subsidiaries based in Sweden, Norway, Finland, the United Kingdom, the United States and Australia. All subsidiaries are operational units and work with sales and delivery to our addressable markets. The Parent Company, 4C Group AB, is responsible for product development, support functions and management, and is located in the offices in Malmö and Stockholm. The Group is marketed under the name "4C Strategies".

Group structure



Founded in 2000, 4C Strategies is a leading global provider of software solutions and expert services for organizational resilience, training and crisis management, with a unique range of services and products in the market. Through the Exonaut software platform, 4C Strategies offers a complete platform for building organizational readiness. Exonaut enables efficient, secure and seamless management of incidents, crises, risks and compliance assurance. Exonaut also supports the maintenance and continuity of operations affected by disruptions and crises and provides a software solution for both military and civilian customers in exercise management and capability development.

In addition to Exonaut, 4C Strategies also provides software-related services and expert services. The company offers its solutions primarily to customers in public and business-critical areas such as defence forces, government organizations and corporate sector companies who have a need to manage risks and prepare for sudden and critical events. Common among 4C Strategies customers is that high security is a high priority. The company's Exonaut software platform is accredited by, among others, NATO at the Secret Level and Cyber Essentials Plus level, which creates a high degree of trustworthiness for the company's software solutions.

Significant events during 2024 fiscal year

2024 has been marked by continued turbulence in the surrounding world, where geopolitical instability has created uncertainty for businesses and organizations globally. At the same time, the macroeconomic conditions have stabilized through reduced interest rates and decreased inflation, which has contributed to a certain recovery in the economy. The geopolitical situation has continued to be affected by the ongoing war in Ukraine and in the Middle East. This has continued to influence the financial markets and the business climate in various ways.

Within our market, we have seen a mixed impact. The more stable macroeconomic development has created increased optimism, but many actors remain cautious. This affects both investment decisions and the overall business climate.

During 2024, significant changes were made in leadership and organization to strengthen the company's continued growth and international expansion.

The board appointed Jonas Jonsson as the new CEO and Group CEO of 4C Strategies, effective April 2, 2024. Jonas has been employed since 2013 and has held several operational leadership roles, most recently as Managing Director of 4C International, where he led the company's expansion in EMEA and APAC.

To further strengthen the group management, several new appointments were made. Chris Wildman assumed the role of Chief of Staff (CoS), while Miles MacDonald was appointed Vice President APAC, Paul Steel as Vice President EMEA Defence, and Stefan Liebig as Vice President EMEA Public Corporate. At the same time, Maria Larsson and Mikael Edqvist left the group management for new challenges outside the company.

In addition to the changes in leadership, 4C Strategies restructured its operations to streamline its global organization. Starting in 2024, the operations were coordinated into four segments: EMEA, North America, APAC, and Global Expert Services. Segment reporting according to the new structure was introduced in the third quarter of 2024.

To drive continued growth, 4C Strategies has continued to invest in and further develop our Exonaut software throughout the year. The focus has been on strengthening and refining our existing solutions. We have structured both the defence solution and the resilience solution to better meet market needs. The resilience solution has received special focus, where we have expanded and strengthened the offering within our COTS solution – a ready-made, scalable product that can be delivered directly to the customer.

At the same time, we see a growing demand for ready-made products even within the defence sector, where the need for scalable and proven solutions is becoming increasingly clear.

4C Strategies continues to invest in the software to create a faster path to growth. Through these investments, we aim to accelerate our development and expand business opportunities within the software segment, which is expected to lead to an increased number of software sales in the future. Financially, this year's software revenue relative to net sales amounts to 69% (63%).

Significant events after the end of fiscal year 2024

The company's activities continue as planned and the strategic focus on growth remains in place.

During 2024 and the beginning of 2025, the change in presidency in the United States has created shifts in the global political and security dynamics, which have affected defence policy and relations within NATO. In Europe, intense discussions are ongoing about strengthening defence cooperation, especially in light of the uncertain situation in Ukraine. These changes are affecting our market and our customers and we are closely monitoring the developments. The uncertainty surrounding geopolitics, defence strategies, and international relations means that we are keeping an eye on how these factors may impact our business areas and long-term strategies.

Towards the end of 2024, a number of contracts were closed where software and license deliveries were completed before the turn of the year 2024/2025. These deals were recognized as revenue in the 2024 in accordance with the Group's adopted accounting principles. The public announcements regarding several of these contracts were made through press releases during the first quarter of 2025. Of the total communicated contract value of approximately SEK 400 million in Q1 2025, around SEK 50 million relates to software deliveries that were recognized as revenue in 2024.

On March 27, 2025, the Board of Directors resolved on a directed share issue to Swedish and international institutional investors. The issue comprised two tranches and was completed in April 2025. The subscription price was SEK 17.50 per share, corresponding to approximately SEK 55 million before transaction costs. The purpose of the issue was to strengthen the Company's financial position

Altin has joined as the new CTO in the management team. The company has also recruited Veronica Wallin as the new CFO, as Anders Nordgren is leaving the company for new challenges.

Revenue and earnings

Revenue

Net sales increased by KSEK 11,001 or 3%, from KSEK 332,101 for the financial year ended 31 December 2023 to KSEK 343,102 for the financial year ended 31 December 2024. The company has had a stable share of software revenue totalling KSEK 235,180 (210,448). 4C Strategies has a financial target of software revenues amounting to at least 70% of net sales in the medium term. The software share amounted to 69% (63%). Like 2023, the company benefited from continued software sales in a number of strategically important customers and markets.

In the EMEA segment, net sales amounted to KSEK 169,039 (178,394) corresponding to an decrease of 5%. Sales in the APAC segment amounted to KSEK 17,068 (23,593), a decrease by 28%, primarily due to reduced software sales in 2024. Net sales in the North America segment amounted to KSEK 97,085 (66,720), corresponding to an increase of 46%, which is due to delayed sales processes during 2023 and increased software sales in 2024. Within the Global Expert Service segment net sales amounted to KSEK 59,910 (63,394) a decrease with 6%. Net sales per customer group shows the following within each sector: The defence sector has seen an increase compared to the previous year, 18% (0%), the public sector shows a decrease of -30% (9%), and the corporate sector shows a decrease of -25% (12%).

Other operating income amounted to KSEK 3,156 (3,082) corresponding to an increase of 2%. Other operating income consists of exchange rate gains from operating receivables and other items that cannot be defined in any of the other revenue categories, such as Rounding. Total revenue amounted to KSEK 346,257 (335,183) for the financial year 2024, resulting in an increase of 3%.

Operating expenses

Other external costs

Other external costs decreased by KSEK 6,122, corresponding to a decrease of 7%. In total, the other external costs amounted to KSEK 85,692 (91,814) and were mainly related to costs for expansion and growth in all functions. In 2024, 4C Strategies has also invested in the technological environment to strengthen the digital infrastructure for employees, which is expected to continue in the coming years.

Personnel costs

As of 31 December 2024, personnel costs amounted to KSEK 259,397 (244,550). Personnel costs increased by KSEK 14,847 or 6%, which is primarily due to a resource relocation, where the focus has been on expanding the sales department to strengthen our capabilities in our strategic markets. Between 2023 and 2024, the company increased the average number of full-time employees (FTEs) from 204 to 206. At the same time, the share of personnel costs in relation to net sales amounted to 76% (74%).

Capitalized work for own account

Capitalized work for own account increased by KSEK 1,522, corresponding to an increase of 4%. Total own work capitalized amounted to KSEK 37,607 (36,085). This item refers to the company's development of its Exonaut software. 4C Strategies continuously invests in its software to be able to broaden and develop its range to reach the target growth of at least 20% in the medium term.

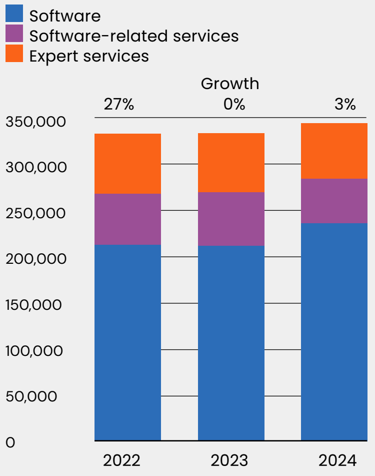
Other operating expenses

Other operating expenses amounted to KSEK 1,942 (3,274), corresponding to a decrease of 41%. Other operating expenses consist of exchange rate losses on operating liabilities and any minor nontangible items.

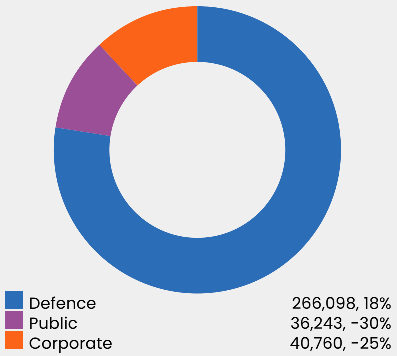
Operating income before depreciation/ amortization, EBITDA

Operating income before depreciation/ amortization (EBITDA) amounted to KSEK 36,834 (31,629), which corresponds to a margin of 11% (10%). During the year, the company had no costs that is reported as an item affecting comparability. The comparative figures include delayed costs for the IPO. Items affecting comparability amounted to KSEK 0 (589). Adjusted EBITDA amounted to KSEK 36,834 (32,218) with a margin of 11% (10%) for the year.

Net sales, KSEK



Net sales per customer group, KSEK, and growth rate for 2024, %



Depreciation of fixed assets
Depreciation of tangible fixed assets increased by KSEK 1,829 (5,569), corresponding to 9%. In total, depreciation of tangible fixed assets amounted to KSEK 21,824 (19,995) and is mainly attributable to right-of-use assets such as IT equipment and premises which refers to servers, computers and office leases.

Amortization of intangible fixed assets
Amortization of intangible fixed assets increased by KSEK 3,405 (2,568), corresponding to 19%. In total, amortization of intangible fixed assets amounted to KSEK 20,942 (17,537) and is attributable to research and development of our own software.

Operating income, EBIT
Operating income (EBIT) amounted to KSEK -5,932 (-5,902), which corresponds to a margin of -2% (-2%). During the year, the company had no costs that is reported as an item affecting comparability. The comparative figures include delayed costs for the IPO. Items affecting comparability amounted to KSEK 0 (589). Adjusted EBIT amounted to KSEK 5,932 (-5,313) with a margin of -2% (-2%) for the year.

Income after financial net
Financial income and expenses amounted to KSEK 2,876 (2,619), of which financial income of KSEK 19,608 (16,370) and financial expenses of KSEK 16,732 (18,989). Income after financial net amounted to KSEK -3,057 (-8,521)

Net income
This year's taxes amounted to KSEK 411 (822), corresponding to a tax rate of 20.6% (20.6%). Net income amounted to KSEK -3,468 (-9,343), corresponding to earnings per share before and after dilution amounting to SEK -0.10 (0.27).

Financial position
At the end of the year, the equity ratio was 54% (59%). Interest-bearing liabilities amounted to KSEK 91,570 (61,589) at the end of the year, of which KSEK 45,088 (49,204) relates to leasing liabilities. The remaining part of the interest-bearing debt of KSEK 46,482 (12,386) relates to deferral on tax payments of MSEK 1,985, a check credit facility of KSEK 41,483 and financing for software licenses amounting to KSEK 3,014. The total deferral on tax payments is planned to be repaid during 2025. Cash and cash equivalents amounted to KSEK 24,168 (62,227) at the end of the year. Net debt thus amounted to KSEK 67,402 (-637) moving into fiscal year 2025.

Equity amounted to KSEK 237,311 (226,501) corresponding to SEK 6.8 (6.6) per outstanding share and SEK 6.8 (6.4) per outstanding share after dilution at the end of the year.

Cash flow
Cash flow from operating activities for the year amounted to KSEK -25,704 (-17,746). During the year, the change in working capital has been negatively impacted by larger software sales being recognized as revenue and recorded as contract assets on the balance sheet.

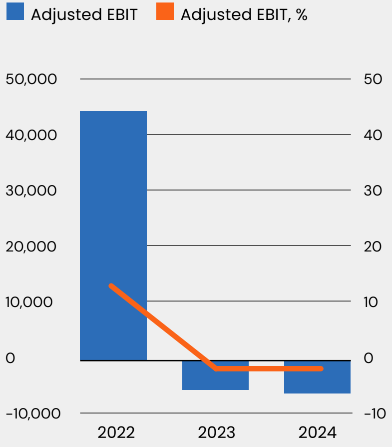
Cash flow from investing activities for the year amounted to KSEK -41,167 (-37,445). The change in cash flow relates to the development of Exonaut and is in line with expected growth compared to the previous year.

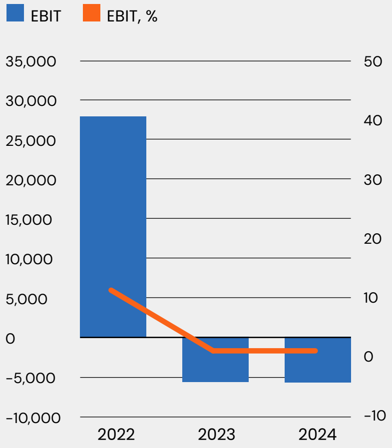
Cash flow from financing activities for the year amounted to KSEK 26,766 (-29,084). During the year, cash flow has mostly been affected by amortization of leasing liabilities, payment of deferrals on tax payments and used credit line.

Our financial result during the year has negatively impacted our liquidity position. We are closely monitoring our cash situation and expect an improved and more stable cash flow moving forward. In March 2025, the Board of Directors resolved on a directed share issue of approximately SEK 55 million, which was completed in April 2025. The issue strengthens the Company's liquidity and improves its ability to support future growth. Management's assessment is that the Company has sufficient financing for the next 12 months, based on current forecasts and available credit facilities.

Employees
In 2024, the Group has had 206 (204) full-time employees on average (FTEs), of which 61 (63) women. The number of employees is presented as an average of full-time employees over the past 12 months taking into account normal working hours over a year.

4C Group's offering is based on our combined expertise in exercise, crisis management and expertise in resilience and readiness. It is

Adjusted EBIT


EBIT


therefore of the utmost importance that everyone complies with and acts in accordance with our values, to ensure that we continuously attract but also retain critical expertise within the company.

To ensure this, we follow up our business by measuring both staff turnover and employee's commitment, where we during the year 2024 had a staff turnover below our target of 15%. Employee's commitment is measured in an annual employee survey, and we are above our target, both for the Group and for all operating units. We are very proud of this as it indicates that we have an organization with a strong culture and a high commitment to 4C. We work continuously to analyze areas for improvement and act, if necessary, to continue to be an attractive employer in a difficult labour market with skills shortages. We see that our actions have yielded results during the year.

The breakdown of the number of employees between the Group's companies is set out in Note G5.

Investments
4C Strategies is a growth company and continuously invests in our business. This year's investments are mainly linked to software development of our Exonaut software, broadening and improvement of ready-made products (COTS), strengthening of our sales department and marketing capacity.

Risk and risk management

4C is exposed to a number of risks that may affect the Group's result and financial position. 4C continuously evaluates, identifies and manages the company's risks. The risks that are deemed to be most significant are presented below:

Risks related to the operations

Risks related to 4C Strategies' IT-infrastructure och security systems
Among other factors, given the purposes for which Exonaut is used, and by whom, the company and its customers are subjects to risks related to the resilience and security of its IT infrastructure and related security systems. The approaches and techniques used to gain unauthorised access to data and software (for example techniques such as ”scraping”) are constantly evolving and the company may fail to ensure the software's success in anticipation or prevention of unauthorised access to data related to, among other factors, trade secrets or customers and employees. Attacks on 4C Strategies' and its customers' IT infrastructure and security systems may cause system failures, disruptions, loss of data, delays in the delivery of services, and/or service disruptions, which may result in the loss of critical data or unauthorised access to personal data (related to both the company and its customers) and may result in claims for damages against the company.

Risks related to confidential information
4C Strategies' activities involve the handling of sensitive and confidential information. In addition to the technical measures taken by 4C Strategies to protect access to information, the company also relies on confidentiality agreements to protect internal and external know-how, confidential information and trade secrets of the company and its customers. Nevertheless, unauthorised, intentional or unintentional disclosure or use of the company's and its customers' information may occur.

Risks related to internal control
As there is a risk that the company may be exposed to attempts at various types of intrusions, espionage, fraud, hacking, fraudulent invoices and other improper actions, it is important that the Company's employees can identify and know how to manage these types of risks and events. There is a risk that the company's governing documents have not considered each relevant risk or that the company's employees do not act in the particular situation as stipulated in the company's governing documents, which could result in harm to the company and the company's customers if, for example, it leads to the unauthorised disclosure of sensitive information.

Risks related to sales to publicly funded entities
During the financial year 2024, 88% of 4C Strategies' revenues were attributable to the defence and public sectors. There is a risk that the purchasing power of 4C Strategies' publicly funded customers could decline as a result of government or public austerity programs and other policy decisions. This could include, for example, political decisions to reduce defence budgets in countries where 4C Strategies customers are defence forces, which could lead to a reduction in military exercises and thus a reduced need for the company's service offering. There is also a risk that 4C Strategies' public sector customers may decide to reduce current or future investments in, for example, total defence or in other areas in which 4C Strategies provides services.

External risks
As 4C Strategies helps its customers solve complex needs in mission-critical environments, the company needs to constantly monitor changes in the world around it, including political, security, global and local conflicts, wars or other civil disruptions. If the company fails to keep abreast of changes in the world or misjudges the impact of those changes, there is a risk that the company will not be able to deliver the expert services or service offering requested or will not adapt its Exonaut® platform or service offering to new world events and customer requirements in a timely manner

Technology risks
As society in general digitises, new risks, and thus new needs, arise for virtually all industries, including with respect to product and service offerings similar to the company's. 4C Strategies believes that continued technological development will require the company to be able to continually deliver valuable updates to Exonaut. It is therefore necessary for 4C Strategies to continue to evaluate its product and service offerings and adapt them to customer preferences, environmental considerations and technological developments generally. This may prove difficult if the technology desired by the

customer is not available to the company on reasonable terms or at all within the company's platform, or if the company is unable to develop its product and service offering on its own to match the needs/requirements of the customers at the time.

Financial risks

Risks related to future capital requirements

The company has grown strongly in terms of increased net sales in recent years and the company intends to maintain its focus on growth in existing markets and to expand into new ones. The company believes that future growth will require access to working capital and investment primarily in global expansion and new technology. The Board of Directors of the company has adopted financial targets which include that 4C Strategies aims to exceed an average annual organic net sales growth rate of 20 per cent in the medium term.

Although the company has historically been able to finance its operations with primarily internally generated funds, in the future the company may need to seek additional funding to intensify development projects and marketing efforts. The availability of capital in the capital and credit markets depends, among other factors, on the general state of the financial markets, the company's creditworthiness and its ability to increase its indebtedness. Therefore, depending on the circumstances in which additional capital is sought, the company may be required to accept financing on less favourable terms. In addition, market disruptions or uncertainties in the external environment may limit the availability of the capital required to operate the business. There is a risk that the company may not be able to access additional capital when needed or that available capital may only be obtainable on unfavourable terms. If these risks materialise, this could have an adverse impact on the company's business, results of operations, financial condition and prospects.

Risks related to exchange rate fluctuations

The Group operates in several countries with a local currency cost base and is therefore exposed to currency risk. Currency risk refers to the risk that currency fluctuations will have a negative impact on the Group's cash flow, income statement or balance sheet and will affect the Group's results if sales and procurements are made in different currencies. Currency risk to the Group arises primarily from the Group's sales and, to a more limited extent, purchases, in foreign currencies, known as transaction exposure. In addition, the Group is exposed to risks related to the translation of the assets and liabilities of foreign operations into the functional currency of the parent company, known as translation exposure.

For 4C Strategies' transactions, exposures arise mainly in GBP, USD, AUD and EUR as primarily sales bases and some other cost bases are denominated in those currencies. Of all incoming cash flows in 2024, GBP and USD accounted for the vast majority. For this reason, there is a risk that unfavourable changes in foreign exchange rates could impact the Group's revenues, which could adversely affect 4C Strategies' margins and operating income. The company does not hedge estimated cash flows denominated in foreign currencies, which could increase the risk that any major currency fluctuations could adversely affect the operating income (EBIT).

Tax related risks

4C Strategies operates in several countries and the tax strategies applied by the Group are based on interpretations of current tax legislation in the various countries where the company operates, including with respect to corporate income tax, VAT, classifcation of various intra-group and other transactions, employer's contributions and similar taxes and duties. If the Group's interpretation or application of tax laws, tax treaties or other tax regulations proves to be incorrect, or if applicable tax laws, tax treaties, regulations or interpretations by authorities, or practices in relation thereto change, including with retroactive effect, the Group's past and current tax position may be subject to reassessment by tax authorities. There is a risk that a reallocation of income will be required, meaning that as taxable income increases in one country of operation, a corresponding decrease will occur in the other country of operation. The overall tax burden may increase if it is allocated to a country with a higher tax rate. A reallocation may therefore affect the Group's global effective tax rate and impact the Group's financial position and results of operations. Furthermore, if a tax authority were to consider that the Group has made incorrect allocations of profits between countries, resulting in incorrect tax losses, or if intra-group transactions have not taken place at arm's length, this could lead to litigation or arbitration proceedings. If a tax authority were to prevail in such reassessments or disputes, an increased tax cost could be incurred, including fees, interest costs and tax penalties.

Furthermore, changes in tax rules may adversely affect the Group in terms of one-off effects on the revaluation of tax assets and liabilities, as well as have a negative impact on the Group's ongoing business operations. If any of these risks were to materialize, this could result in an increased tax expense for the Group, which could have a material adverse effect on the Group's financial position and results.

