



4C STRATEGIES

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# 4C GROUP AB (PUBL)

Q3 INTERIM REPORT 2022



## "Accelerating software growth in a turbulent world"

### 2022 Q3

Net sales MSEK **81.0 (62.2)**

FX adjusted organic net sales growth **16% (20%)**

Software revenue MSEK **58.7 (43.8)**

EBIT MSEK **13.1 (13.1)**

EBIT margin **16% (21%)**

Adjusted EBIT MSEK **13.6 (13.1)**

Adjusted EBIT margin **17% (21%)**

Net income MSEK **13.3 (12.0)**

### 2022 Q1-Q3

Net sales MSEK **240.3 (163.2)**

FX adjusted organic net sales growth **36% (25%)**

Software revenue MSEK **157.3 (93.9)**

EBIT MSEK **18.9 (19.2)**

EBIT margin **8% (12%)**

Adjusted EBIT MSEK **34.2 (19.2)**

Adjusted EBIT margin **14% (12%)**

Net income MSEK **21.1 (15.1)**

- A successful and profitable quarter given the uncertainties in the world
- Strengthened position in the defence sector, as well as a software provider
- Continued investments in expansion through sales, software development and brand recognition

	2022	2021	2022	2021	2022	2021
	Q3	Q3	Q1-Q3	Q1-Q3	Q3 RTM	Q1-Q4
Net sales (MSEK)	81.0	62.2	240.3	163.2	338.3	261.2
FX adjusted organic net sales growth (%)	16%	20%	36%	25%	51%	44%
Software revenue (MSEK)	58.7	43.8	157.3	93.9	223.0	159.5
EBIT (MSEK)	13.1	13.1	18.9	19.2	46.9	47.1
EBIT margin (%)	16%	21%	8%	12%	14%	18%
Adjusted EBIT (MSEK)	13.6	13.1	34.2	19.2	64.6	49.6
Adjusted EBIT margin (%)	17%	21%	14%	12%	19%	19%
Net income for the period (MSEK)	13.3	12.0	21.1	15.1	45.0	39.0
Earnings per share before dilution (SEK)	0.40	0.38	0.64	0.49	1.36	1.26
Earnings per share after dilution (SEK)	0.38	0.36	0.60	0.45	1.28	1.17

# A Word from the CEO

## Accelerating software growth in a turbulent world

The turbulence in the world around us continues. The ongoing war in Ukraine, combined with higher interest rates and accelerating inflation, has increased uncertainty for many businesses and organizations, as well as for entire countries. At the same time, partly because of this development, the demand for our software and services steadily increased. 4C Strategies continues to be well positioned supporting our customers in reaching their targets of building safer societies around the globe. During the quarter we proceeded with strong and profitable growth, expanding our business through deepened customer relationships, and extensions of ongoing projects and new software contracts.

From a financial perspective the third quarter reached MSEK 81.0 in net sales, an FX adjusted organic net sales growth of 16%. Net sales on an RTM basis amounted to MSEK 338.3, an FX adjusted organic net sales growth of 51%. The software sales share of revenue continued to grow and for the third quarter reached MSEK 58.7, up MSEK 14.9 compared to the third quarter of last year. On an RTM basis software sales amounted to MSEK 223.0, representing 66% of total net sales and indicating a positive trend towards one of our financial targets.

## New signing in North America strengthens 4C's market leading position

During the third quarter we signed an important contract extension with a Defence customer in North America, worth approximately MUSD 2.0. The contract includes licensing and development and aims to fund a baseline prototype ahead of the anticipated production phase planned for 2023. The planned development will serve the customer for many years to come. It is also another important step forward as we grow our operations in North America. Furthermore, in our North America segment, the established project with the US Army continued, and further steps were taken towards the planned production phase starting 2023. All this is according to expectations and as scheduled.

## Increased activities in Nordics and International

Our operations in the International and Nordic segments continued to develop positively in the third quarter, resulting in increased growth and improved software sales. During the quarter, we experienced increased activities within all customer groups. Significant sales-related activities were carried out, including participation at the international defence exhibition Land Forces 2022, which took place in Brisbane, Australia. We expect that these activities will support our newly established business in the region and allow us to gain a stronger foothold in the entire region.

## Investments in software development, brand recognition and sales

In alignment with our strategic direction, our focus on developing new software modules and solutions continues and increases. These investments will strengthen our offering towards all customer groups, with additional targeted efforts towards our resilience solution right now, aimed at boosting our corporate business and driving future sales around the globe.

Our solution for tracking individual training, MyExonaut, continued to generate software sales during the quarter. It will be available in full-scale for the global market during 2023 and will be a valuable compliment to the collective and individual

training solution in Defence, but also with growing interest in the Corporate and Public domain.

4C is a growth company. Moving forward we will maintain a consistent focus on growth and expanding our business. The investments in sales activities, brand recognition and our product development organisation will strengthen our position as a leading provider of organisational readiness, training and crisis management, but will also have a short-term negative impact on our profitability.

From a longer perspective, we expect to deliver according to our financial targets, meaning a 20% organic net sales growth and a 20% adjusted EBIT margin - and we are striving to increase our software sales to 70% of total net sales. Adjusted EBIT for the quarter amounted to MSEK 13.6 corresponding to an adjusted EBIT-margin of 17%. On an RTM basis, the adjusted EBIT amounted to MSEK 64.6, corresponding to an adjusted EBIT-margin of 19%.

## Stay focused on supporting customers around the globe

To summarize, the world continues to be turbulent, and we see uncertainty growing day-by-day. Today we proudly serve over 150 customers, companies, as well as organizations, among them the US Army, Verizon, Oatly, NATO allied forces, and the British Army. With a broader brand awareness, and with our market-leading software, we look forward to becoming an even more attractive partner and contributing to building safer societies together with our customers. Our premium products and solutions, a growing long-term customer base and the strong financial position we gained through our public listing, gives us the means to do just that.

Now we continue our journey. I look forward to being part of it.



**Magnus Bergqvist**  
CEO

# 4C Strategies' Roadmap

## Mission

Our mission is to combine the power of digital innovation with industry expertise to build a safer society.

## Vision

Our vision is to always be the preferred provider of solutions to build and maintain organizational readiness.

## Strategy

Our strategy is to combine our software platform Exonaut with expert advisory in order to deliver integrated and customized solutions in societally and business critical environments, which in turn creates long-term value for our clients. In order to achieve our financial targets and

profitable growth, 4C Strategies has developed an ambitious growth strategy built on four main pillars: Accelerating organic software growth, further expansion within the private sector, further expansion within the defence sector, and continued growth of our geographical footprint.

Key figures on a rolling twelve-month (RTM) basis:

**51% (5%)**

FX adjusted organic net sales growth RTM

**66% (55%)**

Software revenue in relation to net sales RTM

**19% (10%)**

Adjusted EBIT margin RTM

## Financial targets

The overall targets areas for 4C Strategies have been set to: *Growth, Software revenue and Profitability.*

- 4C Strategies aims to exceed an average annual FX adjusted organic net sales growth rate of 20% in the medium term.
- 4C Strategies aims to reach software revenue in relation to net sales exceeding 70% 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 viewed as a forecast but rather as the ambition which the Board of Directors and Executive Management believes is a reasonable goal for the company.

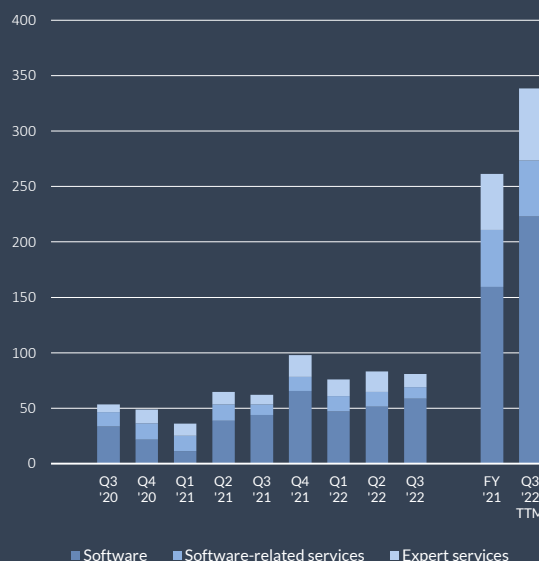
# 4C Strategies in summary

## Net sales

Net sales in the quarter increased by 30% (17%) compared to same period previous year and amounted to MSEK 81.0 (62.2). In accordance with our strategic direction, software sales continue to grow and contributed with a revenue of MSEK 58.7 (43.8) during the quarter which accounted for 72% (70%) of the total net sales.

Net sales for the first nine months amounted to MSEK 240.3 (163.2) reflecting in an increase of 47% (20%), compared to same period previous year. Software revenue increased with 68% (46%) which confirms the market's demand of our software Exonaut. North America contributes with high value software contracts in accordance with expectations during the third quarter. Within the Nordics and International segment, we noted continued high activity and demand, resulting in extended and new software contracts.

Expert Services continued to contribute with solid figures during the quarter, increasing 37% (26%) compared to the same period previous year. During the first nine months, the revenue from Expert services accounted for MSEK 45.4 (30.9) corresponding to an increase of 47% (7%).

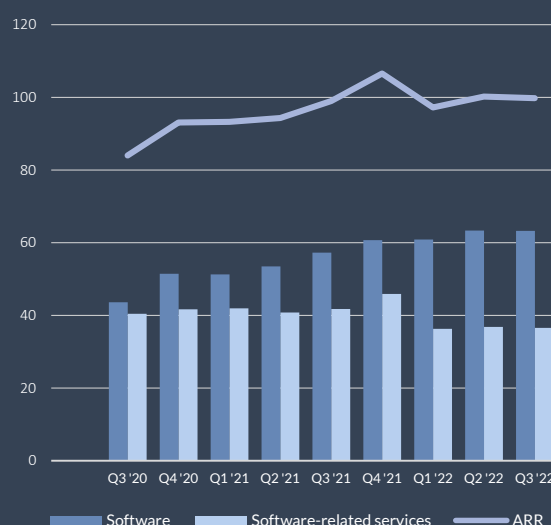


## Annual recurring revenue

The annual rate of recurring revenue (ARR) at the end of the quarter was MSEK 99.8 (99.0). Software accounted for MSEK 63.2 (57.3) which gives us confidence to further grow our business while we strengthen our position as a software supplier.

From an annual perspective, we see a positive effect on ARR with an increase of 1% (18%) compared to the same period last year. The trend for Software-related services is impacted by customers' need and activity level of exercises and training.