Guidelines for remuneration to senior executives

General

The Board of Directors approved on the 2023 Annual General Meeting the following guidelines for remuneration to senior executives. The guidelines shall apply to remuneration that may be agreed upon or to changes in already agreed remunerations after the guidelines have been adopted by the annual general meeting. The guidelines do not apply to any remunerations that has specifically been approved by the general meeting or any remuneration in the form of shares, warrants, convertibles or other share-related instruments such as synthetic options or employ stock options, which require specific approval by the general meeting. These guidelines apply to the CEO and other senior executives in the group as well as to any remuneration to members of the board other than approved director fees. Regarding employment conditions that are governed by rules other than Swedish, appropriate adjustments may be made in order to comply with such mandatory rules or established local practice, whereby the general objectives of these guidelines shall, to the extent possible, be met.

The guidelines' promotion of the company's business strategy, long-term interest and sustainability

The guidelines shall contribute to establish conditions for the company to recruit and maintain qualified senior executives in order to successfully implement the company's business strategy and achieve the company's long-term interests, including sustainability. The guidelines shall also stimulate an increased interest in the business and the result as a whole as well as increase the motivation of the senior executives and increase the belonging within the company. The guidelines' purpose is further to create alignment between the company's shareholders and the senior executives. The guidelines shall also contribute to a good ethics and culture within the Company.

In order to achieve the company's business strategy, total annual remuneration must be market-based and competitive in the employment market where the senior executive is located, as well as take into account the individual's qualifications and experience; furthermore, exceptional performance should be reflected in the total remuneration. Variable cash remuneration covered by these guidelines is intended to promote the Company's business strategy and long-term interests, including sustainability.

The forms of remuneration

Fixed remuneration

The remuneration to the senior executives in the company shall comprise of fixed cash salary, possible variable cash salary, other customary benefits and pension payments in accordance with the company's policy, as applicable. The total cash remuneration, including pension benefits, shall, on a yearly basis, be in line with market practice and competitive on the labor market where the senior executive is based and take into account the individual responsibilities, competences, qualifications and experiences of the senior executive as well as reflecting any notable achievements. Fixed and variable cash salary shall be related to the senior executives' responsibility and authority. The fixed cash salary shall be revised on a yearly basis.

Variable remuneration

The senior executives may receive variable cash remuneration in addition to fixed cash salaries. The variable remuneration shall be based on the outcome of actual predetermined targets based on the company's business strategy and the long-term business plan approved by the board of directors. The targets may include share based or financial targets, on group level, operational goals and goals for sustainability and social responsibility, employee engagement or customer satisfaction. These targets are to be established and documented annually. The variable cash remuneration shall also be designed with the aim of achieving alignment between the participating senior executive and the company's shareholders in order to contribute to the company's long-term interest.

The conditions of any variable cash remuneration should be designed so that the board of directors may reduce or withhold payment of variable remuneration in the event of exceptional economic circumstances, or if the board of directors finds the payments unreasonable and incompatible with the company's responsibility to its shareholders.

With respect to potential yearly bonuses, it shall be possible to reduce or withhold payments, if the board of directors deems it reasonable because of any other reasons. The company has no right according to agreements to reclaim variable remuneration paid in cash.

Pension and other benefits

The company may provide other benefits to senior executives in accordance with the company's policies. Such other benefits may include company healthcare and education. Pension premiums shall amount to a maximum of 25 percent of the pensionable salary. Pension benefits shall be premium-defined. Normally, entitlement to pension is at the age of 65. Variable cash remuneration do not qualify for any pension entitlements/contributions. If the company is bound by a collective bargaining agreement, deviations from what is stated herein may occur to meet requirements in any such applicable collective bargaining agreement. For executives who are stationed in a country other than their home country, additional remuneration and other benefits may be paid to a reasonable extent, taking into account the particular circumstances associated with such expatriation, whereby the overall purpose of these guidelines is to be met as far as possible.

Other relevant information

If a director performs services on behalf of the company, which do not constitute board work additional consultancy fees or other additional remuneration may be paid to directors upon decision by the board of directors following recommendation by the remuneration committee. Any such remuneration shall be designed in accordance with these guidelines.

When the measurable period for fulfilment of the criteria for payment of variable cash compensation has ended, the extent to which the criteria have been met shall be determined. The board of directors, after following recommendation by the remuneration committee, is responsible for the assessment of variable cash remuneration to the CEO and the CEO is responsible for the assessment of variable cash remuneration to other executives. With respect to financial targets the evaluation shall be based on the company's latest publicly available financial information.

Notice of termination and severance pay

Fixed salary during the notice period and any severance pay shall in total not exceed an amount corresponding to a maximum of one years' fixed salary. The maximum notice period in any senior executive's contract may be no more than twelve months during which time salary payment will continue.

Deviations from the guidelines

The Board of Directors shall be entitled to deviate from the guidelines with regards to the recruitment of senior executives on the global labor market to be able to offer competitive terms and conditions, in an individual case if there are special reasons for it and a deviation is necessary to ensure the company's long term interests and sustainability or to ensure the company's economic viability. Such deviation shall also be approved by the remuneration committee. An arrangement deviating from the guidelines can be renewed but each such arrangement shall be limited in time and shall not exceed a period of 12 months or an amount that is twice the remuneration that the individual would have received had no additional arrangement been made.

Preparation and decision processes
Decisions regarding salary and other remuneration to the CEO and other senior executives are prepared by the remuneration committee and resolved by the Board of Directors and, where applicable, the CEO.

The remuneration committee shall also prepare the board of directors' decisions on issues concerning principles for remuneration. The remuneration committee shall also monitor and evaluate programs for variable remuneration, both ongoing and those that have ended during the year, for the senior executives and monitor and evaluate the application of these guidelines for remuneration to senior executives, as well as current remuneration structures and levels in the company.

The company believes remuneration is one of several key components in attracting and retaining the right employees. The company shall offer a total rewards package that is:

- **Fair and equitable:** No employee should be discriminated against on the basis of gender, ethnicity, age, disability or any other factor unrelated to performance or experience. Remuneration shall be paid in relation to the level of responsibility and impact on the business that a certain role has.

- **In line with market:** The company strives for market-based remuneration and benefits. Base and variable pay, as well as benefits and pensions should be in line with what each local market offers for similar positions.

- **Performance based:** The company recognizes people who are committed to sustainable longterm performance that drives the business and develops the company in line with our values and principles. High performance is the main differentiator for employee's rewards packages.

In preparing the Board of Directors' proposal for these guidelines, salary and terms of employment for the company's employees have been taken into account, with respect to information on the employees' total remuneration, the components of the remuneration and the rate of increase and increase over time, when the remuneration committees and the boards of directors have decided on the evaluation of the reasonableness of these guidelines and the limitations that follows from the guidelines

4C's share
4C Group AB (publ) has been listed on the Nasdaq First North Premier Growth Market since 24 May 2022.

The warrant program 2017/2023 had its subscription period in December 2023. Of the total 700,000 options in the program, 280,000 new shares were issued, which were issued in 2023. During Q1 2024, 388,000 shares were newly issued from the program, resulting in the remaining 32,000 warrants not being subscribed to by the warrant holders.

The warrant program 2019/2024 had its subscription period in March 2024. Of the total 560,000 options in the program, 545,000 new shares were issued, meaning the remaining 15,000 warrants were not subscribed to by the warrant holders. The total number of shares at the end of the period was 35,132,142 (34,199,142).

For more information, see note G5.

Financial targets and dividend policy
Financial goals
4C Strategies' overall financial targets have been defined in the following areas: Growth, Software Revenue and Profitability:

- 4C Strategies aims to exceed an average annual FX-adjusted organic net sales growth of 20 per cent in the medium term.
- 4C Strategies aims to reach software revenue in relation to net sales exceeding 70 per cent in the medium term.
- 4C Strategies aims to reach an adjusted EBIT margin exceeding 20% in the medium term. 4C Strategies' financial targets should not be seen as a forecast, but rather as the ambition for the Group decided by the Board and executive management.

Dividend policy
The Board has 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.

Corporate governance report
The corporate governance report is submitted on page 60-73 with a separate auditor statement.

Parent Company
The Parent Company's activities are primarily focused on product development and groupwide functions such as legal support, financial management and marketing activities. At the end of the year, the Parent Company had 76 (70) in average number of employees (FTEs).

- Net sales amounted to KSEK 199,576 (187,246)
- Operating income amounted to KSEK -22,683 (-29,870)
- Income after financial net amounted to KSEK -17,287 (-28,793)
- The Parent Company's cash and cash equivalents as of 31 December 2024 amounted to KSEK 1,312 (34,543)

The Parent Company's financial information can be found on page 45–55 of the annual report.

Outlook

The group's revenues do not cover the costs for the year. Liquidity has also worsened during the year, which is being monitored and managed with full focus on strengthening it through several measures. Based on the outlook, the company sees significant opportunities to reverse the trend and create both profitability, growth, and a better liquidity position. The company also carried out a directed new share issue on March 27, 2025, which raised 54,999,998 SEK in new equity.

Risks and uncertainties

The wars in Ukraine and the Middle East have reached new milestones, but uncertainty remains regarding their impact and the future. Inflation and interest rates have stabilized, and the macroeconomic environment is becoming less volatile. 4C Strategies has established internal measures that will be evaluated and revised to ensure that we act and can act proactively to manage challenging situations. The Board of Directors and the CEO believe that 4C Strategies is equipped to achieve continued strong growth with competitive software and services as well as an efficient organization to maintain profitable growth.

Proposed allocation of profits

The following unrestricted equity of the Parent Company is at the disposal of the Annual General Meeting (KSEK):

	KSEK
Additional paid in capital	167,192
Profit/loss brought forward	9,618
Net income for the year	-19,909
Total	**156,901**

The Board of Directors proposes to the Annual General Meeting that no dividend be paid, that the following (KSEK) be carried forward:

	KSEK
To be carried forward	156,901
Total	**156,901**

Overview fiscal years

	2024 Q1-Q4	2023 Q1-Q4	2022 Q1-Q4	2021 Q1-Q4	2020 Q1-Q4
Net sales (MSEK)	343.1	332.1	331.3	261.2	185.3
EBIT (MSEK)	-5.9	-5.9	28.6	47.1	13.1
EBIT margin (%)	-2%	-2%	9%	18%	7%
Adjusted EBIT (MSEK)	-5.9	-5.3	43.9	49.6	13.1
Adjusted EBIT margin (%)	-2%	-2%	13%	19%	7%
Income after financial items (MSEK)	-3.1	-8.5	32.6	49.7	9.7
Total assets (MSEK)	437.6	386.4	391.6	243.9	158.1
Equity ratio (%)	54%	59%	59%	44%	42%
Average FTE	206	204	189	154	130
Earnings per share before dilution (SEK)	-0.10	-0.27	0.79	1.26	0.24
Earnings per share after diliution (SEK)	-0.10	-0.27	0.74	1.17	0.23

Consolidated statement of profit and loss

KSEK	Note	2024	2023
Net sales	2,3	343,102	332,101
Other revenue	2,8	3,156	3,082
Total revenue		**346,257**	**335,183**
Operating expenses			
Other external costs	4	-85,692	-91,814
Personnel costs	5	-259,397	-244,550
Capitalized work for own account	10	37,607	36,085
Other operating expenses	8	-1,942	-3,274
Total operating expenses		**-309,424**	**-303,553**
Operating income before depreciation and amortization		**36,834**	**31,629**
Depreciation	11,12	-21,824	-19,995
Amortization	10	-20,942	-17,537
Operating income		**-5,932**	**-5,902**
Financial items			
Financial income	6	19,608	16,370
Financial expenses	7	-16,732	-18,989
Income after financial items		**-3,057**	**-8,521**
Taxes	9	-411	-822
Net income for the year		**-3,468**	**-9,343**
Income attributable to:			
Parent company's shareholders		-3,468	-9,343
Other information			
Earnings per share before dilution (SEK)	18	-0,10	-0,27
Earnings per share after dilution (SEK)	18	-0,10	-0,27

Consolidated statement of other comprehensive income

KSEK	Note	2024	2023
Net income for the year		-3,468	-9,343
Other comprehensive income			
Items which will be reclassified to the income statement (net of tax)			
Translation adjustments attributable to foreign operations		-	-28
Other comprehensive income for the period, net of tax		**0**	**-28**
Total comprehensive income for the period		**-3,468**	**-9,371**

Consolidated statement of financial position

KSEK	Note	2024-12-31	2023-12-31
ASSETS			
Intangible assets	10	93,318	73,639
Tangible assets	11	3,404	4,014
Right-to-use assets	12	45,398	50,328
Financial fixed assets		1,529	1,362
Contract assets	3	105,940	38,781
Deferred tax asset	9	9,556	4,093
Total non-current assets		**259,145**	**172,217**
Accounts receivables	13,19	14,219	38,675
Tax receivables		6,703	8,379
Contract assets	3	121,760	93,211
Other current receivables		11,582	11,731
Cash and cash equivalents	15,19	24,168	62,227
Total current assets		**178,432**	**214,222**
Total assets		**437,577**	**386,440**

KSEK	Note	2024-12-31	2023-12-31
EQUITY AND LIABILITIES			
Equity	17		
Share capital		615	598
Other contributed capital		167,192	155,149
Reserves		5,066	2,816
Retained earnings including net income for the period		64,439	67,937
Equity attributable to the parent company's shareholders		**237,311**	**226,501**
Total equity		**237,311**	**226,501**
Interest-bearing non-current liabilities		2,411	1,985
Non-current lease liabilities	12,13	24,058	29,801
Deferred tax liability	9	18,603	15,170
Other non-current liabilities	13,19	-	497
Total non-current liabilities		**45,072**	**47,453**
Interest-bearing current liabilities	13,19	44,071	10,401
Current lease liabilities	12,13	21,030	19,402
Accounts payables	13,19	13,411	10,815
Tax liabilities		2,664	694
Contract liabilities	3	37,613	28,291
Other current liabilities	13,19,20	36,406	42,882
Total current liabilities		**155,195**	**112,486**
Total equity and liabilities		**437,577**	**386,440**

Changes in consolidated equity

KSEK	Note	Share capital	Other contributed capital	Reserves	Profit/loss brought forward	Total equity
Opening balance 1 January 2023		**594**	**151,038**	**2,844**	**77,280**	**231,756**
Net income for the period		-	-	-	-9,343	-9,343
Other comprehensive income		-	-	-28	-	-28
Total other comprehensive income		**0**	**0**	**-28**	**-9,343**	**-9,371**
Transaction with owners	5,17					
New share issues		5	3,372	-	-	3,377
Payment warrants		-	777	-	-	777
Repurchased warrants		-	-38	-	-	-38
Total transaction with owners		**5**	**4,111**	**0**	**0**	**4,116**
Closing balance 31 December 2023		**598**	**155,149**	**2,816**	**67,937**	**226,501**
Opening balance 1 January 2024		**598**	**155,149**	**2,816**	**67,937**	**226,501**
Net income for the period		-	-	-	-3,468	-3,468
Other comprehensive income		-	-	2,250	-	2,250
Adjustment		-	-	-	-30	-30
Total other comprehensive income		**0**	**0**	**2,250**	**-3,498**	**-1,248**
Transaction with owners	5,17					
New share issues		16	12,042	-	-	12,059
Total transaction with owners		**16**	**12,042**	**0**	**0**	**12,059**
Closing balance 31 December 2024		**614**	**167,192**	**5,066**	**64,439**	**237,311**

Consolidated cash flow statement

KSEK	Note	2024	2023
Cash flow from operating activities			
Operating income		-5,932	-5,902
Adjustment for non-cash items	21	41,852	36,676
Interest received		114	361
Interest paid		-4,038	-1,578
Financial items		6,800	-1,402
Income tax paid	9	1,394	-6,702
Cash flow from operating activities, before changes in working capital		**40,190**	**21,453**
Change in current assets		-61,968	-50,417
Change in current liabilities		-3,926	-11,217
Cash flow from operating activities		**-25,704**	**-17,746**
Cash flow from investing activities			
Acquisition of intangible assets	10	-40,621	-36,085
Acquisition of tangible assets	11	-501	-990
Acquisition of financial assets		-45	-370
Cash flow from investing activities		**-41,167**	**-37,445**

KSEK	Note	2024	2023
Cash flow from financing activities			
New share issues		12,059	3,377
Warrant premiums		-	739
Change in liabilities to credit institutions		3,014	-
Net change of overdraft account		41,483	-
Repayment of interest bearing debts		-10,401	-15,531
Cash payments for principal portion of the lease liability	12,19	-19,389	-17,669
Cash flow from financing activities		**26,766**	**-29,084**
Cash flow for the period		**-40,106**	**-84,275**
Change in cash and cash equivalents	15		
Cash and cash equivalents at the beginning of the year		62,227	146,805
Exchange rate differences in cash and cash equivalents		2,047	-303
Cash and cash equivalents at the end of the year		**24,169**	**62,227**

Group notes

Note 1
Significant accounting principles

Corporate information

4C Group AB's (reg.no. 556706-0412) and its subsidiaries' main business is to provide solutions for creating, verifying and maintaining readiness. The Group's customised solutions combine expertise and innovation to enable customers to manage both expected and unexpected events. The parent company is headquartered in Stockholm, Sweden. The address of the head office is Vattugatan 17, 111 52 Stockholm.

The Annual Report and Consolidated Financial Statements have been approved for publication by the Board of Directors on 15 April and presented to the Annual General Meeting on 21 May 2025.

Basis of consolidated accounts

The consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) as adopted by the European Union (EU). In addition, the Group applies the Annual Accounts Act (1995:1554) and RFR 1 "Supplementary Accounting Rules for Groups" issued by the Financial Reporting Council.

The consolidated accounts have been prepared on a going concern basis. Assets and liabilities are measured at cost, except for certain financial instruments which are measured at fair value. The consolidated financial statements have been prepared in accordance with the purchase method of accounting.

The parent company applies the Annual Accounts Act (1995:1554) and RFR 2 Accounting for Legal Entities. The deviations that occur are due to restrictions in the possibilities to apply IFRS in the Parent Company as a result of the Annual Accounts Act and the applicable tax rules.

Changes in accounting principles 2024 and beyond

A number of new and amended accounting standards and interpretations have been published and will be valid from 2023 or later. The standards below are expected to have an effect on 4C's financial statements.

2024

No material changes in accounting standards in 2024 will occur that affect 4C or its preparation of financial statements.

2025

A number of new standards and interpretations will come into effect for financial years beginning on or after January 1, 2025, and have not been applied in the preparation of this financial report. None of these new IFRS or IFRIC changes are expected to have any significant effect on the Group's financial statements going forward.

IFRS 18 Presentation and Disclosure in Financial Statements will replace IAS 1 Presentation of Financial Statements and is to be applied from January 1, 2027. Retrospective application is required, and therefore, comparative information for the financial year ending December 31, 2026, will be restated. IFRS 18 introduces new requirements aimed at achieving comparability in reporting and providing users with more relevant and transparent information. The effects of the new standard on 4C Group's financial reports have not yet been fully evaluated.

Consolidation

Subsidiaries

Subsidiaries are all companies over which the Group has a controlling influence. 4C Group AB controls a company when it is exposed to or has the right to a variable return from its holding in the company and has the ability to influence the return through its influence in the company. Subsidiaries are included in the consolidated financial statements from the date on which control is transferred to the Group, and are excluded from the consolidated accounts from the date on which control ceases. Subsidiaries are accounted for using the acquisition method.

Related party transactions

A list of the Group's subsidiaries, which are also the parent company's related parties, is given in Note G16 Consolidated companies.

For information on remuneration of senior executives, see Note G5 Employees and personnel expenses.

The Group has no related party transactions to disclose as defined in IAS 24 other than those disclosed in Note G5. Transactions between companies within the Group are made at arm's length.

Currencies

Functional currency and presentation currency

The functional currency of the parent company is Swedish kronor, which is the reporting currency for the parent company and the Group. All amounts are stated in thousands of SEK unless otherwise stated.

Transactions, assets and liabilities in foreign currency

Transactions in foreign currency are translated into the functional currency at the exchange rate on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate on the balance sheet date.

Non-monetary items measured at historical cost in a foreign currency are not translated. Exchange differences arising on translation are recognised in the income statement. Exchange gains and losses on operating assets and liabilities are included in the operating result as part of operating income and operating expense, while exchange gains and losses on financial assets and liabilities are recognised as financial items.

Restatement of foreign subsidiaries
Assets and liabilities of foreign operations are translated from the functional currency of the foreign operation into the Group's reporting currency at the exchange rate prevailing at the balance sheet date. Revenues and expenses of a foreign operation are translated into Swedish kronor at an average rate approximating the exchange rates prevailing at the dates of the transactions.

Translation differences arising on the translation of foreign operations are recognised in other comprehensive income and accumulated in the translation reserve in equity. When control of a foreign operation ceases, the related translation differences are reclassified from the translation reserve in equity to profit or loss.

Revenue from contracts with customers

Revenue is recognised when a performance obligation is fulfilled, which is when control of a promised good or service is transferred to the customer. The Group's revenue is mainly divided into the following revenue streams; Software (software products), Software related services (software consulting services) and Expert services. Software is divided into the sale of time-limited and perpetual licenses which are either hosted/ operated by the customer or by 4C Strategies. The licences are also sold with associated support services (SSA) and software development projects. Software related services consist of implementation and configuration of sold software and management/maintenance of the customer's software (managed services). Expert services are mainly divided into risk consulting, business continuity management and crisis management.

The Group's agreements with customers include the following performance commitments:

- Sale of licenses (time-limited or perpetual) hosted/operated by customer
- Sale of licenses (time-limited or perpetual) hosted/operated by 4C Strategies
- Software Support Agreement (SSA), including hosting in case the license is hosted by 4C Strategies
- Software development
- Software-related consultancy and expert services

1. **Sale of licenses (time-limited or perpetual) hosted/operated by customer**
   The sale of license rights is distinct from the The sale of license rights is distinct from the other promises in the contract and entitles the customer to a license key on the day the contract is signed. Revenue is recognised upon completion of the contractual delivery and when the customer has obtained control of the purchased licence(s) and no material obligations remain after the delivery date. This means that the licence revenue is recognised on the date the licence key is transferred to the customer at the contractually agreed fixed price. Revenue recognized as software in the segment reporting.