The annual recurring revenue may vary from quarter to quarter, due to timing of new contracts and expiring date of terminated contracts.



London, UK

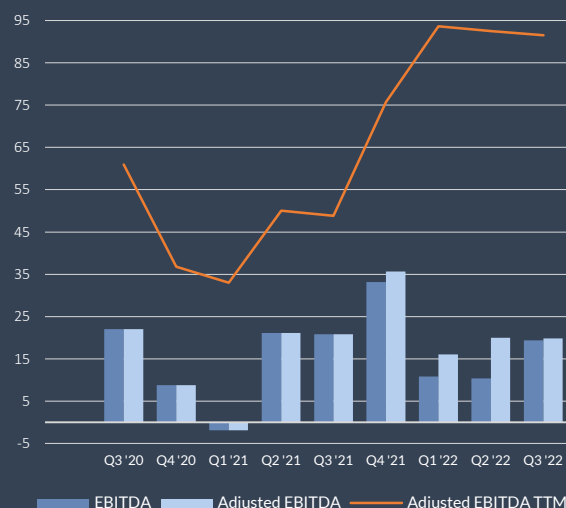


## EBITDA

Operating income before depreciation and amortization (EBITDA) amounted to MSEK 19.4 (20.8) rendering an EBITDA margin of 24% (33%) in the quarter. EBITDA has been affected positive from our performance in sales, with both high value software sales and solid activity in our service area. The increased cost base can be explained by continuous investment in our organisation, both within the product development and sales force, which will support our growth objectives in near term. The quarter has been affected by a doubtful debt provision of MSEK -3.4.

During the first nine months, the EBITDA increased with 17% (25%) in comparison with the same period previous year. Furthermore, we can conclude that the cost base has increased according to planned growth, rendering in a bit lower profitability, also considering items affecting comparability. Despite this, our Exonaut software enable us to achieve a solid profitability of MSEK 40.6 (40.1).

Adjusted EBITDA for the quarter was MSEK 19.8 (20.8) with a margin of 24% (33%). Adjustment of EBITDA corresponds to expenses related to public listing of MSEK 0.5 (0.0). During the first nine months, the adjusted EBITDA amounted to MSEK 55.8 (40.1), whereof items affecting comparability accounted for MSEK 15.3 (0.0). Adjusted EBITDA RTM amounts to MSEK 91.5 (48.8) with a margin of 28% (23%).

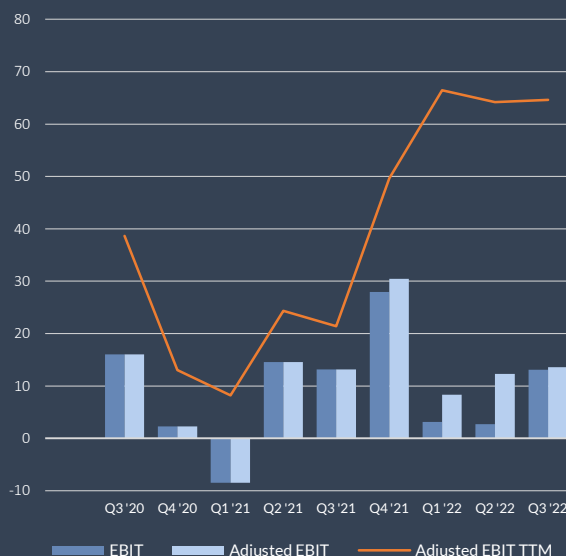


## EBIT

Operating income (EBIT) amounted to MSEK 13.1 (13.1) rendering an EBIT margin of 16% (21%) in the quarter.

During the first nine months, the EBIT amounted to MSEK 18.9 (19.2) corresponding to an EBIT margin of 8% (12%).

The majority of the expenses related to the public listing occurred during 2022. The adjusted EBIT for the quarter was MSEK 13.6 (13.1) with an adjusted EBIT margin of 17% (21%). During the first nine months, the adjusted EBIT amounted to MSEK 34.2 (19.2) corresponding to a margin of 14% (12%). Adjusted EBIT RTM amounts to MSEK 64.6 (21.4) with a margin of 19% (10%), which is in line with our financial targets.





## Financial position

The equity ratio at the end of the period was 64% (40%). Interest-bearing debt amounted to MSEK 51.2 (73.9) at the end of the period whereof MSEK 22.8 (22.5) refers to leasing liabilities. The rest of the interest-bearing debt of MSEK 28.4 (51.3) refers to postponed tax payments due to Covid-19 which has increased our cash and cash equivalent on the asset side. During the third quarter of 2022 MSEK 19.4 has been re-classified from a non-current to a current liability. The total debt of postponed tax payments will be repaid during the period 2022-2025.

Cash and cash equivalents amounted to MSEK 119.5 (8.6) at the end of period. The net debt position thereby totalled to MSEK -68.3 (65.3).

Equity amounted to MSEK 227.0 (83.1) corresponding to a SEK 6.7 (2.7) per outstanding share and SEK 6.3 (2.5) per outstanding share after dilution, at the end of period.

## Cash flow

- Cash flow from operating activities for the quarter amounted to MSEK -14.0 (9.4) and during the first nine months to MSEK -16.2 (-9.2). The cash flow has been positively affected by solid sales activities, while the increase of contract values reduces the outcome for the operating activities.
- Cash flow from investing activities for the quarter amounted to MSEK -8.2 (-5.6) and during the first nine months to MSEK -19.8 (-15.7). The change in cash flow refers to development of Exonaut and is in line with the estimated growth compared to the same period previous year.
- Cash flow from financing activities for the quarter amounted to MSEK -2.3 (-1.8) and during the first nine months to MSEK 84.1 (10.1). During the quarter, the cash flow has mostly been impacted by amortization of leasing fees and payment of warrant premiums. For the first nine months, the new share issue of MSEK 94.3 is the most substantial increase on our cash liquidity.

### Quarter

- Cash and cash equivalents amounted to MSEK 119.5 at the end of period, and MSEK 143.8 at the beginning of the period.

### First nine months

- Cash and cash equivalents amounted to MSEK 119.5 at the end of period, and MSEK 8.6 at the beginning of the period.

## The 4C share

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

Number of new shares issued were 0 (0) during the period. Total shares at the end of period were 33,919,052 (31,062,000).

In relation to the public listing during Q2 2022, a bonus issue was carried out in which MSEK 0.3 was transferred from unrestricted equity to restricted equity. Simultaneously an issue of new shares was initiated, which were part of the total offering to the public. Number of new shares issued were 2 857 052. Considering the new share issue, the total number of shares amounted to 33,919,052.

## Number of employees

Number of employees are presented as an average of full time employees during the last 12-month period considering normal working hours during a year. The number of full-time employees at the end of the period was 184 (146) whereof 49 (34) were women.

## The Parent Company

The Parent Company business is primarily focused on product development and group administration. The financial statements for the Parent Company can be found on page 13-14 in the interim report.

## Other significant events during the period

During the third quarter of 2022, 4C Group operates within the same conditions as other parties with uncertainties regarding inflation, interest rates and a volatile energy market. All these factors are and will be key input when we make our financial and risk management decisions going forward.

The Russian invasion of Ukraine has continued to destabilize Europe during the summer which means that the defence sector is in the spotlight once again. 4C Group's Board of Directors and Management team stand by Ukraine and will actively follow the situation. Furthermore, earlier established internal measures will be evaluated and revised to make sure that we act, and can act internally to prevent further escalation of the war and help our customers as much as possible.

No other significant events have occurred after the period.

## Annual general meeting (AGM)

### AGM 2022

The AGM was held on the 19th of April 2022. The Board of Directors proposed no dividend for the financial year of 2021, which is based on 4C Strategies' financial targets. The strategic objective indicates that generated cash flow is intended to be used for investments and further growth of the company, and no dividend is proposed in the short and medium term. In addition, the following decisions were made (in brief):

- The income and balance statement for the financial year of 2021 were adopted.
- The board members and CEO were discharged of liability for the financial year of 2021.
- Share split of 1:20 of current shares.

Further information can be obtained from the minutes that can be found on our [website](#).

# Financial Reporting Information

## Financial calendar

Year-End Report Q4	Annual Report 2022	Interim Report Q1	AGM 2023	Interim Report Q2
Feb 15th, 2023	May 3rd, 2023	May 12th, 2023	May 31st, 2023	July 21th, 2023



## Report information

4C Group AB (publ) has published the report in both English and Swedish. This is an unaudited translation of the Swedish interim report. If any disparities between the Swedish and the English version would exist, the Swedish version shall prevail. This report has been subject to review by the company's auditor. The information inside this report is information that 4C Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation (MAR).

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

Stockholm 15th of November 2022

4C Group AB (publ)

Magnus Bergqvist  
CEO

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Magnus Bergqvist, CEO



Anders Nordgren, CFO



Malmö, Sweden



## Consolidated Income Statement in Summary

	2022	2021	2022	2021	2021
KSEK	Q3	Q3	Q1-Q3	Q1-Q3	Q1-Q4
Net sales	81,010	62,237	240,318	163,225	261,238
Other revenue	457	264	1,991	1,896	2,510
<b>Total revenue</b>	<b>81,467</b>	<b>62,501</b>	<b>242,309</b>	<b>165,121</b>	<b>263,748</b>
<b>Operating expenses</b>					
Other external costs	-18,595	-9,959	-62,371	-25,718	-47,912
Personnel costs	-50,070	-35,682	-156,754	-112,640	-159,114
Capitalized work for own account	7,175	3,804	18,159	14,167	17,946
Other operating expenses	-607	164	-762	-857	-1,458
<b>Total operating expenses</b>	<b>-62,098</b>	<b>-41,673</b>	<b>-201,729</b>	<b>-125,049</b>	<b>-190,538</b>
<b>Operating income before depreciation and amortization</b>	<b>19,369</b>	<b>20,828</b>	<b>40,580</b>	<b>40,072</b>	<b>73,210</b>
Depreciation	-2,639	-3,539	-10,136	-10,144	-13,840
Amortization	-3,637	-4,165	-11,504	-10,754	-12,252
<b>Operating income</b>	<b>13,092</b>	<b>13,124</b>	<b>18,940</b>	<b>19,174</b>	<b>47,118</b>
Financial income and expenses	3,896	1,254	8,420	316	2,540
<b>Income after financial net</b>	<b>16,988</b>	<b>14,378</b>	<b>27,360</b>	<b>19,490</b>	<b>49,658</b>
Taxes	-3,731	-2,422	-6,240	-4,361	-10,669
<b>Net income for the period</b>	<b>13,257</b>	<b>11,956</b>	<b>21,120</b>	<b>15,129</b>	<b>38,989</b>
<b>Income attributable to:</b>					
Parent company's shareholders	13,257	11,956	21,120	15,129	38,989
<b>Other information</b>					
Earnings per share before dilution (SEK)	0.40	0.38	0.64	0.49	1.26
Earnings per share after dilution (SEK)	0.38	0.36	0.60	0.45	1.17