2. **Sale of licenses (time-limited or perpetual) hosted/operated by 4C Strategies**
   The software is not installed on the customer's own servers but on servers that 4C Strategies operates from. This service includes license, support and maintenance as well as operation. The customer receives the license key at the time of signing the contract. The customer has the right to transfer the licence to its own, or third-party's, IT-environment during the contract period. The licence is distinct from the other performance obligations in the agreement and revenue is recognised upon completion of delivery under the agreement and when the customer has obtained control of the purchased licences and no material obligations remain after the delivery date. This means that the licence revenue is recognised on the date the licence key is transferred to the customer at the contractually agreed fixed price. Revenue recognized as software in the segment reporting.

3. **Software support Agreement (SSA)**
   The Group sells support contracts for the software. Support agreements typically include maintenance and support as well as specified and/or unspecified upgrades. Support contracts are normally signed initially at the time of the sale of licenses and are then extended based on the agreed duration of the support contract. However, the license works regardless of whether the SSA is signed or not. SSA agreements are distinct from the license whether the license is hosted by the customer or by 4C Strategies.

   Revenue from support contracts is recognised using an input method based on time spent and/or cost as well as upgrades. Input is verified through individual assessments for the majority of support agreements. Specified upgrades normally take place at contract renewal and are deemed to be distinct. The allocated revenue is recognized when the upgrade is carried out. Where the Group's commitments consist of an indefinite number of activities over the contract period, revenue is recognised on a straight-line basis over the duration of the contract. Where the licence is hosted by the 4C Strategies, the hosting service and the SSA service are integrated with each other and constitute a performance commitment. Invoicing is normally done annually in advance. Revenue recognized as software in the segment reporting.

4. **Software development**
   Customers sometimes order customisation linked to software. If such an order is placed, it is treated as a separate service commitment.

   These services are provided on a recurring basis or as fixed price contracts. Both revenue from current account and fixed price contracts is recognised over time as the service is performed (time input method) at the agreed prices. Revenue recognized as software in the segment reporting.

5. **Software-related consultancy and expert services**
In addition to the above, the Group sells software-related consulting services consisting of implementation and configuration (implementation projects) and management/maintenance of the customer's software (managed services). Revenue recognized as software-related services in the segment reporting.

The Group also provides risk management, business continuity management, training, incident and crisis management, and audit and review services with exercises and training to ensure that customers have the right capabilities and readiness. Revenue recognized as expert services in the segment reporting.

These services are provided on a recurring basis or as fixed price contracts. Both revenue from current account and fixed price contracts is recognised over time as the service is performed (time input method) at the agreed prices. If any circumstances arise that could change the original estimate of revenue, costs or stage of completion, the estimates are revised. These revisions may result in increases or decreases in estimated revenue or costs and affect revenue in the period in which the circumstances giving rise to the change came to the attention management.

Employee benefits

Short-term benefits

Short-term employee benefits such as salaries, social security contributions and holiday pay are expensed in the period in which the employees render the services.

Retirement benefits (pensions)

The Group's pension commitments are exclusively defined contribution pensions.

Share-related compensation – Share warrant program

The Group has share-based incentive plans consisting of warrants that have been offered to certain employees and officers of the Group.

See Note G5 Employees and personnel expenses for more information on the Group's various warrant programs

Income tax

Income taxes consist of current tax and deferred tax. Income taxes are recognised in profit or loss except where the underlying transaction is recognised in other comprehensive income or in equity, in which case the related tax effect is recognised in other comprehensive income or in equity.

Deferred tax is recognised in full, using the balance sheet method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts.

Intangible assets

Internally generated intangible assets

4C's intangible assets consist mainly of internally generated intangible assets relating to development costs for the Exonaut® platform.

Expenditure incurred during the development phase is capitalised as an intangible asset when, in the opinion of management, it is probable that future economic benefits associated with the expenditure will flow to the Group, the criteria for capitalisation are met, the expenditure can be measured reliably, and it is technically feasible to complete the asset so that it can be used in operations. The Group defines each version of the Exonaut platform as a separate product, i.e. each version of Exonaut is capitalised separately.

Internally generated intangible assets are recognised during the development phase at cost less any write-down . Expenditure capitalised includes direct salary and other directly attributable expenditure. All other costs that do not qualify for capitalisation are expensed as incurred. Internally generated assets under development are tested for impairment at least annually.

When the internally generated intangible assets are ready for use, the Group assesses the useful life of the asset. Subsequent recognition is at cost less accumulated amortisation and any impairment losses.

Tangible assets

Tangible assets are stated in the Group at cost less accumulated depreciation and any impairment losses.

The carrying amount of an asset is derecognised on disposal or when no future economic benefits are expected from its use. Gains or losses arising on the disposal of an asset is the difference between the selling price and the carrying amount of the asset less any direct costs to sell. Gains and losses are recognised as other operating income/expense.

Leases

4C Strategies is a lessee only.

Lease liabilities

At the inception of a lease, the Group recognises a lease liability equal to the present value of the lease payments to be made during the lease term.

For the calculation of the present value of the lease payments, the Group uses the implicit interest rate of the lease if it can be easily determined and in other cases the marginal borrowing rate at the inception date of the lease is used. After the commencement date of a lease, the lease liability increases to reflect the interest on the lease liability and decreases by the lease payments made. In addition, the value of the lease liability is remeasured as a result of modifications, changes in the lease term, changes in lease payments or changes in an assessment to purchase the underlying asset.

Right-of-use assets
The cost of right-of-use assets includes the initial value recognised for the related lease liability, initial direct expenses, and any upfront payments made on or before the lease commencement date, net of any incentives received. The Group recognises right-of-use assets in the statement of financial position at the commencement date of the lease (i.e. the date on which the underlying asset becomes available for use). Right-of-use assets are measured at costless accumulated depreciation and any impairment losses, and adjusted for any revaluation of the lease liability, excluding foreign currency translation.

Provided that the Group is not reasonably certain that title to the underlying asset will pass at the end of the lease term, the right-of-use asset is depreciated on a straight-line basis over the shorter of the lease term and its useful life.

Application of practical exemptions
The Group applies the practical exceptions for short-term leases and leases where the underlying asset is of low value. Leases where the underlying asset is of low value include, for example, office furniture in the Group. Lease payments for short-term leases and leases where the underlying asset is of low value are expensed on a straight-line basis over the lease term. The Group also applies the exception of not separating non-lease components from lease components in lease agreements. Accordingly, lease components and related non-lease components are accounted for as a single lease component.

Impairment of non-financial assets
be impaired, i.e. whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. This also applies to right-of-use assets related to leases and internally generated intangible assets. The Group has no assets with indefinite useful lives which are tested for impairment at least annually.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Impairment losses are reversed only if there has been a change in the assumptions underlying the last calculation of the asset's recoverable amount.The amount reversed is not greater than the carrying amount that would have been determined had no impairment loss been recognised in prior periods. An impairment loss and any reversal of an impairment loss are recognised in the income statement.

Financial instruments
Financial instruments recognised in the Group's statement of financial position include, on the asset side, accounts receivables and cash and cash equivalents. Liabilities include amounts due to and trade payables. The presentation depends on the classification of the financial instruments.

Classification and valuation of financial liabilities
Financial liabilities, are classified at amortised cost. Financial liabilities carried at amortised cost are initially measured at fair value including transaction costs. After initial recognition, they are measured at amortised cost using the effective interest method.

Fair value is determined as described in Note G13 Financial instruments.

Impairment of financial assets
Financial assets, other than those classified at fair value through profit or loss or equity instruments measured at fair value through other comprehensive income, are subject to impairment for expected credit losses. Impairment for credit losses is forward-looking and a loss allowance is recognised when there is an exposure to credit risk, usually at the initial recognition of an asset or receivable. Expected credit losses reflect the present value of any shortfall in cash flows attributable to defaults either over the next 12 months or over the expected remaining life of the financial instrument, depending on the type of asset and on credit deterioration since initial recognition.

The simplified approach is applied to accounts receivables and contract assets. A loss reserve is recognised, under the simplified approach, for the expected remaining life of the receivable or asset.

The valuation of expected credit losses is based on different methods, see the Group's Note G13 Financial instruments. For credit-impaired assets and receivables, an individual assessment is made taking into account historical, current and prospective information. The valuation of expected credit losses takes into account any collateral and other credit enhancements in the form of guarantees.

Financial assets are recorded in the balance sheet at amortised cost, i.e. net of gross value and loss reserve. Changes in the loss reserve are recognised in the income statement as other operating expenses.

Cash flow
The cash flow statement is prepared using the indirect approach.

Key estimates and judgements
The preparation of the financial statements requires management and the board of directors to make certain judgements and assumptions that impacts the carrying amounts of assets and liabilities and income and expense items, respectively, and other disclosures. These judgements are based on experience and assumptions that management and the board of directors believe are reasonable under the circumstances. The actual outcome may then differ from these judgements if other conditions arise. The estimates and assumptions are evaluated on an ongoing basis and are not considered to present a significant risk of material adjustments to the carrying amounts of assets and liabilities during the next financial year. Changes in estimates are recognised in the period in which the change is made if the change affects only the current period, or in the period in which the change is made and future periods if the change affects both the current period

and future periods. The judgements and sources of estimation uncertainty that are most material in preparing the company's financial statements are described below.

Estimates and assumptions

Leases
Estimates are made regarding the Group's incremental borrowing rate used in lease agreements.

Internally generated intangible assets
The Group capitalises certain development expenditure as intangible assets in the balance sheet, mainly related to the development of its own platform Exonaut®. The capitalisation of development expenditure is based, inter alia, on the assessment that future economic benefits will be generated by the asset and that it is technically feasible to complete the asset so that it can be used in operations. The Group estimates that the useful life of these assets is 5 years, which corresponds to the period over which it is estimated that future economic benefits from their internal use will accrue to the Group. However, depending on technological developments, the actual useful life may be shorter, which would result in a material impact on results through potential impairment losses.

Significant judgements applicable to the company's accounting principles

Leases
In accounting for leases where the Group is the lessee, management makes a number of assumptions regarding the duration of the leases including the notice period and the exercise of any renewal options.

Revenue from contracts with customers
In the case of the sale of licenses, it is the company's judgment that the license is distinct from other performance commitments in the customer agreements. This assessment applies to both customer-hosted solutions and 4C-hosted solutions. The customer obtains control of the licence at the time of handover of the licence key. This relationship applies to both operational solutions.

Where customers sign support contracts (with or without hosting/operations), the Group has adopted an input model to determine revenue recognition. A model whereby revenue is recognised over time and from the commencement of the contract, based on hours and/or costs incurred. It is the company's judgement that a major part of the performance commitment (hours and/or costs) is delivered or met at the start of the contract.

Deferred tax assets
Deferred tax assets are recognised as described in the section ”Deferred income tax” in Note G1 Significant accounting principles. The Group has made judgements about the extent to which there will be future taxable profits against which the accumulated tax losses can be utilised.

Assessment of the need for impairment of accounts receivable
The group assesses annually whether there is a need for impairment of accounts receivable and contract assets in accordance with the accounting principle described in note G19.

Note G2 Operating segment

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 (CEO).

The Group's operating segments are divided into EMEA Software, APAC Software, North America Software and Global Expert Services. The geographical segments share the same business model and are responsible for the sale and delivery.

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 due to the use of resources between the entities.

The comparative figures for the segments have been restated for periods earlier than Q3 2024, for the full financial year 2023 and Q1 and Q2 2024. When recalculating the comparative figures, revenues and expenses have been allocated based on geographical region (EMEA, APAC and North America) and based on whether revenue and costs are attributable to software or services. Software and software-related services have been allocated to EMEA Software, APAC Software and North America Software, while expert services have been allocated to Global Expert Services.

2024-01-01 - 2024-12-31	EMEA Software	APAC Software	North America Software	Global Expert Services	Total Segment	Group Common	Elimina-tions	Group
Software	126,286	15,193	93,701	-	**235,180**	-	-	235,180
Software-related services	42,753	1,875	3,384	-	**48,012**	-	-	48,012
Expert services	-	-	-	59,910	**59,910**	-	-	59,910
Revenue from contracts with customers	**169,039**	**17,068**	**97,085**	**59,910**	**343,102**	**0**	**0**	**343,102**
Other revenue	1,808	96	203	120	**2,228**	928	-	3,156
Internal revenue	14,611	718	14,484	1,188	**31,001**	18,950	-49,951	0
Total revenue	**185,459**	**17,882**	**111,772**	**61,218**	**376,331**	**19,877**	**-49,951**	**346,257**
Personnel costs	-65,648	-7,642	-31,165	-37,392	**-141,847**	-117,550	-	-259,397
Other external costs	-17,800	-5,952	-14,074	-8,282	**-46,108**	-3,919	-	-50,027
Internal costs	-7,243	-619	-1,754	-3,115	**-12,731**	-37,220	49,951	0
Total cost	**-90,690**	**-14,213**	**-46,994**	**-48,789**	**-200,686**	**-158,689**	**49,951**	**-309,424**
EBITDA	**94,768**	**3,669**	**64,778**	**12,429**	**175,645**	**-138,812**	**0**	**36,834**
Amortization	-	-	-	-	-	-20,942	-	-20,942
Depreciation	-	-	-	-	-	-21,824	-	-21,824
Financial income	-	-	-	-	-	19,608	-	19,608
Financial expenses	-	-	-	-	-	-16,732	-	-16,732
Income before tax	**94,768**	**3,669**	**64,778**	**12,429**	**175,645**	**-178,702**	**0**	**-3,057**

2023-01-01 - 2023-12-31	EMEA Software	APAC Software	North America Software	Global Expert Services	Total Segment	Group Common	Elimina-tions	Group
Software	122,308	23,593	64,547	-	**210,448**	-	-	210,448
Software-related services	56,087	-	2,172	-	**58,259**	-	-	58,259
Expert services	-	-	-	63,394	**63,394**	-	-	63,394
Revenue from contracts with customers	**178,394**	**23,593**	**66,720**	**63,394**	**332,101**	**0**	**0**	**332,101**
Other revenue	2,448	-	87	137	**2,672**	410	-	3,082
Internal revenue	24,663	128	30,264	2,640	**57,695**	16,777	-74,472	0
Total revenue	**205,505**	**23,722**	**97,070**	**66,171**	**392,468**	**17,187**	**-74,472**	**335,183**
Personnel costs	-71,166	-4,985	-43,873	-36,948	**-156,972**	-87,578	-	-244,550
Other external costs	-26,095	-1,308	-9,755	-7,806	**-44,964**	-14,039	-	-59,003
Internal costs	-9,029	-1,129	-3,042	-4,859	**-18,059**	-56,413	74,472	0
Total cost	**-106,290**	**-7,422**	**-56,670**	**-49,613**	**-219,995**	**-158,031**	**74,472**	**-303,553**
EBITDA	**99,216**	**16,299**	**40,401**	**16,557**	**172,473**	**-140,844**	**0**	**31,629**
Amortization	-	-	-	-	-	-17,537	-	-17,537
Depreciation	-	-	-	-	-	-19,995	-	-19,995
Financial income	-	-	-	-	-	16,370	-	16,370
Financial expenses	-	-	-	-	-	-18,989	-	-18,989
Income before tax	**99,216**	**16,299**	**40,401**	**16,557**	**172,473**	**-180,994**	**0**	**-8,521**

Net sales per customer group and segment	2024-01-01-2024-12-31	2023-01-01-2023-12-31
Defence	151,962	135,874
Public	4,856	12,085
Corporate	12,221	30,435
EMEA Software	**169,039**	**178,394**
Defence	16,894	23,593
Public	-	-
Corporate	174	-
APAC Software	**17,068**	**23,593**
Defence	96,498	65,755
Public	-	-
Corporate	587	965
North America Software	**97,085**	**66,720**
Defence	745	1,197
Public	31,388	39,542
Corporate	27,778	22,655
Global Expert Services	**59,910**	**63,394**
Defence	266,098	226,418
Public	36,243	51,628
Corporate	40,760	54,055
Net sales	**343,102**	**332,101**

	2024-12-31				
Timing of revenue recognition	**EMEA**	**APAC**	**North America**	**Global Expert Services**	**Total segment**
Software, Software-related services and Expert services delivered at a given time	78,380	13,575	78,514	-	170,469
Software, Software-related services and Expert services delivered over time	90,659	3,493	18,571	59,910	172,633
Revenue from contracts with customers	**169,039**	**17,068**	**97,085**	**59,910**	**343,102**

	2023-12-31				
Timing of revenue recognition	**EMEA**	**APAC**	**North America**	**Global Expert Services**	**Total segment**
Software, Software-related services and Expert services delivered at a given time	69,388	23,263	33,976	-	126,627
Software, Software-related services and Expert services delivered over time	109,006	330	32,743	63,394	205,474
Revenue from contracts with customers	**178,394**	**23,593**	**66,720**	**63,394**	**332,101**

Geographical region

Assets and liabilities
Assets and liabilities are not monitored in segment reporting but only at Group level.

Non-current operating assets	2024-01-01-2024-12-31	2023-01-01-2023-12-31
Sweden	154,795	126,564
United Kingdom	74,562	37,630
United States	24,120	7,794
Rest of the world	6,435	229
Total	**259,913**	**172,218**

Non-current assets for this purpose consists of intangible assets, tangible assets, right-to-use assets and contract assets.

Revenues
In 2024, two customers' revenues exceeded 44% of the Group's total revenue. The revenue from one customer amounts to KSEK 69,513 and is attributable to the North America segment and the revenue from the other customer amounts to KSEK 80,981 and is attributable to the EMEA segment.

Geographical region	2024-01-01-2024-12-31	2023-01-01-2023-12-31
United Kingdom	113,847	97,947
United States	94,142	67,964
Sweden	86,693	103,628
Rest of the world	48,419	62,562
Total	**343,102**	**332,101**

External revenues are based on where customers are located and where each country represents more than 10% of the Group's revenue.

Note G3
Revenues from contracts with customers

Contract assets	2024-12-31	2023-12-31
Opening balance	131,991	86,186
Invoiced contract assets	-59,039	-55,628
Translation effects	5,784	-402
Additional contact assets	148,964	101,835
Closing balance	**227,700**	**131,991**

Contract liabilities	2024-12-31	2023-12-31
Opening balance	28,291	19,591
Recognized contractual liabilities	-20,185	-11,393
Additional agreements	29,507	20,093
Closing balance	**37,613**	**28,291**

Contract liabilities	2024-12-31	2023-12-31
Within a year	25,976	17,471
More than a year	11,637	10,820
Closing balance	**37,613**	**28,291**

Contract assets consist of accrued income, to which the company's right is conditional on continued performance under the contract. When the company's right to receive payment becomes unconditional, the asset is recognised as an account receivable. During the year, the impact of currency adjustments on the opening balances of contract assets has had only a marginal impact on the Group's income statement.

In terms of the company's commitments at contract level, the company has agreed with customers that payment will be made over the duration of the contract. The contracts relate both to components delivered at a specific time and to commitments delivered over time. Thus, there is no financing component.

Contract liabilities relate to advance payments from customers for which performance commitments have not been met. Contract liabilities are recognised as revenue when the contractual performance obligations are (or have been) fulfilled.

The Group has contract liabilities of KSEK 37,613 (28,291) of which KSEK 23,348 (17,471) is expected to be recognised as income within one year.

Accounts reveivables	2024-12-31	2023-12-31
Opening balance	38,675	35,258
Paid accounts receivables	-38,566	-34,501
Impairment	-	-757
Translation effects	-195	-772
Additional accounts receivables	-14,306	39,447
Closing balance	**14,219**	**38,675**

Accounts receivables at the end of the financial year are presented above. Unpaid accounts receivables and exchange rate gains and losses that occurs on payments from customers in foreign currency are translated into SEK in the Group's financial statements. The impairment of accounts receivables is assessed continuously, see Note G19 for handling impairment needs within the Group.

During the year, no impairment has occurred.

Note G4
Auditor's fees

Audit engagement refers to the auditor's work for the statutory audit. Other services are those not included in the audit engagement or tax advice.

Ernst & Young AB	2024-01-01-2024-12-31	2023-01-01-2023-12-31
Audit	1,551	1,873
Tax advice	194	58
Other services	292	304
Total	**2,037**	**2,235**

Harmer Slater	2024-01-01-2024-12-31	2023-01-01-2023-12-31
Audit	93	97
Tax advice	9	-
Other services	35	-
Total	**137**	**97**

Note G5
Employees and personnel costs

	2024-01-01 - 2024-12-31		2023-01-01 - 2023-12-31	
Average FTE	Average number of employees	Of whom women, %	Medelantal anställda	Of whom women, %
Parent company	76	24%	70	25%
Subsidiaries in:				
Sweden	47	47%	49	49%
United Kingdom	52	24%	48	24%
United States	25	24%	32	25%
Norway	-	0%	1	0%
Finland	1	0%	1	0%
Australia	5	19%	3	20%
Total in the Group	**206**	**29%**	**204**	**31%**

	2024-01-01 - 2024-12-31		2023-01-01 - 2023-12-31	
Gender balance, board of directors and senior executives	Average number of employees	Of whom women, %	Medelantal anställda	Of whom women, %
Board members	6	41%	6	50%
CEO and other senior executives	11	13%	10	20%
Total in the Group	**17**	**18%**	**16**	**31%**

Personnel costs	2024-01-01- 2024-12-31	2023-01-01- 2023-12-31
Parent company		
Board of directors and other senior executives		
Salaries and other remunerations	9,128	10,962
Social security contributions	2,868	3,444
Pension costs	1,243	1,891
Total	**13,239**	**16,297**
Other employees		
Salaries and other remunerations	47,713	41,212
Social security contributions	11,779	10,146
Pension costs	9,477	7,216
Total	**68,969**	**58,574**
Benefits, allowance and other personnel related costs	2,275	2,099
Total, parent company	**84,482**	**76,970**
Subsidiaries		
Board of directors and other senior executives		
Salaries and other remunerations	15,705	13,525
Social security contributions	1,950	1,667
Pension costs	889	952
Total	**18,545**	**16,144**
Other employees		
Salaries and other remunerations	122,473	121,177
Social security contributions	19,771	19,312
Pension costs	9,681	8,660
Total	**151,925**	**149,149**
Benefits, allowance and other personnel related costs	4,445	2,287
Total subsidiaries	**174,915**	**167,580**
Carrying amount, Group	**259,397**	**244,550**

Remuneration to senior executives

The chair of the board and the board members shall be remunerated in accordance with the decision of the annual general meeting. At the annual general meeting held on 15 May 2024 it was resolved that the board of director's remuneration for 2024 shall be paid in the following amounts:

- SEK 175,000 to each non-employed board member and SEK 350,000 to the chairman of the board, provided he is not employed.
- SEK 25,000 to committee chairman and SEK 15,000 to other members.