## Consolidated Statement of Other Comprehensive Income in Summary

	2022	2021	2022	2021	2021
KSEK	Q3	Q3	Q1-Q3	Q1-Q3	Q1-Q4
Net income for the period	13,257	11,956	21,120	15,129	38,989
<b>Other comprehensive income</b>					
<i>Items which will be reclassified to the income statement (net of tax)</i>					
Translation adjustments	819	-26	2,088	744	1,336
<b>Other comprehensive income for the period, net of tax</b>	<b>819</b>	<b>-26</b>	<b>2,088</b>	<b>744</b>	<b>1,336</b>
<b>Total comprehensive income for the period</b>	<b>14,076</b>	<b>11,930</b>	<b>23,208</b>	<b>15,873</b>	<b>40,325</b>

# Consolidated Balance Statement in Summary

	2022-09-30	2021-09-30	2021-12-31
<b>KSEK</b>			
<b>ASSETS</b>			
Intangible assets	50,417	45,738	43,762
Tangible assets	4,006	1,843	2,581
Right-to-use assets	24,599	23,185	19,783
Financial fixed assets	1,047	986	1,015
Contract assets	30,645	17,939	13,132
Deferred tax asset	351	3,696	1,183
<b>Total fixed assets</b>	<b>111,065</b>	<b>93,387</b>	<b>81,456</b>
Accounts receivables	30,258	62,704	43,168
Tax receivables	8,470	4,799	7,113
Contract assets	79,137	33,171	39,477
Other current receivables	8,935	5,008	6,656
Cash and cash equivalents	119,502	8,600	66,026
<b>Total current assets</b>	<b>246,302</b>	<b>114,282</b>	<b>162,440</b>
<b>Total assets</b>	<b>357,367</b>	<b>207,669</b>	<b>243,895</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity attributable to the parent company's shareholders	227,030	83,140	107,593
<b>Total equity</b>	<b>227,030</b>	<b>83,140</b>	<b>107,593</b>
Interest-bearing non-current liabilities	6,485	-	-
Non-current lease liabilities	12,924	11,366	9,424
Deferred tax liability	11,931	9,422	10,947
Other non-current liabilities	1,240	-	850
<b>Total non-current liabilities</b>	<b>32,580</b>	<b>20,788</b>	<b>21,221</b>
Interest-bearing current liabilities	21,962	51,352	30,254
Current lease liabilities	9,832	11,146	9,776
Accounts payables	5,612	3,687	7,397
Tax liabilities	10,430	4,552	6,386
Contract liabilities	17,171	8,743	24,519
Other current liabilities	32,749	24,259	36,749
<b>Total current liabilities</b>	<b>97,756</b>	<b>103,740</b>	<b>115,082</b>
<b>Total equity and liabilities</b>	<b>357,367</b>	<b>207,669</b>	<b>243,895</b>

# Consolidated Statement of Changes in Equity

KSEK		Share capital	Other contributed capital	Reserves	Profit/loss brought forward	Total equity
<b>Opening balance</b>	1 January 2021	<b>168</b>	<b>52,756</b>	<b>-135</b>	<b>13,767</b>	<b>66,556</b>
Net income for the period		-	-	-	38,989	38,989
Other comprehensive income		-	-	1,337	-	1,337
<b>Total other comprehensive income</b>		<b>0</b>	<b>0</b>	<b>1,337</b>	<b>38,989</b>	<b>40,325</b>
<b>Transaction with owners</b>						
New share issues		1	1,807	-	-	1,808
Payment warrants		-	296	-	-	296
Dividend		-	-	-	-1,393	-1,393
Bonus issue		-	-	-	-	0
<b>Total transaction with owners</b>		<b>1</b>	<b>2,102</b>	<b>0</b>	<b>-1,393</b>	<b>711</b>
<b>Closing balance</b>	31 December 2021	<b>170</b>	<b>54,858</b>	<b>1,202</b>	<b>51,363</b>	<b>107,593</b>
<b>Opening balance</b>	1 January 2022	<b>170</b>	<b>54,858</b>	<b>1,202</b>	<b>51,363</b>	<b>107,593</b>
Net income for the period		-	-	-	21,120	21,120
Other comprehensive income		-	-	2,088	-	2,088
<b>Total other comprehensive income</b>		<b>0</b>	<b>0</b>	<b>2,088</b>	<b>21,120</b>	<b>23,208</b>
<b>Transaction with owners</b>						
New share issues		50	94,260	-	-	94,310
Payment warrants		-	1,920	-	-	1,920
Dividend		-	-	-	-	0
Bonus issue		374	-	-	-374	0
<b>Total transaction with owners</b>		<b>424</b>	<b>96,180</b>	<b>0</b>	<b>-374</b>	<b>96,230</b>
<b>Closing balance</b>	30 September 2022	<b>594</b>	<b>151,038</b>	<b>3,289</b>	<b>72,109</b>	<b>227,030</b>