The total board of director's fee paid amounts to SEK 1,191,250 (SEK 1,124,166). For information on remuneration to other senior executives, see the previous table on personnel expenses.

Severance pay

There are no agreements on severance pay or similar to the CEO exceeding the equivalent of 6 months' remuneration.

Warrant programs

The Group has the following share warrant programs for employees and executives. The warrents are acquired at market value which means that they are not seen as a benefit and thus has no accounting impact.

Warrant program 2017/2023

The warrant program 2017/2023 had its subscription period during December 2023. Of the total of 700,000 options in the program the number of newly issued shares was 280,000 (2,857,052) during the period. In Q1 2024 388,000 options will be converted into newly issued shares, the remaining 32,000 warrents have been chosen not to be subscribed for by the warrant holders. The total number of shares at the end of the period was 34,199,142 (33,919,142).

Warrant program 2019/2024

Includes a maximum of 28,000 warrants. The premium earned on the warrants was equal to the market value calculated using the Black-Scholes model. Exercise can take place during the period 1/3 2024 - 31/3 2024. Each warrant enables the right to subscribe for 20 shares in the company. The quota value is SEK 0.01750 per share and thus the increase in the company's share capital can amount to a maximum of SEK 9,800 upon full exercise of the warrants.

Warrant program 2020/2025

Includes a maximum of 750 warrants. The premium earned on the warrants was equal to the market value calculated using the Black-Scholes model. Exercise can take place during the period 5/4 2025 - 5/5 2025. Each warrant enables the right to subscribe for 20 shares in the company. The quota value is SEK 0.01749 per share and thus the increase in the company's share capital can amount to a maximum of SEK 263 upon full exercise of the warrants.

Warrant program 2021/2026

Includes a maximum of 50,750 warrants. The premium earned on the warrants was equal to the market value calculated using the Black-Scholes model. Exercise can take place during the period 16/1 2026 - 16/2 2026. Each warrant enables the right to subscribe for 20 shares in the company. The quota value is SEK 0.01750 per share and thus the increase in the company's share capital can amount to a maximum of SEK 17,763 upon full exercise of the warrants.

Warrant program 2022/2027

Includes a maximum of 446,260 warrants. The premium earned on the warrants was equal to the market value calculated using the Black-Scholes model. Exercise can take place during the period 15/6 2027 - 30/6 2027. Each warrant enables the right to subscribe for one share in the company. The quota value is SEK 0.01750 per share and thus the increase in the company's share capital can amount to a maximum of SEK 7,809 upon full exercise of the warrants.

Warrant program 2023/2026

Includes a maximum of 222 600 warrants. The premium earned on the warrants was equal to the market value calculated using the Black-Scholes model. Ecercise can take place during the period 30/6 2026 - 30/6 2026. Each warrant enables the right to subscribe for one share in the company. The quota value is 0.01750 per share and thus the increase in the company´s share capital can amount to a maximum of SEK 3,896 upon full exercise of the warrants.

Provisions

All employees have paid market value for the options. As a result of local regulations, social security contributions must be paid on the increase in value between the time of award and the time when the option is exercised, which is applied to our foreign subsidiaries in the US and United Kingdom.

The group makes a provision for warrant programs on an ongoing basis regarding social security contributions where the exercise price is lower than the share price on the balance sheet date, which means that the social security contributions reserved are based on the fair value of the warrents. This only applies to personnel employed in foreign subsidiaries. The provision as of 31 December 2024 is KSEK 0 and at the beginning of the year it amounted to KSEK 112.

	Average exercise price per warrant	Number of warrants
Number of warrant outstanding as of 2023-01-01	**86**	**2,756,260**
Allocated	39	222,600
Subscribed warrants	12	-668,000
Non-subscribed warrants	14	-32,000
Number of warrants outstanding as of 2023-01-01	**30**	**2,278,860**
Redeemable per 2023-12-31	**30**	**2,278,860**
Number of warrant outstanding as of 2024-01-01	**30**	**2,278,860**
Allocated	-	-
Subscribed warrants	14	-545,000
Non-subscribed warrants	14	-15,000
Number of warrants outstanding as of 2024-12-31	**31**	**1,718,860**
Redeemable per 2024-12-31	**31**	**1,718,860**

In the table above, the number of warrants has been converted to the number of shares that each warrant gives the right to subscribe for, which is a result of the 1:20 share split that was carried out during 2022.

The table below shows the expiry dates and exercise prices of the outstanding warrants:

Date of allocation	Expiry date	Exercise price	Warrant premium	Warrants 2024-12-31	Warrants 2023-12-31
2017-12-01	2023-12-31	12.4	6.3	700,000	700,000
2019-03-01	2024-03-31	13.7	4.5	560,000	560,000
2020-04-05	2025-05-05	13.3	4.3	35,000	35,000
2021-02-16	2026-02-16	17.8	5.8	1,015,000	1,015,000
2022-06-15	2027-06-30	56.9	4.3	446,260	446,260
2023-06-30	2026-06-30	39.4	3.5	222,600	222,600
Total				**2,978,860**	**2,978,860**
Expired as of 2024-12-31				1,260,000	
Remaining weighted average contractual life of outstanding options at the end of the period expressed in number of years:				1.5	3.6
Range of exercise prices for outstanding warrants at the end of the period:				12.4-56.9 SEK	12.4-56.9 SEK

The following tables describe the input data used in the model for the warrants granted in the Group. The market value of the warrants has been calculated using the Black-Scholes valuation model.

	Warrant program 2023/2026	Warrant program 2022/2027	Warrant program 2021/2026	Warrant program 2020/2025
Exercise price	39	57	17.81	13.3
Expected volatility (%)	38%	28%	25%	25%
Expected maturity (year)	2.8	5	5	5
Weighted average share price	30.27	35.37	8.9	6.65
Expected dividend yield (%)	0%	0%	0.0%	1%
Risk-free interest rate (%)	3%	2%	-0.3%	-0.36%
Average weighted fair value at valuation date	3.49	4.3	5.8	4.3
Model	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes

The expected maturity of the warrants is based on historical information and expected exercise behaviour of different categories of option holders and therefore cannot be taken as an indicative measure of actual exercise. The expected volatility has been determined by analysing the performance of 4C Group AB's share and the share price performance of other shares in related industries, which gives an indication of the option's expected volatility that is unlikely to be consistent with actual outcomes.

Note G6
Financial income

Financial income consists of interest income and any realised gains on financial assets. Interest income is recognised using the effective interest method, which is the rate that discounts estimated future cash receipts and payments through the expected life of a financial instrument to the net carrying amount of the financial asset or liability. The calculation includes all fees paid or received by the counterparties that are part of the effective interest rate, transaction costs and all other premiums and discounts. Financial income is recognised in the period to which it relates.

	2024-01-01-2024-12-31	2023-01-01-2023-12-31
Assets measured at amortised cost:		
Interest income, other financial assets	114	1,693
Total interest income in accordance with effective interest rate method	**114**	**1,693**
Other financial income		
Exchange rate differences - income, financial items	19,494	14,678
Total	**19,494**	**14,678**
Total financial income	**19,608**	**16,370**

Note G7
Financial expenses

Financial expenses consist mainly of interest expense on debt calculated using the effective interest rate method and interest expense on lease liabilities. Financial expenses are recognised in the period to which they relate.

Foreign exchange gains and losses recognised as financial income and expenses respectively are reported net.

	2024-01-01-2024-12-31	2023-01-01-2023-12-31
Liabilities measured at fair value:		
Interest expense, liabilities to credit institutions	1,535	-
Interest expense, other financial liabilities	792	1,028
Total interest expense in accordance with effective interest rate method	**2,327**	**1,028**
Other financial expenses:		
Exchange rate differences - expenses, financial items	12,694	16,079
Interest expense, lease liabilities	1,710	1,882
Total	**14,404**	**17,961**
Total financial expenses	**16,732**	**18,989**

Note G8
Other revenue and operating expenses

Other revenue	2024-01-01-2024-12-31	2023-01-01-2023-12-31
Other revenue	546	-
Foreign exchange gain of operating nature	2,610	3,082
Total	**3,156**	**3,082**

Other operating expenses	2024-01-01-2024-12-31	2023-01-01-2023-12-31
Foreign exchange loss of operating nature	-1,942	-3,274
Total	**-1,942**	**-3,274**

Note G9
Tax

Current tax	2024-01-01-2024-12-31	2023-01-01-2023-12-31
Current tax on net income for the year	-1,938	-816
Adjustments for previous years	-487	-1,725
Total current tax	**-2,425**	**-2,541**
Deferred tax		
Deferred tax attributable to temporary differences	-2,866	-1,824
Deferred tax on tax losses	4,879	3,543
Total deferred tax	**2,012**	**1,719**
Recognized tax in profit or loss	**-411**	**-822**

Avstämning av effektiv skattesats	2024-01-01-2024-12-31	2023-01-01-2023-12-31
Income before tax	-3,052	-8,521
Tax according to applicable tax rate for the parent company (20,6%)	629	1,755
Tax effect of:		
Non-deductible expenses	-541	-832
Difference in tax rates between countries	-13	-20
Adjustment of tax from previous year	-487	-1,725
Recognized tax	**-411**	**-822**
Effective tax rate	13%	10%

The Group has no tax items recognized in other comprehensive income or directly in equity.

Disclosures on deferred tax assets and liabilities

The tables below specify the tax effect of the temporary differences:

Deferred tax asset	Right-of-use assets	Deduction of tax losses	Total
Opening carrying amount 2024-01-01	**327**	**3,765**	**4,092**
Through profit or loss	28	5,436	5,464
Other comprehensive income	-	-	-
Closing carrying amount 2024-12-31	**355**	**9,200**	**9,555**

Deferred tax asset	Right-of-use assets	Deduction of tax losses	Total
Opening carrying amount 2023-01-01	**76**	**222**	**298**
Through profit or loss	251	3,542	3,793
Other comprehensive income	-	-	-
Closing carrying amount 2023-12-31	**327**	**3,764**	**4,091**

Deferred tax liability	Intangible assets	Accrual fund	Total
Opening carrying amount 2024-01-01	**15,170**	**-**	**15,170**
Through profit or loss	3,433	-	3,433
Other comprehensive income	-	-	-
Closing carrying amount 2024-12-31	**18,603**	**-**	**18,603**

Deferred tax liability	Intangible assets	Accrual fund	Total
Opening carrying amount 2023-01-01	**11,349**	**1,932**	**13,281**
Through profit or loss	3,821	-1,932	1,889
Other comprehensive income	-	-	-
Closing carrying amount 2023-12-31	**15,170**	**-**	**15,170**

The deferred tax asset of KSEK 355 (327) is reported net in the balance sheet and consists grossly of a deferred tax asset attributable to the lease liability of KSEK 9,267 (10,136) and a deferred tax liability attributable to the right-of-use assets of KSEK 8,913 (9,805).

Tax loss carry-forwards amounted to KSEK 41,967 (17,180), for which deferred tax assets have been recognized in the balance sheet and relate to Sweden. Deferred tax assets have been recognized for these items as it is probable that the Group will use them to offset them against future taxable profits.

Note G10
Intangible assets

Principles of depreciation

Intangible assets with finite useful lives and the Group's tangible assets are depreciated from the date on which they are available for use.

The estimated useful lives of the Group's significant intangible assets are as follows:

Internally generated intangible assets:	5 years
Licenses:	5 years

Depreciation methods, residual values and useful lives applied are reviewed at each year-end.

Acquisition cost	Internally generated intangible assets	Licenses	Total intangible assets
As of 1 January 2023	**139,591**	**23**	**139,614**
Internally generated	36,085	-	36,085
As of 31 December 2023	**175,677**	**23**	**175,699**
As of 1January 2024	**175,677**	**23**	**175,699**
Internally generated	37,607	-	37,607
Acquired separately	-	3,014	3,014
As of 31 December 2024	**213,284**	**3,037**	**216,320**
Depreciation			
As of 1 January 2023	**-84,501**	**-23**	**-84,523**
Amortization for the year	-18,084	-	-18,084
Amortization reversal	547	-	547
As of 31 December 2023	**-102,038**	**-23**	**-102,060**
As of 1 January 2024	**-102,038**	**-23**	**-102,060**
Amortization for the year	-20,942	-	-20,942
As of 31 December 2024	**-122,980**	**-23**	**-123,002**
Intangible assets			
Closing carrying amount as of 2023-12-31	73,639	-	73,639
Closing carrying amount as of 2024-12-31	90,304	3,014	93,318

The Group has no costs related to development that have not been capitalized during the year.

Uncompleted assets

The value of the assets that have not been put into service amounts to KSEK 32,314 (24,653)

Impairment testing

The Group tests intangible assets not yet in use for impairment purposes at least annually. During the year, impairment losses on internally generated intangible assets not yet in use amounted to KSEK 0 (0).

Note G11 Tangible assets

Principles of depreciation

Tangible assets are depreciated systematically over the estimated useful life of the asset. The Group has considered that the straight-line method of depreciation best reflects the use of these assets. In determining the depreciable amount of assets, the residual value of the asset is taken into account where appropriate.

Periods of use estimated for the Group's significant tangible assets are as follows:

Machinery and equipment:	5 years
Computers:	3–5 years

Depreciation methods, residual values and useful lives applied are reviewed at each year-end.

Acquisition cost	Machines and equipment	Total tangible assets
As of 1 January 2023	**7,310**	**7,310**
Acquisitions for the year	990	990
Translation effects	-86	-86
As of 31 December 2023	**8,213**	**8,213**
Acquisitions for the year	501	501
Translation effects	412	412
As of 31 December 2024	**9,126**	**9,126**
Accumulated depreciations		
As of 1 January 2023	**-3,003**	**-3,003**
Amortization for the year	-1,231	-1,231
Translation effects	35	35
As of 31 December 2023	**-4,199**	**-4,199**
Amortization for the year	-1,295	-1,295
Translation effects	-227	-227
As of 31 December 2024	**-5,721**	**-5,721**
Machines and equipment		
Closing carrying amount as of 31 december 2023	4,014	4,014
Closing carrying amount as of 31 december 2024	3,404	3,404
Tangible assets		
Closing carrying amount as of 31 december 2023	4,014	4,014
Closing carrying amount as of 31 december 2024	3,404	3,404

Note G12
Leases

The Group's material leases, for which the Group is the lessee, consist mainly of agreements relating to premises, vehicles and IT equipment. The table below presents the Group's closing balances for right-of-use assets, lease liabilities and changes during the year:

	Right-to-use-assets				
	Premises	Vehicles	IT equipment	Total right-of-use assets	Lease liabilities
Opening balance 2023-01-01	**39,276**	**995**	**6,165**	**46,436**	**42,636**
Additional leases	16,123	591	6,385	23,099	22,318
Depreciation	-13,945	-905	-3,897	-18,747	-
Förutbetalda hyreskostnader	-	-	-	-	2,732
Translation difference	-460	-	-	-460	-482
Deferred tax asset	-	-	-	-	-331
Interest expenses	-	-	-	-	1,882
Lease payments	-	-	-	-	-19,552
Closing balance 2023-12-31	**40,994**	**681**	**8,653**	**50,328**	**49,203**
Of which current liabilities					19,402
Of which non-current liabilities					29,801
Opening balance 2024-01-01	**40,994**	**681**	**8,653**	**50,328**	**49,203**
Additional leases	13,145	33	1,297	14,475	14,256
Depreciation	-16,417	-388	-3,722	-20,527	-
Terminated agreements	-	-151	-	-151	-
Translation difference	1,274	-	-	1,274	970
Interest expenses	-	-	-	-	1,706
Lease payments	-	-	-	-	-21,047
Closing balance 2024-12-31	**38,996**	**175**	**6,228**	**45,398**	**45,088**
Of which current liabilities					21,030
Of which non-current liabilities					24,058

The amounts recognized in the consolidated statement of comprehensive income for the year attributable to leasing activities are presented below.

	2024-01-01-2024-12-31	2023-01-01-2023-12-31
Depreciation of right-of-use assets	-20,527	-18,747
Interest expense on lease liabilities	-1,706	-1,882
Total	**-22,233**	**-20,629**

The Group recognized a cash outflow attributable to leases in amortization, interest payments and expenses for low value assets amounting to KSEK 19,389 for the financial year 2024 (KSEK 17,670 for 2023).

The Group applies two exceptions in connection with lease accounting. Short-term contracts with a term of less than one year and without a purchase option but also low-value contracts that do not exceed EUR 5,000 are expensed. During 2024 and 2023 there has been no expenses for short-term leases.

For a maturity analysis of the Group's lease liabilities, refer to Note G19 Financial risks.

Note G13
Financial instruments

Measurement of financial assets and liabilities 2024-12-31	Financial assets and liabilities measured at fair value	Financial assets and liabilities measured at amortized cost	Total carrying amount
Financial assets			
Other non-current receivables		1,529	1,529
Accounts receivables		14,219	14,219
Cash and cash equivalents		24,168	24,168
Total		**39,917**	**39,917**
Financial liabilities			
Overdraft facility		41,483	41,483
Accounts payables		13,411	13,411
Accrued expenses		2,400	2,400
Other non-current liabilities		2,411	2,411
Other current liabilities		16,847	16,847
Total		**76,552**	**76,552**

Measurement of financial assets and liabilities 2023-12-31	Financial assets and liabilities measured at fair value	Financial assets and liabilities measured at amortized cost	Total carrying amount
Financial assets			
Other non-current receivables		1,362	1,362
Accounts receivables		38,675	38,675
Cash and cash equivalents		62,227	62,227
Total		**102,264**	**102,264**
Financial liabilities			
Accounts payables		10,815	10,815
Accrued expenses		3,213	3,213
Other non-current liabilities		1,985	1,985
Other current liabilities		28,211	28,211
Total		**44,224**	**44,224**

For non-current receivables and payables, such as accounts receivables and payables, and for non-current liabilities with variable interest rates, the carrying amount is considered to be a good approximation of the fair value.

The Group has no financial assets or liabilities that have been offset in the accounts or that are subject to a legally binding netting agreement. The maximum credit risk of the assets is the net amount of the carrying amounts in the tables above. The Group has not received any collateral for the net financial assets.

Note G14
Other current receivables

Other current receivables	2024-12-31	2023-12-31
Accrued income and prepaid expenses	10,134	8,450
Other current items	1,448	3,281
Carrying amount	**11,582**	**11,731**

Accrued income and prepaid expenses	2024-12-31	2023-12-31
Prepaid insurances	586	344
Prepaid license costs	2,531	2,245
Other prepaid expenses	7,017	5,861
Carrying amount	**10,134**	**8,450**

Note G15
Cash and cash equivalents

Cash and cash equivalents are defined as cash on hand and at banks and short-term investments maturing within 3 months from the date of acquisition. All items included in cash and cash equivalents are relatively readily convertible to cash.

	2024-12-31	2023-12-31
Granted credit	68,046	37,500
Used credit	-41,483	-
Carrying amount	**26,563**	**37,500**
Bank credit balances	**24,168**	**62,227**

Of the Group’s bank balances, KSEK 0 (0) as at 31/12/2024 consists of blocked bank funds.

Note G16
Group companies

The holdings of the parent company, 4C Group AB, in direct and indirect subsidiaries included in the consolidated accounts are shown in the table below:

			Vote share	
Companies	Reg. Number	Location	2024-12-31	2023-12-31
4C GROUP AB	556706-0412	Stockholm	Parent company	Parent company
4C Strategies AB	556598-6436	Stockholm	100%	100%
4C Europe UK Limited	07450958	London	100%	100%
4C North America Inc.	81-2766199	Delaware, USA	100%	100%
4C International AB	556976-8905	Stockholm	100%	100%
4C Strategies Norway AS	827186112	Oslo	100%	100%
4C Strategies Asia Pacific PTY Ltd	660383568	Queensland	100%	100%
4C Strategies Finland OY	3375477-3	Helsinki	100%	100%
4C Strategies North America Inc.	93-1494208	Virginia, USA	100%	100%

Note G17
Equity

The company's share capital consists of ordinary shares. The share capital is recorded at its nominal value and the excess is recorded as Other paid-in capital. Transaction costs directly attributable to the issue of new shares are recognized, net of tax, in equity as a deduction from the proceeds of the issue.

Share capital

As of 31 December 2024, the registered share capital comprises SEK 35,132,142 (34,919,142) shares with a par value of SEK 0,01750 per share.

The share	Class A-share
Share class	Ordinary share
Voting value	1,00
Quota value 31 December 2019	0,00550
Quota value 31 December 2020	0,00550
Quota value 31 December 2021	0,00550
Quota value 31 December 2022	0,01750
Quota value 31 December 2023	0,01750
Quota value 31 december 2024	0,01750

	2024-01-01-2024-12-31	2023-01-01-2023-12-31
Number of shares, beginning of the year	34,199,142	33,919,142
Increase through new share issue	933,000	280,000
Number of shares outstanding at year-end	35,132,142	34,199,142

Holders of ordinary shares are entitled to dividends declared from time to time and shareholdings entitle them to vote at the company's general meeting. All shares carry equal rights to the Group's remaining net assets. All shares are fully paid and no shares are reserved for transfer. No shares are held by the company itself or its subsidiaries.

Other contributed capital

Other contributed capital consists of capital contributed by the Group's shareholders in the form of share premium from new issues, premiums from warrants and shareholder contributions.

Reserves

The Group's reserve relates in full to a translation reserve, which includes all exchange differences arising on the translation of the financial statements of foreign operations that have prepared their financial statements in a functional currency other than the currency in which the Group's financial statements are presented. The Group presents its financial statements in Swedish kronor. The cumulative translation difference is recognized in profit or loss on disposal of the foreign operation.

Note G18
Earnings per share

For the purpose of accounting for earnings per share, - IAS 33 Earnings per share is applied. The calculation of earnings per share is based on the profit for the year of the Group attributable to owners of the parent and on the weighted average number of shares outstanding during the year. For the calculation of diluted earnings per share, the average number of shares is adjusted to take into account the effects of warrants issued.

For more information on existing share warrant programs, see note G5.

Weighted average number of shares before and after dilution	2024-01-01-2024-12-31	2023-01-01-2023-12-31
Weighted average number of shares	34,995,892	33,989,142
Weighted average number of warrants at year-end	140,000	1,217,000
Weighted average number of shares outstanding after dilution	**35,135,892**	**35,206,142**

Earnings per share	2023-01-01-2023-12-31	2022-01-01-2022-12-31
Income attributable to Parent company's shareholders (KSEK)	-3,468	-9,343
Weighted average number of shares	34,995,892	33,989,142
Earnings per share before dilution (SEK)	**-0.10**	**-0.27**
Income attributable to Parent company's shareholders (KSEK)	-3,468	-9,343
Weighted average number of shares outstanding after dilution	35,135,892	35,206,142
Earnings per share after dilution (SEK)	**-0.10**	**-0.27**

Note G19
Financial risks

The Group's profit, financial position and cash flow are impacted both by changes in the world and by the Group's own actions. The objective of risk management activities is to define and analyse the risks faced by the company and, to the greatest extent possible, to prevent and limit any negative effects.

Through its operations, the Group is exposed it various types of financial risk: credit risk, market risk (interest rate risk, currency risk and other price risk), liquidity risk and refinancing risk. The board of directors is ultimately responsible for the Group's risk management, including financial risks. Risk management involves identifying, assessing and valuing the risks faced by the Group. Priority is assigned to those risks which, on an overall assessment of potential impact, likelihood and consequence, are deemed to have the most negative impact on the Group. The Group's overall objective for financial risks is to find an appropriate balance of financial risks to ensure the execution of the strategy on which the Group operates.

Credit risk

Credit risk is the risk that the Group's counterparty in a financial instrument is unable to fulfil its obligations and thus causes the Group to incur a financial loss. The Group's credit risk primarily arises through receivables from customers and from the investing cash and cash equivalents. The Group assesses the credit risk of existing exposures at each reporting date, taking into account forward-looking factors.

Credit risk in accounts receivables (simplified approach for credit risk provision)

Credit risk for the Group is primarily found in accounts receivables and the Group's aim is to have preventive controls in place to ensure that no significant customer losses occur. The Group has established policies to ensure that sales of products and services are made to customers with an appropriate credit history. Payment terms are normally 30 days. The Group's customers are mainly public sector entities in Sweden, the UK and the US, indicating that the risk in these receivables are normally very low. In addition, the Group has a significant proportion of private companies, mainly in Sweden.

However, these businesses are smaller in size and more numerous in number, so the risk in these receivables can be considered well spread.

The Group applies the simplified approach of accounting for expected credit losses on accounts receivables. This means that expected credit losses are reserved for the remaining maturity, which is expected to be less than one year for all receivables. The Group applies an individual assessment per receivable for the calculation of expected credit losses based on probability of default, expected loss and exposure at default. Where an external credit rating is not available for the counterparty, an internal assessment of the counterparty's credit rating is made based on the Company's past experience with the customer and other available information. For credit-impaired assets and receivables and for receivables that amount to material amounts, an individual assessment is made taking into account historical, current and prospective information. For non-impaired assets and receivables not amounting to material amounts, a collective assessment is made.

The Group has defined default as when payment of the receivable is 90 days or more past due, or if other factors indicate default. In such cases, an individual assessment is performed to estimate the expected credit loss in excess of the loss share. The Group writes off a receivable when there is no longer any expectation of payment and active steps to obtain payment have been completed.

		Past due customer invoices			
	Accounts receivables not yet due	0-30 days	31-90 days	> 90 days	Total
2024-12-31					
Public customers, gross	5,975	120	336	-	**6,430**
Corporate companies, gross	5,970	1,697	11	111	**7,789**
Total accounts receivables, gross	11,944	1,817	347	111	**14,219**
Expected loss	0%	0%	0%	0%	**0%**
2023-12-31					
Public customers, gross	23,953	2,400	2,328	1,701	**30,382**
Corporate companies, gross	6,432	2,550	-	67	**9,049**
Total accounts receivables, gross	30,385	4,950	2,328	1,768	**39,431**
Impairment	-	-	-	-757	**-757**
Expected loss	0%	0%	0%	-43%	**-2%**

The credit quality of receivables that are not more than 90 days past due is deemed favourable, based on historically low customer losses and considering forward-looking factors. As of 2024-12-31, the company has made an impairment assessment of KSEK 0 (757). The impairment has been performed through an individual estimate and assessment of the specific account receivable.

Expected credit losses for accounts receivables (simplified approach)	2024-01-01-2024-12-31	2023-01-01-2023-12-31
Opening carrying amount	**-757**	**-9,814**
Impairment	-	-757
Recognised credit losses	-	9,814
Closing carrying amount	**-757**	**-757**

Contract assets
The Group's credit risk also arises from the contract assets held, the Group's objective is to have preventative controls in place to ensure that no significant customer losses occur. The Group has established policies to ensure that sales of products are made to customers with an appropriate credit history. The Group's customers are largely public sector entities in Sweden, the UK and the US, meaning that the risk in these contract assets is considered to be very low in principle.

The Group applies the simplified approach of accounting for expected credit losses on short-term contract assets. This means that expected credit losses are reserved for the remaining term to maturity. The Group applies a rating-based approach to calculate expected credit losses based on probability of default, expected loss and exposure at default.

The Group applies the general approach to the recognition of expected credit losses on long-term contract assets. Under the general approach, credit risk is measured for the next 12 months. The Group applies a rating-based approach where expected credit losses are measured at the product of probability of default, loss given default and exposure at default. Other known information and forward-looking factors are also taken into account in assessing expected credit losses.

No significant increase in credit risk has been identified for any receivable or asset at the balance sheet date.

Cash and cash equivalents
The Group's credit risk also arises from the investment of cash and cash equivalents and surplus liquidity. The Group's objective is to have a continuous monitoring of credit risk related to investments. For investments in bank accounts, the objective is that the counterparty should have a high credit rating of at least investment grade A-/BBB (S&P).

Loss allowance for expected credit losses
For other items subject to expected credit losses, a three-step impairment method is applied. Under the general approach, the credit risk is measured for the next 12 months.

The Group applies a rating-based approach where expected credit losses are measured at the product of probability of default, loss given default and exposure at default. Other known information and forward-looking factors are also taken into account in assessing expected credit losses. No significant increase in credit risk has been identified for any receivable or asset at the balance sheet date. Such assessment is based on whether payment is 30 days or more past due, or whether significant deterioration in creditworthiness occurs, resulting in a credit rating below investment grade. In the case of a significant increase in credit risk, the credit risk is measured for the remaining life of the exposure. The Group has defined default as when payment of a receivable is 90 days or more past due, or if other factors indicate that a default exists.

Credit risk exposure and credit risk concentration
The Group's credit risk exposure consists of accounts receivables, other receivables and cash and cash equivalents. Cash and cash equivalents of KSEK 24,168 (62,227 per 31 December 2023) are

placed with financial institutions with a high credit rating. The majority of cash and cash equivalents are invested with banks rated A+ by S&P rating assessment.

The Group's accounts receivables are spread across a number of customers, with some concentration of credit risk to certain larger public sector customers. The 5 largest accounts receivables represent KSEK 6,088 (16,836), which corresponds to 43% (44%) of total accounts receivables.

Market risk

Market risk is the risk that the fair value of or future cash flows from a financial instrument will vary due to changes in market prices. IFRS devides market risk into three types: currency risk, interest rate risk and other price risk. As most of the business is conducted outside Sweden, currency risk is the primary market risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The objective is not to be exposed to future fluctuations in interest rates that affect the Group's cash flows and results to a greater extent than the Group can withstand. A significant factor affecting interest rate risk is the duration of the interest rate fixation. The Group's main exposure to interest rate risk relates to the Group's loans to credit institutions. The Group's borrowings are normally at floating rates. Interest rate risk is low as the Group's interest expenses are low in relation to total income.

Given the interest-bearing assets and liabilities at the balance sheet date, an interest rate increase/decrease of 2 percentage points at the balance sheet date will have an impact on profit before tax of KSEK 0 (0) and an impact on equity after tax of KSEK 0 (0).

The following table specifies the conditions and repayment dates for each interest-bearing liability:

	Due date	Interest	2024-12-31	2023-12-31
Overdraft facility (SEK)	Ongoing	STIBOR 1W + 3 03%	-	-
Total			**0**	**0**

Currency risk

Currency risk is the risk that the fair value or future cash flows from a financial instrument will vary due to changes in foreign exchange rates. Currency risk mainly arise on the translation of the assets and liabilities of foreign operations into the functional currency of the parent entity, known as translation exposure. The Group's sales and purchases in foreign currencies, known as transaction exposure, also represent a currency risk. In summary, the Group operates in many parts of the world with a local currency revenue and cost base and is thus exposed to currency risk.

A significant proportion of purchases and hence trade payables are in foreign currencies and are therefore exposed to currency risks. For purchases, discount rates are used. A large proportion of the Group's sales are also denominated in currencies other than the Swedish krona (SEK), whereby significant currency risks exist. As shown in the table below, the Group's main transaction exposure consists of USD, GBP and EUR.

The Group aims to match purchases and sales in the same currencies where possible, but results will still be affected by exchange rate movements in the future. The Group continuously considers whether to initiate currency hedging but in 2024 this has not been considered justified.

	2024-01-01 - 2024-12-31		2023-01-01 - 2023-12-31	
Currency exposure	**Operating revenue**	**Operating expenses**	**Operating revenue**	**Operating expenses**
GBP	116,837	-61,280	100,635	-76,908
USD	116,476	-87,680	87,110	-57,228
EUR	5,070	-1,895	8,791	-1,521
Other currencies	11,352	-	1,561	-843

Sensitivity analysis - Exchange rate fluctuations against SEK	**Effect on profit before tax**	**Effect on equity**	**Effect on profit before tax**	**Effect on equity**
USD				
+ 10%	5,556	6,721	2,988	3,808
-10%	-5,556	-6,721	-2,988	-3,808
GBP				
+ 10%	2,880	4,661	2,373	3,858
- 10%	-2,880	-4,661	-2,373	-3,858
EUR				
+ 10%	317	317	726	726
- 10%	-317	-317	-726	-726

Liquidity risk and refinancing risk

Liquidity risk is the risk that an entity will encounter difficulties in meeting obligations associated with financial liabilities that are settled in cash or another financial asset. The company manages liquidity risk by continuously monitoring its activities and by maintaining a group account structure that ensures the credit needs of the companies. The Company continuously forecasts future cash flows based on various scenarios to ensure timely funding.

The risk is mitigated by the Group's good liquidity reserves which are immediately available. The Group's operations are essentially self-financed with the ability to draw on overdraft facilities and the sale of accounts receivables if necessary. The Group has no commitments to creditors. The Group has an approved credit amount for its overdraft facility, see table on page 64 for amounts approved and utilized at the end of the reporting period. The total cash reserve consists of cash and cash equivalents and unused overdraft facilities.

Refinancing risk refers to the risk that financing for acquisitions or development cannot be retained, extended, expanded, refinanced or that such financing can only be provided on terms that are unfavourable to the company. The need for refinancing is regularly reviewed by the company and the board of directors to ensure the financing of the company's expansion and investments. The objective is to ensure that the Group has ongoing access to external borrowing without a material increase in the cost of borrowing. Refinancing risk is mitigated by starting the refinancing process in a structured and timely manner. The company also maintains an ongoing dialogue with several creditors.

The Group's contractual and undiscounted interest payments and re-payments of financial liabilities are shown in the table to the right. Financial instruments with variable interest rates have been calculated using the interest rate prevailing at the balance sheet date. Liabilities have been included in the period in which repayment is earliest due.

	2024-12-31				
Maturity analysis	**< 3 months**	**3-6 months**	**6-12 months**	**> 1 year**	**Total**
Accounts payables	13,411	-	-	-	**13,411**
Lease liabilities	5,291	5,291	10,581	25,724	**46,887**
Accrued expenses	2,400	-	-	-	**2,400**
Other current liabilities	11,588	-	-	3,676	**15,264**
Interest-bearing current liabilities	2,459	530	41,081	-	**44,070**
Other non-current liabilities	-	-	-	-	**-**
Interest-bearing non-current liabilities	-	-	-	2,411	**2,411**
Total	**35,149**	**5,821**	**51,662**	**31,811**	**124,443**

	2023-12-31				
Maturity analysis	**< 3 months**	**3-6 months**	**6-12 months**	**> 1 year**	**Total**
Accounts payables	10,815	-	-	-	**10,815**
Lease liabilities	5,028	5,028	10,057	32,787	**52,900**
Accrued expenses	17,612	2,368	-	-	**19,980**
Other current liabilities	22,903	-	-	-	**22,903**
Interest-bearing current liabilities	7,886	530	1,455	530	**10,401**
Other non-current liabilities	-	-	-	497	**497**
Interest-bearing non-current liabilities	-	-	-	1,985	**1,985**
Total	**64,244**	**7,926**	**11,512**	**35,799**	**119,481**

The credit agreements/frameworks entered into by the Group are presented below

	2024-12-31	**2023-12-31**
Overdraft facility	-68,046	37,500
of which utilized	-41,483	-

Change in financial liabilities	2024-01-01	Cash flow	No-cash changes: Change in lease liabilities	2024-12-31
Liabilities to credit institutions	0	-	-	0
Overdraft facility	0	-	-	0
Shareholder loan	0	-	-	0
Lease liabilities	49,203	-19,389	15,274	45,088
Total	**49,203**	**-19,389**	**15,274**	**45,088**

Change in financial liabilities	2023-01-01	Cash flow	No-cash changes: Change in lease liabilities	2023-12-31
Liabilities to credit institutions	0	-	-	0
Overdraft facility	0	-	-	0
Shareholder loan	0	-	-	0
Lease liabilities	42,634	-17,669	24,238	49,203
Total	**42,634**	**-17,669**	**24,238**	**49,203**

Capital management

Capital is defined as total equity. The Group's objectives with respect to capital are to safeguard the Group's ability to continue its operations over the long term, so that it can continue to generate returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to keep the cost of capital low.

The Group's equity ratio is 54% (59%) and the total capital revenue rate is 0,78 (0,85). Key performance measures that the Group will continue to strive to maintain or improve. In order to maintain or adjust the capital structure, the Group may change the dividend paid to shareholders, issue new shares or sell assets to reduce debt. The board of directors and management evaluate future payment obligations on an ongoing basis and decide, based on an overall assessment, how to manage the Group's funds.

Note G20
Other current liabilities

Other current liabilities	2024-12-31	2023-12-31
Accrued expenses and prepaid income	20,099	19,980
Other current items	16,307	22,902
Carrying amount	**36,406**	**42,882**

Accrued expenses and prepaid income	2024-12-31	2023-12-31
Accrued holiday pay	5,768	7,512
Accrued social security charges	1,853	3,130
Accrued salaries and fees	7,042	6,125
Accrued commissions	166	452
Other accrued expenses	5,270	2,761
Carrying amount	**20,099**	**19,980**

Note G21
Statement of cash flows

Adjustments for non-cash items	2024-01-01-2024-12-31	2023-01-01-2023-12-31
Adjustments in operating income		
Amortization for the year	42,766	37,532
Translation adjustments	-668	192
Other	-246	-1,048
Total	**41,852**	**36,676**

Note G22
Pledge assets and contingent liabilities

Pledge assets and contingent liabilities	2024-12-31	2023-12-31
Floating charges	65,000	37,500
Shares in subsidiaries	30,938	25,154
Total	**95,938**	**62,654**

The floating charges is provided for an approved overdraft facility.

Note G23
Transactions with related parties

A list of the Group's subsidiaries, which are also the companies that are related to the parent company, is given in Note 16 Group companies.

For information on remuneration to senior executives, see Note G5 Employees and personnel costs.

Note G24
Events after the balance sheet date

4C Strategies' operations have not changed since the end of 2024. The company's activities continue as planned and the strategic focus on growth remains in place.

During 2024 and the beginning of 2025, a change in the presidency in the USA has created shifts in the global political and security dynamics, impacting defense policies and relations within NATO. In Europe, intense discussions are ongoing regarding strengthened defense cooperation, especially in light of the uncertain situation in Ukraine. These changes are affecting our market and our customers, and we are closely monitoring the development. The uncertainty surrounding geopolitics, defense strategies, and international relations means that we are keeping an eye on how these factors may influence our business areas and long-term strategies.

On March 27, 2025, the company carried out a directed new share issue of a total of 3,142,857 shares at a price of 17.50 SEK per share. The share issue raised 54,999,998 SEK in new equity for the company.

No other significant events have occurred after the balance sheet date.

Parent company income statement

KSEK	Note	2024	2023
Operating revenue			
Net sales		199,576	187,246
Other revenue		101	7
Total revenue		**199,677**	**187,253**
Operating expenses			
Other external costs	2,3	-137,145	-139,698
Personnel costs	4	-84,482	-77,731
Other operating expenses		-171	-
Total operating expenses		**-221,799**	**-216,668**
Operating income before depreciation and amortization		**-22,122**	**-29,415**
Depreciation and amortization	10	-562	-455
Operating income		**-22,683**	**-29,870**
Financial income	5	16,206	13,038
Financial expenses	6	-10,810	-11,961
Income after financial items		**-17,287**	**-28,793**
Appropriations	7	-7,500	9,120
Income before tax		**-24,787**	**-19,673**
Taxes	9	4,879	3,661
Net income for the period		**-19,909**	**-16,012**

Parent company balance statement

KSEK	Note	2024-12-31	2023-12-31
ASSETS			
Fixed assets			
Tangible assets			
Intangible assets	8	3,014	-
Machinery and equipment	10	1,472	1,775
Total tangible fixed assets		**4,486**	**1,775**
Financial fixed assets			
Shares in subsidiaries	11	21,680	21,680
Deferred tax asset	9	8,555	3,676
Total financial fixed assets		**30,235**	**25,357**
Total fixed assets		**34,721**	**27,132**
Current assets			
Current intercompany receivables	11,12	147,393	129,771
Contract assets		1,260	-
Other current receivables		1,781	6,301
Accrued income and prepaid expenses	15	7,802	7,455
Cash and cash equivalents	16	1,312	34,543
Total current assets		**159,548**	**178,070**
Total assets		**194,269**	**205,202**

KSEK	Note	2024-12-31	2023-12-31
EQUITY AND LIABILITIES			
Equity	17		
Restricted equity			
Share capital		615	598
Total restricted equity		**615**	**598**
Unrestricted equity			
Additional paid in capital		167,192	155,149
Profit/loss brought forward		9,618	25,630
Net income for the period		-19,909	-16,012
Total unrestricted equity		**156,901**	**164,767**
Total equity		**157,515**	**165,366**
Untaxed reserves			
Non-current liabilities			
Other non-current liabilities	14	2,411	-
Total non-current liabilities		**2,411**	**0**
Current liabilities			
Current interest bearing liabilities		603	-
Accounts payables	13	10,266	7,606
Current intercompany liabilities	13	6,811	14,473
Other current liabilities	13	6,208	8,713
Contract liabilities		2,013	-
Accrued expenses and prepaid income	16	8,442	9,044
Total current liabilities		**34,343**	**39,836**
Total equity and liabilities		**194,269**	**205,202**

Parent company changes in consolidated equity

KSEK	Note	Share capital	Other contributed capital	Reserves	Profit/loss brought forward	Total equity
Opening balance 1 January 2023		**594**	**151,038**	**0**	**25,630**	**177,262**
Net income for the period		-	-	-	-16,012	-16,012
Other comprehensive income		-	-	-	-	0
Total other comprehensive income		**0**	**0**	**0**	**-16,012**	**-16,012**
Transaction with owners						
New share issues		5	3,372	-	-	3,377
Payment warrants		-	777	-	-	777
Repurchased warrants		-	-38	-	-	-38
Total transaction with owners		**5**	**4,111**	**0**	**0**	**4,116**
Closing balance 31 December 2023		**598**	**155,149**	**0**	**9,618**	**165,365**
Opening balance 1 January 2024		**598**	**155,149**	**0**	**9,618**	**165,365**
Net income for the period		-	-	-	-19,909	-19,909
Other comprehensive income		-	-	-		0
Total other comprehensive income		**0**	**0**	**0**	**-19,909**	**-19,909**
Transaction with owners						
New share issues		16	12,042	-	-	12,059
Total transaction with owners		**16**	**12,042**	**0**	**0**	**12,059**
Closing balance 31 December 2024		**615**	**167,192**	**0**	**-10,292**	**157,515**

Parent company cash flow statement

KSEK	Note	2024	2023
Cash flow from operating activities			
Operating income		-22,683	-29,870
Adjustment for non-cash items	19	631	448
Financial income		5,395	1,077
Interest paid		-	-
Income tax paid		1,988	-4,056
Change in current assets		925	2,063
Change in current liabilities		-23,787	-57,982
Cash flow from operating activities		**-37,531**	**-88,321**
Cash flow from investing activities			
Acquisition of intangible assets		-3,014	-
Acquisition of tangible assets	10	-259	-733
Acquisition of financial assets		-	-120
Cash flow from investing activities		**-3,273**	**-853**

KSEK	Note	2024	2023
Cash flow from financing activities			
New share issues		12,058	3,377
Warrant premiums		-	739
Change in liabilities to credit institutions	13	3,014	-
Group contributions made	7	-7,500	-
Other		-	-260
Cash flow from financing activities		**7,572**	**3,856**
Cash flow for the period		**-33,232**	**-85,318**
Change in cash and cash equivalents			
Cash and cash equivalents at the beginning of the period		34,543	119,861
Cash and cash equivalents at the end of the period	16	**1,311**	**34,543**

Parent company notes

Note P1
Significant accounting principles

The parent company has prepared its annual report in accordance with the Annual Accounts Act (1995:1554) and the recommendation issued by the Financial Reporting Council RFR 2 "Accounting for legal entities". The parent company applies the same accounting principles as the Group with the exceptions and additions specified in RFR 2. This means that IFRS is applied with the deviations listed below. The accounting policies set out below for the parent entity have been applied consistently to all periods presented in the parent entity's financial statements, unless otherwise stated.