# Consolidated Cash Flow Statement in Summary

	2022	2021	2022	2021	2021
KSEK	Q3	Q3	Q1-Q3	Q1-Q3	Q1-Q4
<b>Cash flow from the operating activities</b>					
Operating income	13,092	13,124	18,940	19,174	47,118
Adjustment for non-cash items	5,900	8,103	20,791	20,899	30,350
Interest received	-	1,181	-	1,610	7,387
Financial items	4,272	72	9,269	-1,294	-3,524
Income tax paid	-1,367	-1,301	-1,476	-1,075	-3,828
<b>Cash flow from operating activities, before changes in working capital</b>	<b>21,897</b>	<b>21,180</b>	<b>47,524</b>	<b>39,314</b>	<b>77,502</b>
Change in operating activities	-35,924	-11,808	-63,722	-48,513	-2,016
<b>Cash flow from operating activities</b>	<b>-14,027</b>	<b>9,372</b>	<b>-16,198</b>	<b>-9,199</b>	<b>75,486</b>
<b>Cash flow from investing activities</b>					
Acquisition of intangible assets	-7,174	-3,804	-18,159	-14,167	-17,946
Acquisition of tangible assets	-1,062	-1,433	-1,769	-1,219	-2,248
Repayment of deposits	47	-392	83	-352	-356
<b>Cash flow from investing activities</b>	<b>-8,189</b>	<b>-5,629</b>	<b>-19,845</b>	<b>-15,738</b>	<b>-20,550</b>
<b>Cash flow from financing activities</b>					
New share issues	889	-	94,310	297	1,807
Warrant premiums	1,920	-	1,920	1,807	297
Dividend paid	-	-1,393	-	-1,393	-1,393
Change in liabilities to credit institutions	-	-	-	-156	-156
Repayment of interest bearing debts	-1,455	-	-1,808	-	-
Net change of overdraft account	-	2,526	-	20,956	-
Amortization of leasing fees	-4,082	-2,908	-10,721	-11,392	-16,166
Other	390	-	390	-1	850
<b>Cash flow from financing activities</b>	<b>-2,338</b>	<b>-1,775</b>	<b>84,092</b>	<b>10,118</b>	<b>-14,761</b>
<b>Cash flow for the period</b>	<b>-24,554</b>	<b>1,968</b>	<b>48,049</b>	<b>-14,818</b>	<b>40,176</b>
<b>Change in cash and cash equivalents</b>					
Cash and cash equivalents at the beginning of the period	143,765	6,428	66,026	22,678	22,678
Exchange rate differences in cash and cash equivalents	291	202	5,428	738	3,172
<b>Cash and cash equivalents at the end of the period</b>	<b>119,502</b>	<b>8,598</b>	<b>119,502</b>	<b>8,598</b>	<b>66,026</b>

# Parent Company Income Statement in Summary

	2022	2021	2022	2021	2021
KSEK	Q3	Q3	Q1-Q3	Q1-Q3	Q1-Q4
<b>Operating revenue</b>					
Net sales	59,490	43,287	159,034	110,054	156,808
Other revenue	-1	0	14	665	-11
<b>Total revenue</b>	<b>59,489</b>	<b>43,287</b>	<b>159,048</b>	<b>110,719</b>	<b>156,797</b>
<b>Operating expenses</b>					
Other external costs	-16,205	-8,252	-57,450	-24,684	-39,896
Personnel costs	-26,229	-19,084	-86,325	-59,125	-78,031
Other operating expenses	-	0	-2	-3	-
<b>Total operating expenses</b>	<b>-42,435</b>	<b>-27,336</b>	<b>-143,778</b>	<b>-83,812</b>	<b>-117,928</b>
<b>Operating income before depreciation and amortization</b>	<b>17,054</b>	<b>15,951</b>	<b>15,271</b>	<b>26,907</b>	<b>38,869</b>
Depreciation and amortization	-59	-25	-173	-58	-103
<b>Operating income</b>	<b>16,995</b>	<b>15,926</b>	<b>15,097</b>	<b>26,849</b>	<b>38,767</b>
Financial income and expenses	2,219	898	8,417	1,050	4,177
<b>Income after financial net</b>	<b>19,214</b>	<b>16,824</b>	<b>23,514</b>	<b>27,899</b>	<b>42,944</b>
Appropriations	-5,700	-	-5,700	-	-8,880
Taxes	-2,821	-3,524	-3,818	-5,925	-7,202
<b>Net income for the period</b>	<b>10,693</b>	<b>13,300</b>	<b>13,996</b>	<b>21,974</b>	<b>26,862</b>