Organization
The income statement and balance sheet are prepared for the parent company in accordance with the forms of the Annual Accounts Act, while the statement of comprehensive income, the statement of changes in equity and the statement of cash flow are based on IAS 1 Presentation of financial statements and the IAS 7 Statement of Cash Flows respectively.

Leasing
The rules on the recognition of leases under IFRS 16 do not apply in the parent company. This means that lease payments are recognized as cost on a straight-line basis over the lease term, and that rights of use and lease liabilities are not included in the parent company's balance sheet. However, identification of a lease is made in accordance with IFRS 16, i.e. that a contract is, or contains, a lease if the contract transfers the right to determine for a certain period the use of an identified asset in exchange for compensation.

Taxes
In the parent company, deferred tax liabilities attributable to the untaxed reserves are recognized with gross amounts in the balance sheet. The appropriations are reported with the gross amount in the income statement.

Shares in group companies
Shares in group companies are recognized in the parent company in accordance with the cost method. The recorded amount of units in group companies is tested for impairment in accordance with IAS 36, Impairments. An impairment analysis is carried out at the end of each reporting period and any write-down is charged to the income statement. Where a previous write-down is no longer justified, it is reversed. Transaction costs are included in the carrying amount of the holding.

When assessing impairment requirements, assumptions are made about future conditions to calculate future cash flows that determine the recoverable amount. The recoverable amount is compared with the carrying amount of these assets and is the basis for any write-downs or reversals. The assumptions that affect the recoverable amount the most are future earnings development, discount rate and useful life. If future external factors and conditions change, assumptions may be affected so that the carrying amounts of the parent's assets change.

Group contributions and shareholder contributions
The parent company reports both received and made group contributions as well as appropriations for the financial statements in accordance with the alternative rule. Shareholder contributions made by the parent company are carried directly against the equity of the recipient and are recognized as shares and shares with the parent company. Shareholder contributions received are recognized as an increase in unrestricted equity.

Financial instruments
Due to the relationship between accounting and taxation, the rules on financial instruments under IFRS 9 do not apply in the parent company as a legal entity, but the parent entity applies in accordance with the ÅRL cost method. In the parent entity, financial fixed assets are thus measured at cost and financial current assets according to the lowest value principle, applying impairment for expected credit losses under IFRS 9 in respect of assets that are debt instruments.

The parent applies the exemption not to value financial guarantee agreements for the benefit of subsidiaries and associates and joint ventures in accordance with the rules of IFRS 9, but instead applies the principles of measurement under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Write-down of financial assets
Financial assets, including intercompany receivables, are written down for expected credit losses. For method regarding impairment for expected credit losses, see the Group's Note 19 Financial Risks.

Expected credit losses for cash and cash equivalents have not been recognized, as the amount has been deemed to be immaterial.

Significant estimates and assessments
When preparing the financial statements, management and the Board of Directors must make certain assessments and assumptions that affect the carrying amount of asset and liability items and income and cost items, respectively, and provided information in general. The following are the assessments and sources of uncertainty in estimates that are most material in the preparation of the entity's financial statements.

Deferred tax assets
See description under the accounting principles for the Group.

Shares in subsidiaries
Shares in group companies are recognized in the parent company in accordance with the cost method. The recorded amount of units in group companies is tested for impairment in accordance with IAS 36, Impairments. An impairment analysis is carried out at the end of each reporting period and any write-down is charged to the income statement.

Note P2
Remuneration to auditors

Ernst & Young AB	2024-01-01-2024-12-31	2023-01-01-2023-12-31
Audit	1,235	1,650
Tax advice	-	58
Other services	292	304
Total	**1,527**	**2,012**

Note P3
Leasing

Future minimum lease fees	2024-01-01-2024-12-31	2023-01-01-2023-12-31
Within a year	12,878	11,706
Between 1-5 years	20,634	21,012
Total	**33,512**	**32,718**

Note P4
Employees and personnel costs

For information on remuneration to employees and senior executives and information about the number of employees, see the Group's Note G5 Employees and personnel costs.

Note P5
Financial income

	2024-01-01-2024-12-31	2023-01-01-2023-12-31
Assets and liabilities valued at amortized cost		
Financial income from bank account	113	1 331
Financial income from tax account	14	1
Total interest income in accordance with effective interest rate method	**127**	**1 332**
Other financial income		
Exchange rate differences - income, financial items	16,079	11,706
Total	**16,079**	**11,706**
Total financial income	**16,206**	**13,038**

Note P6
Financial expenses

	2024-01-01-2024-12-31	2023-01-01-2023-12-31
Assets and liabilities valued at amortized cost		
Interest expenses from other financial assets	-214	-251
Total interest expense in accordance with effective interest rate method	**-214**	**-251**
Other financial expenses:		
Exchange rate differences - expenses, financial items	-10,596	-11,710
Total	**-10,596**	**-11,710**
Total financial expenses	**-10,810**	**-11,961**

Note P7
Untaxed reserves

	2024-01-01-2024-12-31	2023-01-01-2023-12-31
Provision to accrual fund	-	9,380
Submitted Group contributions	-7,500	-260
Total	**-7,500**	**9,120**

Note P8
Intangible assets

	Licenses	Total intangible assets
Acquisition cost		
As of 1 January 2023	**0**	**0**
Acquisitions for the year	-	-
Acquisitions value per 31 December 2023	**0**	**0**
Acquisitions value per 1 January 2024	**0**	**0**
Acquisitions for the year	3,014	3,014
Acquisitions value per 31 December 2024	**3,014**	**3,014**
Depreciations		
Accumulated depreciation per 1 January 2023	**0**	**0**
Amortiziation for the year	-	-
Accumulated depreciation per 31 December 2023	**0**	**0**
Accumulated depreciation per 1 January 2024	**0**	**0**
Amortiziation for the year	-	-
Accumulated depreciation per 31 December 2024	**0**	**0**
Intangible assets		
Closing carrying amount as of 2023-12-31	0	0
Closing carrying amount as of 2024-12-31	3,014	3,014

Note P9
Tax

Current tax	2024-01-01-2024-12-31	2023-01-01-2023-12-31
Deferred tax	4,879	3,661
Recognized tax	**4,879**	**3,661**

Effective tax rate	2024-01-01-2024-12-31	2023-01-01-2023-12-31
Income before tax	-24,787	-19,673
Tax according to applicable tax rate for the parent company (20,6%)	5,106	4,053
Tax effect of:		
Non-deductible expenses	-227	-377
Adjustment of tax from previous year	-	-15
Recognized tax	**4,879**	**3,661**
Effective tax rate	20%	19%

Deferred tax assets	Deduction of tax losses	Total
Opening carrying amount 2024-01-01	**3,676**	**3,676**
Through profit or loss	4,879	4,879
Other comprehensive income	-	-
Closing carrying amount 2024-12-31	**8,555**	**8,555**

Deferred tax assets	Deduction of tax losses	Total
Opening carrying amount 2023-01-01	**0**	**0**
Through profit or loss	3,661	3,661
Other comprehensive income	15	15
Closing carrying amount 2023-12-31	**3,676**	**3,676**

Note P10
Tangible assets

	Machinery and equipment	Total tangible assets
Acquisition cost		
As of 1 January 2023	1,882	1,882
Acquisitions for the year	733	733
Acquisition value per 31 December 2023	**2,615**	**2,615**
Acquisition value per 1 January 2024	**2,615**	**2,615**
Acquisitions for the year	259	259
As of 31 December 2024	**2,874**	**2,874**
Depreciation		
Accumulated depreciation per 1 January 2023	-385	-385
Amortization for the year	-455	-455
Accumulated depreciation per 31 December 2023	**-840**	**-840**
Accumulated depreciation per 1 January 2024	**-840**	**-840**
Amortization for the year	-562	-562
Accumulated depreciation per 31 December 2024	**-1,402**	**-1,402**
Tangible,assets		
Closing carrying amount as of 2023-12-31	1,775	1,775
Closing carrying amount as of 2024-12-31	1,472	1,472

The parent company has no financial assets or liabilities that have been set off in the accounts or that are covered by a legally binding netting agreement. The maximum credit risk of the assets consists of the net amounts of the carrying amounts in the tables above. The parent company has not received any collateral for the net financial assets.

Note P11
Shares in subsidiaries

	2024-12-31	2023-12-31
Opening balance	21,680	21,560
New formation of subsidiaries	-	120
Closing carrying amount	**21,680**	**21,680**

Companies	Reg no.	Location	Voting share
4C Strategies AB	556598-6436	Stockholm	100%
4C Europe UK Limited	07450958	London	100%
4C North America Inc.	81-2766199	Delaware, USA	100%
4C International AB	556976-8905	Stockholm	100%
4C Strategies Norway AS	827186112	Oslo	100%
4C Strategies Finland OY	3375477-3	Helsinki	100%
4C Strategies North America Inc.	93-1494208	Virginia, USA	100%
4C Strategies Asia Pacific PTY Ltd	660383568	Queensland	100%

The following list includes shares and shares directly owned by the parent company. The parent company does not have any indirectly owned shares and shares.

Parent company	Number of shares	Equity 2024-12-31	Net income 2024	Carrying amount 2024-12-31	Carrying amount 2023-12-31
4C Strategies AB	1,679	415	-499	11,079	11,079
4C Europe UK Limited	1	17,817	1,930	-	-
4C North America Inc.	1	11,395	1,309	10,327	10,327
4C International AB	50	239	80	50	50
4C Strategies Norway AS	300	-605	-1	31	31
4C Strategies Finland OY	10,000	64	35	12	12
4C Strategies North America Inc.	1	261	113	108	108
4C Strategies Asia Pacific PTY Ltd	1	747	605	73	73
Total				**21,680**	**21,680**

Note P12
Intercompany receivables

Companies	2024-12-31	2023-12-31
4C Strategies AB		
4C Europe UK Limited	68,381	72,325
4C North America Inc.	63,040	5,692
4C International AB	6,232	30,104
4C Strategies Norway AS	793	679
4C Strategies Finland OY	-	122
4C Strategies Asia Pacific PTY Ltd	8,947	20,849
Total	**147,393**	**129,771**

Note P13
Financial instruments

For short-term receivables and liabilities, such as trade receivables and accounts payable, the carrying amount is considered a good approximation of fair value.

The maximum credit risk of the assets is the carrying amounts. The parent company has not received any collateral for the financial assets.

Measurement of financial assets and liabilities 2024-12-31	Financial assets and liabilities measured at fair value	Financial assets and liabilities measured at amortized cost	Total carrying amount
Financial assets			
Intercompany receivables		147,393	147,393
Cash and cash equivalents		1,312	1,312
Total		**148,705**	**148,705**
Financial liabilities			
Liabilities to credit institutions		3,014	3,014
Accounts payables		10,266	10,266
Accrued expenses		497	497
Other current liabilities		8,221	8,221
Intercompany liabilities		6,811	6,811
Total		**28,809**	**28,809**

Measurement of financial assets and liabilities 2023-12-31	Financial assets and liabilities measured at fair value	Financial assets and liabilities measured at amortized cost	Total carrying amount
Financial assets			
Intercompany receivables		129,771	129,771
Cash and cash equivalents		34,543	34,543
Total		**164,314**	**164,314**
Financial liabilities			
Liabilities to credit institutions			
Accounts payables		7,606	7,606
Accrued expenses		432	432
Other current liabilities		8,713	8,713
Intercompany liabilities		14,473	14,473
Total		**31,224**	**31,224**

The parent company has no financial assets or liabilities that have been set off in the accounts or that are covered by a legally binding netting agreement. The maximum credit risk of the assets consists of the net amounts of the carrying amounts in the tables above. The parent company has not received any collateral for the net financial assets.

	2024-12-31				
Maturity analysis for financial liabilities	**< 3 months**	**3-6 months**	**1-3 years**	**> 3 years**	**Total**
Liabilities to credit institutions	-	603	2,411	-	**3,014**
Accounts payables	10,266	-	-	-	**10,266**
Accrued expenses	287	203	-	-	**490**
Other current liabilities	5,808	399	-	-	**6,207**
Intercompany liabilities	-	6,798	-	-	**6,798**

	2023-12-31				
Maturity analysis for financial liabilities	**< 3 months**	**3-6 months**	**1-3 years**	**> 3 years**	**Total**
Liabilities to credit institutions	-	-	-	-	**0**
Accounts payables	7,606	-	-	-	**7,606**
Accrued expenses	432	-	-	-	**432**
Other current liabilities	5,480	2,124	1,109	-	**8,713**
Intercompany liabilities	-	14,473	-	-	**14,473**

Note P14
Long-term liabilities

	2024-12-31	2023-12-31
Liabilities to credit institutions	2,411	-
Total	**2,411**	**0**

Note P15
Prepaid costs

	2024-12-31	2023-12-31
Prepaid rent	2,671	2,648
Other current receivables	5,131	4,807
Carrying amount	**7,802**	**7,455**

Note P16
Cash and cash equivalents

	2024-12-31	2023-12-31
Bank balances	1,312	34,543
Carrying amount	**1,312**	**34,543**

Note P17
Equity

For information on share transactions and mandates approved by the General Meeting, see the Group's Note G17 Equity. The parent company's equity is divided into restricted and unrestricted equity.

Proposal for profit allocation
The following retained earnings are at the disposal of the annual general meeting:

Additional paid in capital	167,192
Profit/loss brought forward	9,618
Net income for the year	-19,909
Carrying amount	**156,901**
Disposed of as follows:	
Dividend to be distributed to shareholders	0
To be retained	156,901

Note P18
Accrued expenses

	2024-12-31	2023-12-31
Accrued holiday pay	4,500	4,676
Accrued social security charges	1,007	1,006
Accrued interest	194	280
Accrued salaries and fees	2,398	2,931
Other	342	151
Carrying amount	**8,442**	**9,044**

Note P19
Cash flow statement

Adjustments for non-cash items	2024-01-01-2024-12-31	2023-01-01-2023-12-31
Adjustments in operating income		
Unrealized currency impact	-69	-
Depreciation	-562	-455
Total	**-631**	**-455**

Note P20
Pledged assets and contingent liabilities

	2024-12-31	2023-12-31
Pledged assets for own liabilities to credit institutions		
Shares in subsidiaries	11,079	11,079
Total	**11,079**	**11,079**

Guarantees in favour of group companies are attributed to the overdraft facilities used.

Note P21
Transactions with related parties

Subsidiaries	2024-01-01-2024-12-31	2023-01-01-2023-12-31
Sale of goods/services	218,845	187,246
Purchase of goods/services	-88,026	-77,297
Receivable at the balance sheet date	147,393	129,771
Liability at the balance sheet date	-6,811	-14,473

Note P22
Events after the balance sheet date

4C Strategies' operations have not changed since the end of 2024. The company's activities continue as planned and the strategic focus on growth remains in place.

During 2024 and the beginning of 2025, a change in the presidency in the USA has created shifts in the global political and security dynamics, impacting defense policies and relations within NATO. In Europe, intense discussions are ongoing regarding strengthened defense cooperation, especially in light of the uncertain situation in Ukraine. These changes are affecting our market and our customers, and we are closely monitoring the development. The uncertainty surrounding geopolitics, defense strategies, and international relations means that we are keeping an eye on how these factors may influence our business areas and long-term strategies.

On March 27, 2025, the company carried out a directed new share issue of a total of 3,142,857 shares at a price of 17.50 SEK per share. The share issue raised 54,999,998 SEK in new equity for the company.

No other significant events have occurred after the balance sheet date.

Declaration

The Board and the CEO declare that the annual report has been prepared in accordance with generally accepted accounting principles in Sweden and the consolidated financial statements have been prepared in accordance with the international accounting standards referred to in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards.

The annual report and consolidated financial statements provide a true and fair view of the Parent Company's and the Group's position and earnings. The director's report for the Parent Company and the Group respectively provides a fair overview of the development of the Parent Company's and the Group's operations, position and earnings and describes significant risks and uncertainties faced by the Parent Company and the companies included in the Group.

2025-04-15
Stockholm, Sweden

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

Andreas Hedskog
Chairman

Louise Bagewitz
Member

Anders Fransson
Member

Erik Ivarsson
Member

Jörgen Ericsson
Member

Christine Rankin
Member

Jonas Jonsson
CEO

Our audit report was submitted on 2025-04-16

Peter Gunnarsson
Authorized public accountant
Ernst & Young AB

Auditor’s report

To the general meeting of the shareholders of 4C Group AB (Publ), corporate identity number 556706-0412

Report on the annual accounts and consolidated accountss

Opinions

We have audited the annual accounts and consolidated accounts of 4C Group AB (Publ except for the corporate governance statement on pages 60-73 for the year 2024. The annual accounts and consolidated accounts of the company are included on pages 8-56 in this document.

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 2024 and its financial performance and cash flow 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 2024 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 60-73. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor’s Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 4-7. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they 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.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company’s and the group’s ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor’s responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit.
We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors [and the Managing Director].
- Conclude on the appropriateness of the Board of Directors' [and the Managing Director's] use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of 4C Group AB (Publ for the year 2024 and the proposed appropriations of the company's profit or loss.

We recommend to the general 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.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

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. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. 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 to be able to assess whether the proposal is in accordance with the Companies Act.

Malmö 16 April 2025
Ernst & Young AB

Peter Gunnarsson
Authorized Public Accountant

Corporate Governance

As listed on Nasdaq First North Premier Growth Market, 4C Strategies follows the Swedish Code of Corporate Governance, the regulatory framework to be applied by companies whose shares are traded on a regulated market. The Code shall ensure that companies managed sustainably, responsibly, and efficiently. In the episode, 4C reports, among other things, Annual General Meetings, Board work, governance functions and remuneration.

Corporate Governance Report

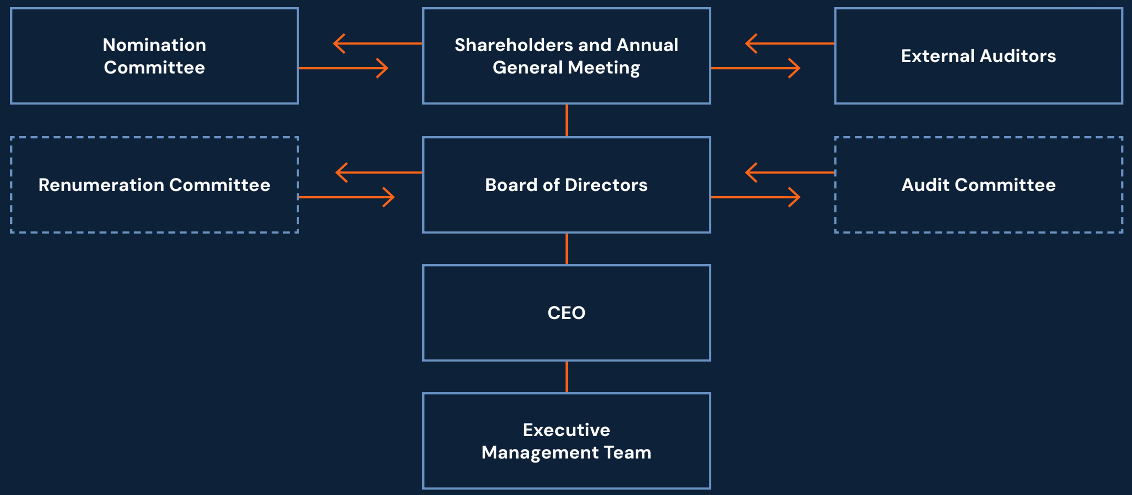
4C Group AB (publ) ("4C" or the "Company") is a Swedish public limited company listed on Nasdaq First North Premier Growth Market since 24 May 2022 with registered office in Stockholm.

Corporate governance describes how rights and responsibilities are distributed in a company according to applicable laws, rules and internal processes. Corporate governance also defines the decision-making systems and structure through which shareholders directly or indirectly control a company and its operations. 4C's corporate governance is based on Swedish legislation, such as the Swedish Companies Act, the Accounting Act, the Annual Accounts Act and other applicable laws, ordinances, and internal regulations. 4C follows the Swedish Code of Corporate Governance, (the "Code") and Nasdaq Stockholm's Rulebook for Issuers. This Corporate Governance Report has been prepared in accordance with applicable Swedish legislation and the Code. 4C Group's auditors have read this report and a statement from the auditor has been appended to it. No deviations from the Code or other regulations have taken place in 2024.

4C's governance model sets out the division of responsibilities within the group, with mandates and role descriptions designed to create a clear and transparent division of functions and areas of responsibility.

The illustration on the right shows the formal corporate governance structure.

Corporate governance structur



Shares an Shareholders

The shares in the Company were on 24 May 2022 listed on Nasdaq First North Premier Growth. At year-end 2024, the Company had a market capitalization of 347 MSEK, distributed between 35 132 142 shares per the last day of trade 2024. 4C's share register is maintained by Euroclear Sweden AB. Each share corresponds to one vote at the Annual General Meeting ("AGM") and gives equal rights to shares in the Company's assets and earnings. As of December 31, 2024, the largest single shareholder was Hedskog Equity AB, whose holding was 11.08 % of the shares. The four largest shareholders accounted for 35.5% of the shares and votes in the Company.

The main shareholders in the Company by year-end 2024 were:

Name	Number of shares	Votes	Capital
Andreas Hedskog	3,892,378	11.08%	11.08%
Martin Gren (Grenspecialisten)	2,989,989	8.51%	8.51%
Klas Lindström	2,983,962	8.49%	8.49%
Fjärde AP Fonden	2,597,857	7.39%	7.39%
Total	**12,464,186**	**35.5%**	**35.5%**

General Meetings

The highest decision-making body of the Company is the General Meeting where the shareholders exercises their influence.

According to the company's Articles of Association, the notice of the General Meetings shall be made by announcement in the Official Swedish Gazette and by posting the notice on the Company's website. Notification that the invitation has been issued is announced in the daily national paper Dagens Industri.

Notice of the General Meetings shall be issued no earlier than six weeks and no later than four weeks before the meeting if it is an AGM or if amendments of the articles of association will be raised. Notice of any other General Meeting shall be given no earlier than six weeks and no later than two weeks before the meeting. The AGM is held within six months of the end of the financial year and takes place in Stockholm.

The AGM's resolutions include, among other things:

- Election of the Board of Directors and remuneration for board members, including for committee work.
- Discharge from liability for board members and the CEO.
- Election of the auditor.
- Adoption of the income statement and balance sheet.
- Disposition of the bank's profit or loss.
- Remuneration guidelines for the CEO and certain other senior executives.

All shareholders who are registered in the share register and who have notified their participation in time have the right to attend and vote. The Board of Directors may collect proxies at the company´s expense in compliance with the procedure set out in the Swedish Companies Act.

The Board of Directors may resolve, ahead of a General Meeting of the shareholders, that the shareholders shall be entitled to exercise their voting rights by post prior to the meeting.

A shareholder that wishes to have a certain matter discussed on the General Meeting shall request this in writing to the Board of Directors. The matters shall be discussed at the General Meeting if the request has been received by the Board of Directors at least seven weekdays prior to the time when the convening notice may be submitted at the earliest, or thereafter if within time to include the matter in the convening notice to the General Meeting.

The Articles of Association do not contain restrictions on the number of votes for each shareholder at a General Meeting. Members of the Board of Directors are appointed and dismissed in accordance with the Swedish Companies Act and the articles of associa¬tion does not contain special rules for this. Amendments to the Articles of Association are deci¬ded in the manner that follows from the Swedish Companies Act and the Articles of Association contain no special rules for this.

Annual General Meeting 2024

The AGM for the 2023 fiscal year was held in Stockholm at Vattugatan 17 on 15 May 2024. The notice to the AGM was published on the company's website and in the Swedish Official Gazette. An announcement with information that the notice has been issued was published in the daily national paper Dagens Industri. Fourteen shareholders, accounting for 53 percent of the votes and 53 percent of the shares, were represented at the AGM.

The AGM passed, for example, resolutions on:

- Adopting the income statement and balance sheet as well as the group income statement and group balance sheet.
- To treat the result in accordance with the proposal of the Board of Directors in the annual report, meaning that the result is carried forward.
- Discharging the directors of the board and the CEO from liability in relation to the Company.
- The remuneration to the Board of Directors and members of Committees.
- Re-election of the Board of Directors and Chair of the Board. Re-election of the registered auditing company Ernst & Young AB. Ernst & Young appointed Certified public accountant, Peter Gunnarsson, as responsible auditor.
- Adopting guidelines for remuneration to senior executives and the instruction for the Nomination Committee.
- Authorize the Board of Directors to issue shares, warrants and/or convertibles.

Annual General Meeting 2025

The AGM will be held on Wednesday, 21 May 2025 at Vattugatan 17, Stockholm.

Information about the registration for the AGM 2025 and proposals from the Nomination Committee will be published on the Company's website. 4C's revised annual report, proxy form, and proposals for resolutions will be available at the Company's headquarters and website.

Nomination Committee

The Swedish Corporate Governance Code requires 4C to have a Nomination Committee. According to the current principles for the appointment of the Nomination Committee adopted by the AGM on 15 May 2023, the Nomination Committee shall consist of three shareholder representatives represented by the largest shareholders or shareholder groups in the company according to the share register from Euroclear Sweden AB as of 30 September each year. In addition to these three members, the Chairman of the Board may be an adjunct member of the Nomination Committee. In accordance with the Code, a member of the Nomination Committee shall carefully consider whether a conflict of interest or other circumstances exist that make it inappropriate to participate in the Nomination Committee before accepting the assignment. The Nomination Committee shall apply the Code.

The members of the Nomination Committee shall be published on 4C's website no later than six months before the AGM. If any of the three largest shareholders or shareholder groups refrains from appointing a shareholder representative or if a shareholder representative resigns before the mandate has been fulfilled without the shareholder or shareholder group that appointed the Nomination Committee member appointing a new representative, the Chair of the Board shall invite the next largest shareholder or shareholder group (i.e. the fourth largest shareholder or shareholder group) to appoint a shareholder representative within one week. This process will continue until the Nomination Committee is composed of three shareholder representatives. In the event of a change in the ownership of the company affecting the composition of the three largest shareholders or groups of shareholders, the shareholder or group of shareholders that does not have an owner representative on the Nomination Committee may contact the Chair of the Nomination Committee with a request to appoint a member. The Chair of the Nomination Committee shall then inform the other members of the request. If the change of ownership is not insignificant, a member appointed by a shareholder or group of shareholders no longer belonging to the three largest shall make his/her seat available and the new shareholder or group of shareholders shall be allowed to appoint a member.

The majority of the members of the Nomination Committee shall be independent of the company and its management. In addition, at least one of the members of the nomination Committee shall be independent of the largest shareholder or group of shareholders in the company with voting rights who cooperate in the management of the company. Members of the Board of Directors may be members of the Nomination Committee, but shall not constitute a majority of the members of the Nomination Committee. If more than one director is on the Nomination Committee, no more than one of them may be dependent in relation to the company's major shareholders. The Chair of the Board or any other member of the Board of Directors shall not be the Chair of the Nomination Committee. The Chief Executive Officer or any other member of senior management shall not be a member of the Nomination Committee.

No fees shall be paid to the members of the Nomination Committee. The Nomination Committee shall be entitled to charge the company with costs such as recruitment consultants or other costs necessary for the Nomination Committee to fulfil its mandate.

The Nomination Committee is to draft proposals on the following issues for resolution by the 2025 AGM:

- the chair of the AGM
- the election of Chair of the Board,
- other members of the Board of Directors of the company,
- the remuneration of the Board of Directors divided between the Chair and the other members and the principles for possible remuneration for committee work,
- the election and remuneration of the auditor
- decision on the principles for the appointment of a new Nomination Committee.

The Nomination Committee for the 2025 AGM is composed by the following members:

- Erik Syrén (appointed by Hedskog Equity AB). Chair of the Nomination Committee.
- Emil Hjalmarsson (appointed by Aktiebolag Grenspecialisten), and
- Bengt Axelsson (appointed by Klas Lindström),
- Adjunct member Andreas Hedskog – Chairman of the Board for 4C Group AB.

Together, Andreas Hedskog, Grenspecialisten, and Klas Lindström represent approximately 28,08 percent of the total voting rights in 4C Group AB (publ) as of December 31, 2024.

Shareholders who have proposals relating to the work of the Nomination Committee should submit these to email address NominationCommittee@4cstrategies.com.

The Board Of Directors

The Board of Directors is the highest decision-making body after the General Meeting, and the highest executive body. In accordance with the established Rules of Procedure, the Board of Directors is responsible for the control, overall organization and management. The Board of Directors shall compromise of a minimum of 3 and maximum of 9 directors. The Board is elected at the annual general meeting for the period until the end of the next annual meeting. There is no time limit for how long a director can be a part of the board.

The 2024 AGM decided on the re-election of Christine Rankin, Louise Bagewitz and Jörgen Ericsson as full board members. The AGM re-elected Andreas Hedskog as chairman of the board. Anders Fransson and Erik Ivarsson were elected new members of the board and Lena Ridström and David Lidbetter declined re-election. Andreas Hedskog (chairman of the board) is judged to be dependent in relation to the Company and company management and in relation to major shareholders. The other board members are deemed to be independent both in relation to the Company and company management as well as in relation to major owners. The board thus fulfils the requirement according to the Code, that a majority of the board members must be independent in relation to the Company and company management and that at least two board members must also be independent in relation to the Company's major shareholders.

Additional information about the board of directors and the executive management team is available at www.4cstrategies.com.

Work of The Board of Directors in 2024

The Rules of Procedure include regulations of the distribution of work and responsibilities between the board members and the CEO, as well as between the Board of Directors and the various committees of the board. The Board of Directors determine the company's strategy and targets, the operational frameworks and the business plan and appoints, dismisses and evaluates the CEO. The Board of Directors shall further regularly evaluate the company's financial situation and ensure that the company has appropriate routines for control and reporting and that laws and regulations are followed. The Board of Directors is also ultimately responsible for ensuring that 4C has an appropriate organisation and corporate governance which includes adopting policies and instructions for operating activities within the company.

The Company held 23 board meeting during 2024. The board meetings also covered Group Management's reporting of business conditions, operations, organizational resources, results and financial position. Senior executives have participated in board meetings as required. A board meeting with focus on strategy was held in June. During the autumn were board meetings held to consider the budget and business plan for the following year. At the scheduled meetings, the Board of Directors discussed the agenda in accordance with the Rules of Procedure and the relevant documentation regarding the matters to be addressed was sent to all members prior to the board meetings.

The main focus of the Board of Directors in 2024 has been the groups short- and long-term strategy and reaching the financial targets

Executive management

The business is managed by the CEO. According to the Instructions for financial reporting, the CEO is responsible for the financial reporting and shall ensure that the board of directors receives sufficient information to evaluate the Company's financial situation. The CEO shall also regularly provide the board with information regarding events that are significant to the Company's progress, results, financial position, liquidity or other information that may be of importance.

The CEO has appointed an executive management team. In 2024, the executive management has consisted of the CEO, deputy CEO, the Vice Presidents of the subsidiaries, the CFO, and the CPO. Executive management meets on average once a week and performs business reviews every month. Additional information about the executive management can be found at www.4cstrategies.com.

Remuneration Committee

The Remuneration Committee operates under instructions adopted by the Board of Directors and evaluates and consults on matters relating to remuneration policies and remuneration and other terms of employment of senior management. Further, the Remuneration Committee shall ensure that remuneration is commensurate with prevailing market conditions and that the company's offering to its employees is competitive. The CEO's remuneration is approved by the Board of Directors. Remuneration of other senior executives is decided by the CEO after consulting with the Remuneration Committee.

The Remuneration Committee shall consist of at least two members and forms quorum if a majority of the members is present. The chairman has a casting vote if the vote is tied.

The board - position, attendance and compensation

Name	Position	Elected	Independent[1]	Board meetings	Audit Committee	Remuneration Committee	Board compensation	Committee compensation
Andreas Hedskog	Chairman of the Board	2011	No/No	23/23			350,000	
Lena Ridström[2]	Member	2022	Yes/Yes	8/10				
David Lidbetter[2]	Member	2012	Yes/Yes	10/10				
Erik Ivarsson[3]	Member	2024	Yes/Yes	13/13	5/5		175,000	15,000
Anders Fransson[3]	Member	2024	Yes/Yes	13/13		4/4	175,000	15,000
Christine Rankin	Member	2022	Yes/Yes	22/23	5/5		175,000	25,000
Louise Bagewitz	Member	2022	Yes/Yes	21/23			175,000	
Jörgen Ericsson	Member	2023	Yes/Yes	23/23		4/4	175,000	25,000

1. Refers to independence in relation to the company and its management or independence in relation to major shareholders in the company.
2. Resigned in connection with the AGM on 15 May 2024.
3. Newly elected in connection with the AGM 15 May 2024.

In 2022, the Remuneration Committee's members were the Directors Jörgen Ericsson (Chair of the Committee) and Anders Fransson. During the fiscal year 2024, the Remuneration Committee met on 10 occasions.

Audit Committee

The Audit Committee operates under instructions adopted by the Board of Directors and exercises oversight over the Group's financial accounting and reporting, as well as audits carried out. This includes tasks such as ensuring the quality of the Group's financial reporting through reviewing interim reports, annual and sustainability reports, evaluating the work of the auditors, and reviewing and assessing the Group's internal control work. The Committee is responsible for ensuring that the Group complies with applicable laws and regulations, and monitoring legal and tax issues.

The Audit Committee shall consist of at least two members, which shall not be employees of the company. The majority of the members shall also be independent of the company and its management. At least one member must also be independent of the company's major shareholders and have accounting or auditing proficiency. The Audit Committee forms quorum if a majority of the members is present. The chairman has a casting vote if the vote is tied.

During 2024, the Audit Committee's members were the Directors Christine Rankin (Chair of the Audit Committee) and Erik Ivarsson. During the fiscal year 2024, the Remuneration Committee met on four occasions during the year and has, among other things, dealt with internal governance and control, the auditor's audit and reporting and internal financial reporting.

Auditor

Ernst & Young Aktiebolag is 4C's auditor with Peter Gunnarsson as responsible auditor. Peter Gunnarsson was re-elected the Company's auditor on the AGM 22 May 2024. Peter Gunnarsson is an authorised public accountant and member of FAR (Institute of the Accountancy Profession in Sweden).

Ernst & Young Aktiebolag's address is Box 7850, 103 99 Stockholm, Sweden.

Fees are paid to the auditors on the basis of current agreements and for extra contributions according to invoice. Further information about remuneration to the auditor, see Note G2 in the Annual Report 2024.

Internal controls and risk management

4C strives to create long-term value for shareholders and other stakeholders. This involves ensuring an effective organizational structure, systems for internal control and risk management, as well as transparent internal and external reporting. The description of our risk management below is based on the COSO framework, which is a system used to establish internal controls to be integrated into business processes. These controls provide reasonable assurance that the organization is operating ethically, transparently and in accordance with established industry standards.

Control environment

The Board of Directors is responsible for the internal control as regulated in the Swedish Companies Act and the code. The Board of Directors has adopted e.g. Code of Conduct, Insider policy, Information Policy and other policy documents comprising instructions and procedures for operations that must be monitored regularly and reported.

The Executive Management team's work is based on the Board's established routines and procedures, as well as instructions for the CEO and reporting instructions. The Executive Management team and their function's staff lead the day-to-day operations primarily through policy instruments such as budgets, performance management, regular reporting and monitoring. To achieve efficient operations, 4C has a delegated the decision-making structure within operational entities and functional hierarchies with the CEO as the highest decision making authority.

The control environment for financial reporting is based on a division of roles and responsibilities in the organization, with accounting and reporting guidelines to support the process.

Financial information in financial reports is compared with related plans and variances are analysed. 4C's external reporting such as quarterly reports, the annual report and other financial reports are based on the International Financial Reporting Standards (IFRS) and are always processed by the Board of Directors before they are published.

In order to maintain and develop a well-functioning control environment and complying with applicable laws and regulations, the Board of Directors has resolved a number of fundamental documents for risk management and financial reporting. These includes the Board of Directors' Rules of Procedure, instructions for the CEO, authorization regarding the organization of operations as well as internal policy documents. It is mandatory for all group employees to read specific policies both at the start of the employment and annually. 4C regularly conduct education and training on the adopted policies to ensure that the employees understand the content of relevant policies, routine descriptions and instructions. The Board of Directors is responsible for internal control of financial reporting which has been delegated to the CEO and CFO through reporting guidelines which aims to provide reasonable assurance of the reliability of external and internal financial reporting. Finally, all 4C's policies are subject to the Board of Directors annual review at the statutory meeting.

Risk assessment

Risk assessments is the process of analysing and evaluating the company's main risks and creating proper internal controls, risk responses and mitigation plans.

The work with risk assessment in a broad perspective is a fundamental part of the Board and the executive management's mission. This includes, for example, assessing, monitoring and mitigating financial risks, operational risks, and key business risks. Within 4C, risks assessments in all relevant areas of the company are regularly reported to the Board.

Control activities

Control activities are designed to minimize the risks identified in the risk assessment. A various of control activities are carried out in the organization and comprise of a mix of preventive and detective controls including: approvals of authorized individuals at different levels in the organization, applying the arm's length principle, two-party approval for payments, clear attestation and clear decision-making procedures. These control activities, among others, are applicable for all entities within 4C Group, and monitored at group level.

The Audit Committee is engaged in the discussions regarding the financial risk assessments and internal governance and control activities.

Information and communication

An important part of internal control work is to ensure effective dissemination of relevant information to internal and relevant external stakeholders. 4C's routines and systems for providing information aim to provide the market with relevant, reliable, accurate and up-to-date information about the group's development and financial position.

The company CEO and CFO has jointly, on behalf of the Board of Directors, been given the overall responsibility for handling matters relating to insider information and IR communication. The Board of Directors has appointed 4C's CFO as responsible for the management of the insider list.

Internal communication takes place, for example, through 4C's intranet, on group monthly meetings, weekly meetings in the specific legal entities or in the respective group function. Other formal internal communication, such as 4C's policy framework, guidelines and instructions, are communicated and accessible on the intranet.

Monitoring

The Board of Directors has access to monthly reports on the group's revenues, results and financial position involving all parts of operational functions. At least one interim report and all annual reports are audited by 4C's auditors.

The executive management meets frequently and monitors business development, financial performance and position, and significant events. The finance department and management analyse the financial figures, including follow up against planned targets, on a monthly basis level of detail. The Audit Committee monitors 4C's financial reporting and the efficiency of the company's internal financial controls, internal audits, and risk management.

Remuneration of the board of directors and senior executives

It was resolved at the AGM 2024 to adopt the guidelines for remuneration to senior executives. The guidelines apply to the CEO and other senior executives in the group as well as to any remuneration to the Board of Directors, other than approved director fees. The guidelines do not apply to any remunerations that has specifically been approved by the General Meetings or any remuneration in the form of shares, warrants, convertibles or other share-related instruments such as synthetic options or employ stock options, which require specific approval by the General Meeting.

It was decided at the AGM 2024, that the fee to the Chairman of the Board should amount to SEK 350,000 and SEK 175,000 to each non-employed board member. It was also decided that special fees for Committee work shall be paid, with SEK 15,000 to a member of a Committee and SEK 25,000 to the Chairman of a Committee.

Further information about remuneration to the CEO and executive management, see Note [G5] in the Annual Report 2024.

Articles of association

The Articles of Association stipulate, among other things, the company's operations, election and the number of Directors and auditors, changes to the articles of association, procedure for convening shareholders' meetings, matters for consideration at the AGM as well as share capital and number of shares. The Articles of Association are available at the company website: www.4cstrategies.com.

Note: Employees, personnel costs and remuneration to senior executives

Guidelines for remuneration to senior executives

In order to meet 4C's business strategy and to the safeguard the company's long-term interests, 4C needs to recruit and retain skilled and qualified employees. The guidelines shall also stimulate an increased interest in the business and the result as a whole as well as increase the motivation of the senior executives and increase the belonging within the company. This requires that the company can offer market-based and competitive remuneration in each market where the company operates. Individual remuneration levels are based on experience, competence, responsibility, and performance. In accordance with the company's guidelines for remuneration to the CEO and group executives, remuneration must be market-based and consist of the following components: fixed cash salary, possible variable cash salary and other benefits and pension payments in accordance with the Company's policy, as applicable. The total cash remuneration, including pension benefits, shall, on a yearly basis, be in line with market practice and competitive on the labour market where the senior executive is based and consider the individual responsibilities, competences, qualifications and experiences of the senior executive as well as reflecting any notable achievements. Fixed and variable cash salary shall be related to the senior executives' responsibility and authority as well as how the Company is performing. The fixed cash salary shall be revised on a yearly basis. In addition, the guidelines provide both the Company and the shareholders with an advantage as they give key individuals the opportunity for personal and long-term ownership engagement. Such ownership engagement is expected to stimulate increased interest in the business and overall performance development, as well as achieve greater alignment of interests between the participants and the company's shareholders

Fixed salary
The fixed salary will be based on the individual senior executive's area of responsibility, authority, competence, experience, and performance.

Variable remuneration
Senior executives may receive variable compensation in addition to the fixed cash salary. The variable salary should be designed to create incentives for the individual to contribute to the Company's short- and long-term goals based on their role in the organization. The goals should be set and documented annually. The variable compensation should be based on the outcome of actual predetermined goals based on 4C's business strategy and the long-term business plan approved by the board. The goals may include option-based or financial goals, operational goals, employee engagement, or customer satisfaction. Financial criteria may, for example, be based on the 4C Group's operating profit (EBIT).

Pension and insurance
The cornerstone of our employment benefits is a competitive occupational pension plan for our employees, to create long-term financial security for our staff. We provide occupational pensions in all countries, in accordance with local practices and legislation. The pension plan should be defined contribution and based on a fixed agreed salary. Variable cash compensation does not entitle to any pension contributions/ fees. Exceptions to this are made if local laws or applicable collective agreements deviate from this.

Other benefits
4C may provide other benefits to senior executives in accordance with the company's policies. Such other benefits may include company healthcare and education.

Agreement on severance pay to senior executives
Upon termination of employment, the period of notice may not exceed 12 months. Fixed cash salary during the period of notice and severance pay may not exceed one years' fixed cash salary. In the event of termination of employment by the executive, the period of notice may not exceed six months without entitlement to severance pay.