# Parent Company Balance Statement in Summary

	2022-09-30	2021-09-30	2021-12-31
<b>KSEK</b>			
<b>ASSETS</b>			
<b>Fixed assets</b>			
<i><b>Tangible assets</b></i>			
Machinery and equipment	869	580	921
<b>Total tangible fixed assets</b>	<b>869</b>	<b>580</b>	<b>921</b>
<i><b>Financial fixed assets</b></i>			
Shares in subsidiaries	21,560	21,487	21,487
Deferred tax asset	-	-	-
<b>Total financial fixed assets</b>	<b>21,560</b>	<b>21,487</b>	<b>21,487</b>
<b>Total fixed assets</b>	<b>22,429</b>	<b>22,066</b>	<b>22,408</b>
<i><b>Current assets</b></i>			
Current intercompany receivables	124,617	94,465	103,966
Other current receivables	2,354	2,286	5,854
Accrued income and prepaid expenses	9,060	5,732	5,851
Cash and cash equivalents	91,572	31	35
<b>Total current assets</b>	<b>227,604</b>	<b>102,514</b>	<b>115,707</b>
<b>Total assets</b>	<b>250,033</b>	<b>124,581</b>	<b>138,114</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<i><b>Restricted equity</b></i>			
Share capital	594	170	170
<b>Total restricted equity</b>	<b>594</b>	<b>170</b>	<b>170</b>
<i><b>Unrestricted equity</b></i>			
Additional paid in capital	151,038	54,858	54,858
Profit/loss brought forward	14,304	-12,184	-12,184
Net income for the period	13,996	21,974	26,862
<b>Total unrestricted equity</b>	<b>179,338</b>	<b>64,649</b>	<b>69,537</b>
<b>Total equity</b>	<b>179,932</b>	<b>64,818</b>	<b>69,706</b>
<b>Untaxed reserves</b>	<b>9,380</b>	<b>-</b>	<b>9,380</b>
<i><b>Non-current liabilities</b></i>			
Other non-current liabilities	-	-	-
<b>Total non-current liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i><b>Current liabilities</b></i>			
Accounts payables	2,888	1,926	4,515
Current intercompany liabilities	22,230	28,842	22,385
Other current liabilities	27,349	22,820	24,256
Accrued expenses and prepaid income	8,254	6,175	7,872
<b>Total current liabilities</b>	<b>60,721</b>	<b>59,763</b>	<b>59,028</b>
<b>Total equity and liabilities</b>	<b>250,033</b>	<b>124,581</b>	<b>138,114</b>



## Accounting principles

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts act. The group's financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and the accounting policies which constitute the accounting standard for this interim report, are stated in the most recent annual report. Preparing the financial reports in accordance with IFRS requires the 4C management team to decide on how to apply the accounting policies which may impact the reported figures of assets, liabilities and result.

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

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

## Alternative Performance Measures

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

## Risks and uncertainties

4C Strategies is exposed to risks in its operations, both business and financial, and these are described together with other risks in the latest published report, the Prospectus, 16th of May 2022. During the third quarter, we are still seeing the ongoing Russian invasion in Ukraine. At the same time, we also see inflation rates increasing, combined with higher interest rate in our markets. 4C Strategies has implemented measure for securing that risks that emerge and actualize can be handled. There have been no other changes to risk and uncertainty factors during the period.

## Currency translations

The Group operates in different countries and currently the following currencies are managed: Swedish Krona (SEK), Sterling Pound (GBP) and US Dollar (USD). Assets and liabilities in foreign exchange are translated at the closing rate on the date of the balance statement. Transaction differences of operational balance items due to translation are recognized as 'Other Revenue' and 'Other Operating Expenses'. The differences of other balance sheet items in foreign currency, such as 'Cash and cash equivalents', are recognized within financial items. Differences that occur from translating net sales and

operating expenses in foreign currency are recognized under respective revenue and cost item.

## Transactions with related parties

Any transactions with related parties have been conducted on market terms.

## Taxes

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

## Earnings per share

The calculation of Earnings per share is based on the period's earnings in the Group attributable to the parent company's owners and on the weighted average number of shares outstanding during the period. When calculating Earnings per share after dilution, the average number of shares is adjusted to take into account the effects of issued options.

## Financial instruments

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

## Segment summary

The Group's operating segments are divided into the Nordics, International, North America and Group Common. The evaluation of the business performance is divided into three geographical regions. These operating segments have the same business model, i.e. sales and delivery, except the fourth segment Group Common which focuses on product development and administration.

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

Operating segments are assessed based on net sales and EBITDA. The evaluation excludes the management of assets and liabilities, which instead are managed centrally by group management. To provide a more accurate view of each segment's performance, the line internal costs consists of both intercompany revenue and costs and is thereby netted out on Group level. Internal transactions between the segments refer to cost allocation due to the use of resources.

## Segment reporting

Q3 2022						
KSEK	Nordics	International	North America	Total Segment	Group Common	Group
Software	7,383	8,631	42,716	58,729	-	58,729
Software-related services	2,387	6,710	1,280	10,377	-	10,377
Expert services	11,436	468	-	11,904	-	11,904
Other revenue	43	415	-	457	0	457
<b>Total revenue</b>	<b>21,249</b>	<b>16,223</b>	<b>43,996</b>	<b>81,467</b>	<b>0</b>	<b>81,467</b>
External costs	-12,597	-16,721	-13,562	-42,880	-19,217	-62,098
Internal costs	-2,037	5,049	6,697	9,709	-9,709	0
<b>Total cost</b>	<b>-14,634</b>	<b>-11,672</b>	<b>-6,865</b>	<b>-33,171</b>	<b>-28,926</b>	<b>-62,098</b>
<b>EBITDA</b>	<b>6,614</b>	<b>4,551</b>	<b>37,131</b>	<b>48,296</b>	<b>-28,927</b>	<b>19,369</b>
Amortization	-	-	-	0	-3,637	-3,637
Depreciation	-	-	-	0	-2,639	-2,639
Financial income and expenses	-	-	-	0	3,896	3,896
<b>Income after financial items (EBT)</b>	<b>6,614</b>	<b>4,551</b>	<b>37,131</b>	<b>48,296</b>	<b>-31,308</b>	<b>16,988</b>
Items affecting comparability	-	-	-	0	464	464
<b>Adjusted EBT</b>	<b>6,614</b>	<b>4,551</b>	<b>37,131</b>	<b>48,296</b>	<b>-30,844</b>	<b>17,452</b>