The decision-making process for establishing, reviewing, and implementation of the guidelines
The duties of the Remuneration Committee include preparing the Board of Directors' decisions on proposed guidelines for remuneration for executive management. The Remuneration Committee will also monitor and evaluate programs for variable remuneration for senior management, the application of guidelines for remuneration to senior executives, and applicable remuneration structures and levels in the Company. The members of the Remuneration Committee are independent in relation to the Company management. The CEO and other members of the executive management are absent during the course of the Board of Directors consideration of and decisions on remuneration-related matters, where they are affected by such issues.

Board of Directors

Andreas Hedskog (born 1974)
Chair of the Board 4C Group AB since 2011

Education: MA from the University of Cambridge and OPM from Harvard Business School. Reserve Officer Mj, Swedish Defence University.
Background: Andreas Hedskog is the founder of 4C Strategies and was the CEO of the company for eleven years, before becoming Chairman of the board in 2011.
Other ongoing assignment: Chair of the board, Clavister AB (publ), Hedskog Equity AB and Pantbanken Malmö AB. Board Member of Micro Systemation AB (publ), HAEVE AB, Newbury Pharmaceuticals AB (publ), SnigelDesign AB and Deputy director of Bold Communication Sweden AB.
Previous assignment (last five years): Chairman of the board Southside Padel AB, Board member Stiftelsen SCUR and Säkerhets- och Försvarsföretagen.
Holdings/shareholdings in 4C: 3,892,378
Independence: Dependent in relation to the company and its management (CPO until 2021). Dependent in relation to the owners, as one of the Company's biggest shareholders.

Louise Bagewitz (born 1981)
Board member 4C Group AB since 2022

Education: Master in Business Administration & Management from Stockholm School of Economics and Certificate of Management Excellence from Harvard Business School.
Background: Louise has a long experience of working in the intersection between business and tech, and has held positions as CIO, COO and CEO in multiple entities. Louise has previously been CEO of Crowd Collective Group AB, Managing Director at Fortnox Finance AB, acting CEO of IST Group AB, and IT Director at Nobia AB.
Other ongoing assignments: Managing Director at Academic Work Sweden AB and its subsidiaries Academic Work Technology AB, Academic Work HR Service AB, Academic Work Consulting AB, Academic Work IT AB, Academic Work Finance AB and Acentra AB. Member of the board at Northmill Bank AB, Northmill Group AB (publ), Kompetensföretagen and Director of Linden Invest AB.
Previous assignments (last five years): Group CEO of Crowd Collective, CEO in Crowd Collective Group AB and Crowd Collective Holding AB. Managing Director Fortnox Finance AB and acting CEO of IST Group AB. Chairman of the board of IST Sverige AB, Sigfridshäll i Växjö AB and Lärandets Hus AB. Member of the board of JaRocka Roll Studios AB, Schoolido AB, Capcito Finance AB, Capcito Lending 2 AB and Capcito Systems AB.
Holdings/shareholdings in 4C: 4,366
Independence: Independent in relation to the Company, its management and biggest shareholders.

Anders Fransson (born 1967)
Board member 4C Group AB since 2024 and member of the Remuneration committee

Education: Anders holds a MSc in engineering from Lund Institute of Technology and has studied business administration at Lund University
Background: Anders Fransson has 25 years of experience from the software and investment industries with positions such as founder, sales manager, CEO and member of the board. His background includes founder/managing director at Lundalogik (Lime Technologies), managing director at Bisnode Marknad, business unit manager at Innovation Skåne and senior investment manager at Tibia Konsult AB. Anders has also held numerous board positions at, and acted as an adviser to, growing profitable B2B software companies and scalable technology start-ups. Anders has extensive experience in sales and business development, organizational scale up, and leading/supporting software companies into profitable growth.
Other ongoing assignments: Anders is a senior investment manager at Tibia Konsult AB. Current board assignments are Image Systems AB, Prorenata AB, Invoice Finance AB, Billmate AB, Mikrodust AB, CR Competence AB and Logisk Resursutveckling AB. Previous assignments (last five years): Board assignments in Infrasight Labs and Lime Technologies AB.
Holdings/shareholdings in 4C: 250,000
Independence: Independent in relation to the Company, its management and biggest shareholders.

Jörgen Ericsson (born 1968)
Board member 4C Group AB since 2023 and Chair of the Remuneration Committee

Education: MSc from Stockholm School of Economics and has studied at the MBA exchange programme at the Wharton School of the University of Pennsylvania.
Background: Jörgen has over 25 years of experience as an entrepreneur, investor, and in senior management in the software and data/analytics industries, both in Sweden and in the United States. His background includes Senior Executive positions at Cisco Systems, Vice President at Snowflake, Senior Partner at KPMG, and CEO at two software companies. Jörgen has also been a General Partner in a venture fund investing in scalable technology start-ups. Jörgen has extensive experience in sales and business development, IT/tech and leading product development companies into profitable growth.
Other ongoing assignments: Industry Advisor at EQT.
Previous assignments (last five years): Vice President, Global Head of Industry Solutions at Snowflake and Senior Partner, Data/ Analytics Advisory at KPMG USA.
Holdings/shareholdings in 4C: 0
Independence: Independent in relation to the Company, its management and biggest shareholders.

Christine Rankin (born 1964)
Board member 4C Group AB since 2022 and Chair of the Audit

Education: Bachelor's degree in Business Administration and Economics from Stockholm University.
Background: Christine Rankin was formerly a Chartered Accountant and Partner at PwC where she worked from 1988-2014, where she mainly worked with listed companies. Christine Rankin has also held several senior positions at Spotify AB and Cherry AB (CFO).
Other ongoing assignments: Director and Chair of the Audit and Risk Committee of Coinshares International Ltd. Director and Chair of the Audit Committee and Remuneration Committee of Orexo AB (publ). Director and Chair of the Audit Committee of Bonesupport AB (publ). Director and Chair of the Audit Committee of Starbreeze AB (publ).
Previous assignments (last five years): Head of Corporate Control at Veoneer Inc. Chair of the Board of Zeunity AB. Director of Adventure Box Technology AB (publ). CFO of Cherry AB (publ). Director and Chair of the Audit Committee of Technopolis plc.
Holdings/shareholdings in 4C: 850
Independence: Independent in relation to the Company, its management and biggest shareholders.

Erik Ivarsson (born 1992)
Board member 4C Group AB since 2024 and member of the Audit committee

Education: MSc in Economics from the University of Lund.
Background: Erik works since 2018 as portfolio manager and investment analyst at Grenspecialisten, a privately owned Swedish investment company. Erik has experience in investment management and supporting software companies into profitable growth.
Other ongoing assignments: Portfolio manager and investment analyst at Grenspecialisten. Member of the board in Formpipe Software AB (publ), Generic Sweden AB (publ) and Precio Fishbone AB (publ).
Previous assignments: –
Holdings/shareholdings in 4C: 42,000
Independence: Independent in relation to the Company, its management and biggest shareholders.

Executive management

Jonas Jonsson (born 1985)
CEO 4C Group AB (publ) since 2024

Education: Master of Law studies from Lund University and Reserve Officer in the Navy, Swedish Armed Forces.
Background: Jonas has been with the 4C Group since 2013, holding various key roles including Head of Legal, Senior Consultant, and Director of Sales. He has extensive experience in software implementation and has played a pivotal role as a commercial and legal advisor in many of the Group's strategic software deals. Appointed as Managing Director for the International segment in 2017, Jonas drove the Group's international expansion and oversaw UK operations from 2019. In 2024, he became CEO of 4C Strategies.
Other ongoing assignments: Chairman of the board 4C Strategies AB, 4C Europe UK Ltd, 4C Strategies Finland Oy, 4C International AB and 4C Strategies Norway AS. Member of the board 4C Strategies Asia Pacific Pty Ltd
Previous assignments (last five years): –
Holdings/shareholdings in 4C: 168,516

Anders Nordgren (born 1981)
CFO since 4C Group AB since 2019

Education: Master's degree in Business and Economics from Uppsala University.
Background: Anders Nordgren started his career as an auditor at PwC, after which he held various positions within the finance function at Tradedoubler. Anders joined the Company as CFO in 2019 and was previously CFO at iStone AB.
Other ongoing assignment: Member of the board 4C Strategies AB, 4C International AB, 4C Strategies Norway AS, 4C Strategies Finland Oy, 4C Europe UK Ltd, 4C Strategies North America Inc
Previous assignment(last five years): –
Holdings/shareholdings in 4C: 27,000

Klas Lindström (born 1975)
Deputy CEO 4C Group AB since 2006

Education: Bachelor's degree in political science from Uppsala University. Completed the Owners/Presidents course at Harvard Business School. Intelligence officer (major) in the reserve. Graduated from École supérieure des officiers de réserve spécialistes d'état-major at Ecole Militaire in Paris 2023.
Background: Klas has held a number of positions within the 4C Group since its start – member of the Board of Directors, Chief Sales Officer, Managing Director for the Nordics. Klas has over20 years of experience in risk and crisis management internationally and in Sweden. He has broad expertise in strategic development and planning for the management of defence forces and societal critical functions.
Other ongoing assignments: Deputy CEO 4C Group AB. Member of the board 4C Strategies AB, Lagga Invest AB, Sapere Aude Handelsbolag and La Pluie de rose AB. Deputy director of 4C Internation AB and Mikael Edqvist AB.
Previous assignments (last five years): Director of OBSIT Communication AB.
Holdings/shareholdings in 4C: 2,989,989

Chris Wildman (born 1976)
Chief of staff since 2024

Education: Royal Military Academy Sandhurst
Background: Chris joined 4C Strategies in 2014, as the Key Account Manager for the British Army. Since then, he has held various roles within sales, software delivery and consultancy, this has included Head of UK Delivery, Principal Consultant (Consulting Operations) and Director of Operations. In 2024 he was appointed to be Chief of Staff of 4C Group. Prior to joining 4C, Chris commissioned into the British Army in 1998 after attending The Royal Military Academy Sandhurst. He served for 16 years in a variety of operational command and leadership roles, reaching the rank of Major
Other ongoing assignments: –
Previous assignments (last five years): –
Holdings/shareholdings in 4C: 10,000

Mattias Altin (born 1973)
Chief Technolofy Officer since 2025

Education: Master of Science in Computing
Background: Mattias has over 25 years of experience in technical leadership and product development. Before joining 4C Strategies, he was CTPO & Deputy CEO at Hups AB and Senior Director of Engineering at Volvo Cars, where he established the Stockholm Tech Hub. He has also held leadership roles at Spotify and Klarna, focusing on customer-facing technologies and technical transformation. Prior to the tech sector, he spent 17 years in finance in London. Mattias' expertise includes digital transformation, organizational scaling, and product-driven growth
Other ongoing assignments: CEO and owner of Ledarmedjan AB. Advisor to startup founders and CTOs, as well as an advisor at Antler. Mentor at Manara and Yrkesdörren
Previous assignments (last five years): CTPO & Deputy CEO at Hups; Senior Director of Engineering at Volvo Cars; Director of Engineering at Spotify.
Holdings/shareholdings in 4C: –

Martin Rusner (born 1985),
Vice President Defence Product since 2024

Education: Bachelor's degree in political science and crisis management and master's degree in political science and security policy, Swedish Defence University. Higher Reserve Officers Course, Swedish Defence University.
Background: Martin has been employed within the 4C Group since 2013 and assumed his current position as Chief Product Officer in 2021 after various management positions within sales, software implementation and consultancy in the Group.
Other ongoing assignments: Deputy board member of Austria Travel Sweden AB and Reserve Officer in the Swedish Armed Forces.
Previous assignments (last five years): Board Member of the Reserve Officers' Society in Svealand.
Holdings/shareholdings in 4C: 94,687

Mikael Grape (born 1982)
Vice President 4C Strategies North America (Public & Corporate) since 2023 and Vice President Resilience Products since 2024

Education: Master's degree in political science from Uppsala University.
Background: Mikael has worked at 4C Strategies in various positions since 2011. Previous positions have included Managing Director of 4C Strategies AB, Senior Consultant and Head of Business Development. Previous experience includes serving as an analyst in the Swedish Armed Forces, including assignments at the defence attaché offices in Belgrade and Sarajevo. In 2023 he was appointed President of 4C Strategies North America, serving the North American Public & Corporate segments. Since 2024, Mikael is also VP Resilience Products, with a responsibility for the Group Resilience Product Office.
Other ongoing assignments: Director of Hässlingby Gård AB. Deputy director of Catharina Bildt AB.
Previous assignments (last five years): –
Holdings/shareholdings in 4C: 102,850

Guy Jones (born 1972)
Vice President 4C North America (Defense) since 2023

Education: Bachelor's degree in Nuclear Engineering from Texas A&M University. A Master's of Science degree in Military Strategy from the US Army School of Advanced Military Studies (SAMS), Fort Leavenworth, Kansas. Post graduate work in Negotiation and Conflict Resolution at the Carter School of Peace and Conflict Resolution at George Mason University.
Background: Guy Jones served 32 years in the US Army rising to the rank of Brigadier General. His last assignment was with Army Future Command where he was responsible for synchronizing and coordinating future concepts, material and non-material requirements, experimentation, and science/technology development. He previously served as an Assistant Division Commander in Korea for two years coaching, training, developing and sustaining readiness, and maintenance of a large unit. He also served as the Commander of the Army's Mission Command Training Program.
Current Positions: President of Integrated Process Leads Profits LLC.
Previous Positions (last 5 years): Director of Operations, US Army Futures Command, Deputy Divisions Commander, US Army
Holdings/shareholdings in 4C: 0

Josefine Rosén (born 1986)
Vice President Global Expert Services since 2024

Education: Master of Science in Business and Economics, Stockholm School of Economics. Courses in project management training and business continuity and CBCI Certified.
Background: Josefine has worked in 4C Group in various positions since 2010. Previous positions have included being a consultant, working mainly towards clients in the financial sector, being manager for several consultant teams, and most recently being the operations director of 4C Strategies AB. She has over 13 years of experience as principal consultant within organisational resilience and related areas such as incident and crisis management, enterprise risk management, business continuity management and training and exercises. She was appointed as Managing Director for the Nordic segment 2023 and Vice President for Global Expert Services in 2024.
Other ongoing assignments: Deputy board member 4C Strategies AB.
Previous assignments (last five years): –
Holdings/shareholdings in 4C: 19,500

Miles MacDonald (born 1972)
Vice President 4C Strategies APAC since 2023

Education: Miles holds a Master of Arts in Strategy and Management from the University of New South Wales and a Post Graduate Diploma in Business and Administration from Massey University. He has also completed additional graduate diplomas in Defence Studies and Management, along with a Bachelor of Arts in Politics. He is a Graduate of the Australian Command and Staff College and the Australian Institute of Company Directors.
Background: Miles Macdonald has over 25 years of leadership experience in both the defence and corporate sectors. Since joining 4C Strategies in 2022, he has established the Asia Pacific business unit, leading new market entry, expanding the military customer base, and achieving a positive return on investment inside two years. In 2024, he joined the 4C Executive Leadership Team. Previously, Miles served as General Manager and Director of Operations at Cubic Defence, where he oversaw a business unit of over 250 staff across Australia and New Zealand. His role included strategic planning, business development, profit and loss responsibility, and maintaining strong customer satisfaction. Before his corporate career, Miles spent 20 years in the New Zealand Army, holding various leadership, training and operational roles.
Other ongoing assignments: Member of the board 4C Strategies Asia Pacific Pty
Previous assignments (last five years): General Manager, Cubic Defence Australia and New Zealand
Holdings/shareholdings in 4C: 0

Stefan Liebig (born 1981)
Vice President 4C International AB since 2024

Education: Bachelor's degree in International Relations from TU Dresden, Germany, Master's degree in International Security Studies from the University of Bradford, UK.
Background: Stefan Liebig joined the Company in August 2020 starting out as a sales manager for Europe and subsequently Sales Director, Public & Corporate at 4C International. Stefan has 20 years of experience from the international public and private sectors where he has worked on issues related to diplomacy, conflict, security, and crisis management both at the operational and strategic level, among others for the UN and the EU. Prior to joining 4C, Stefan also launched a start-up focused on fundraising for development projects and worked in the consulting sector on security risk management.
Other ongoing assignments: –
Previous assignments (last five years): CEO, ALL IN Foundation. Humanitarian Affairs Officers, United Nations.
Holdings/shareholdings in 4C: 9,522

Paul Steel (born 1979)
Vice President EMEA Defence since 2024

Education: Bachelors Degree in Financial Studies from Sheffield Hallam University. Officer Training at the Royal Military Academy Sandhurst. Postgraduate Diploma in Battlespace Technology from Cranfield University. A Masters in Business Administration (MBA) from Henley Business School. He has also completed multiple Project and programme management qualifications.
Background: Paul joined 4C Strategies in 2023 as a Sales Director, progressing into a business unit role for the UK. Prior to joining 4C Strategies Paul held senior roles in multiple large defence primes, including as a Vice President with Leonardo and as a deputy programme director for Lockheed Martin UK. He has significant experience in P&L leadership, portfolio, programme and project management including the delivery of large complex and critical national defence programmes. Prior to joining industry Paul Steel served for 11 years in the British Army as an Infantry Officer.
Other ongoing assignments: –
Previous assignments (last five years): VP Fast Jet Support at Leonardo, Head Training & Logistics Solutions UK, Lockheed Martin
Holdings/shareholdings in 4C: 0

Auditor's report on the corporate governance statement

To the general meeting of the shareholders of 4C Group AB (Publ), corporate identity number 556706–0412.

Engagement and responsibility

It is the Board of Directors who is responsible for the corporate governance statement for the year 2024 on pages 60-73 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's standard RevR 16 The auditor's examination of the corporate governance statement. This means that our 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. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Malmö, 16 april 2025

Ernst & Young AB

Peter Gunnarsson
Authorized Public Accountant

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.

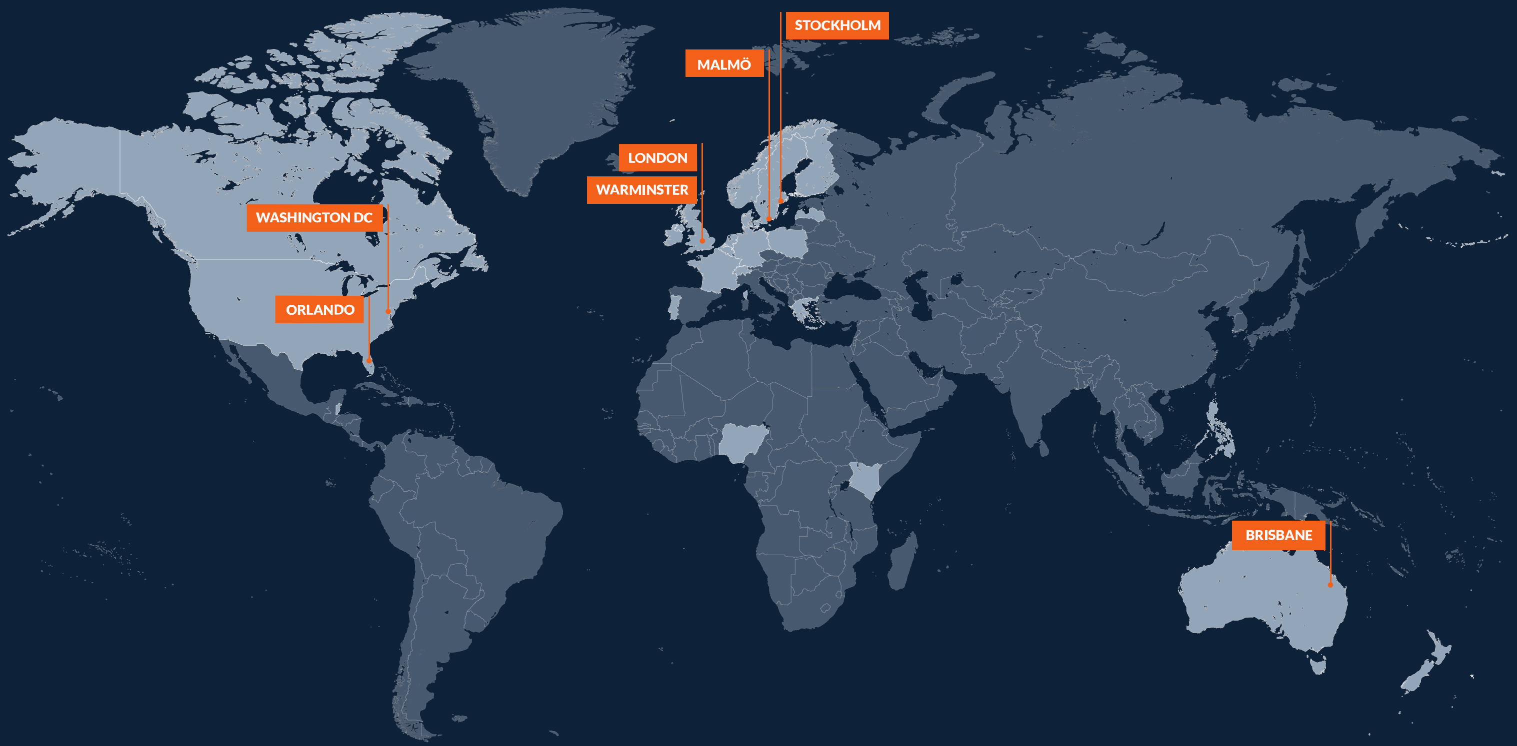
Net working capital
Net of current assets excluding cash and cash equivalents, and current liabilities excluding interest-bearing items.

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.



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4C Strategies

4C Strategies is the leading provider of training readiness and organisational resilience solutions. With over 20 years of expertise, we support high-profile international institutions, global enterprises and armed forces across 100 countries. We help you 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 you to prepare your operations for the future, allowing you 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.