Q1-Q3 2022						
KSEK	Nordics	International	North America	Total Segment	Group Common	Group
Software	24,313	34,047	98,951	157,310	-	157,310
Software-related services	10,160	22,409	5,081	37,650	-	37,650
Expert services	43,151	2,206	-	45,357	-	45,357
Other revenue	149	1,827	-	1,976	15	1,991
<b>Total revenue</b>	<b>77,773</b>	<b>60,489</b>	<b>104,032</b>	<b>242,294</b>	<b>15</b>	<b>242,309</b>
External costs	-42,938	-48,234	-32,223	-123,395	-78,334	-201,729
Internal costs	-6,928	13,189	17,609	23,871	-23,871	0
<b>Total cost</b>	<b>-49,866</b>	<b>-35,044</b>	<b>-14,613</b>	<b>-99,524</b>	<b>-102,205</b>	<b>-201,729</b>
<b>EBITDA</b>	<b>27,907</b>	<b>25,445</b>	<b>89,418</b>	<b>142,771</b>	<b>-102,190</b>	<b>40,580</b>
Amortization	-	-	-	0	-11,504	-11,504
Depreciation	-	-	-	0	-10,136	-10,136
Financial income and expenses	-	-	-	0	8,420	8,420
<b>Income after financial items (EBT)</b>	<b>27,907</b>	<b>25,445</b>	<b>89,418</b>	<b>142,771</b>	<b>-115,410</b>	<b>27,360</b>
Items affecting comparability	-	-	-	0	15,259	15,259
<b>Adjusted EBT</b>	<b>27,907</b>	<b>25,445</b>	<b>89,418</b>	<b>142,771</b>	<b>-100,151</b>	<b>42,620</b>

Q3 2021						
KSEK	Nordics	International	North America	Total Segment	Group Common	Group
Software	2,633	9,682	31,502	43,817	-	43,817
Software-related services	3,036	5,046	1,640	9,722	-	9,722
Expert services	8,595	103	-	8,698	-	8,698
Other revenue	39	225	0	265	0	264
<b>Total revenue</b>	<b>14,303</b>	<b>15,056</b>	<b>33,142</b>	<b>62,501</b>	<b>0</b>	<b>62,501</b>
External costs	-10,885	-11,405	-5,684	-27,975	-13,698	-41,673
Internal costs	-358	2,291	2,906	4,839	-4,839	0
<b>Total cost</b>	<b>-11,243</b>	<b>-9,114</b>	<b>-2,779</b>	<b>-23,136</b>	<b>-18,537</b>	<b>-41,673</b>
<b>EBITDA</b>	<b>3,060</b>	<b>5,942</b>	<b>30,363</b>	<b>39,365</b>	<b>-18,538</b>	<b>20,828</b>
Amortization	-	-	-	0	-4,165	-4,165
Depreciation	-	-	-	0	-3,539	-3,539
Financial income and expenses	-	-	-	0	1,254	1,254
<b>Income after financial items (EBT)</b>	<b>3,060</b>	<b>5,942</b>	<b>30,363</b>	<b>39,365</b>	<b>-24,988</b>	<b>14,378</b>
Items affecting comparability	-	-	0	0	-	0
<b>Adjusted EBT</b>	<b>3,060</b>	<b>5,942</b>	<b>30,363</b>	<b>39,365</b>	<b>-24,988</b>	<b>14,378</b>

Q1-Q3 2021						
KSEK	Nordics	International	North America	Total Segment	Group Common	Group
Software	11,628	23,377	58,856	93,861	-	93,861
Software-related services	12,492	22,271	3,722	38,484	-	38,484
Expert services	29,105	1,775	-	30,880	-	30,880
Other revenue	133	1,766	0	1,899	-3	1,896
<b>Total revenue</b>	<b>53,358</b>	<b>49,188</b>	<b>62,578</b>	<b>165,124</b>	<b>-3</b>	<b>165,121</b>
External costs	-36,991	-33,036	-11,722	-81,749	-43,300	-125,049
Internal costs	-3,265	5,828	5,242	7,805	-7,805	0
<b>Total cost</b>	<b>-40,256</b>	<b>-27,208</b>	<b>-6,480</b>	<b>-73,944</b>	<b>-51,105</b>	<b>-125,049</b>
<b>EBITDA</b>	<b>13,102</b>	<b>21,980</b>	<b>56,098</b>	<b>91,180</b>	<b>-51,108</b>	<b>40,072</b>
Amortization	-	-	-	0	-10,754	-10,754
Depreciation	-	-	-	0	-10,144	-10,144
Financial income and expenses	-	-	-	0	316	316
<b>Income after financial items (EBT)</b>	<b>13,102</b>	<b>21,980</b>	<b>56,098</b>	<b>91,180</b>	<b>-71,690</b>	<b>19,490</b>
Items affecting comparability	-	-	-	0	-	0
<b>Adjusted EBT</b>	<b>13,102</b>	<b>21,980</b>	<b>56,098</b>	<b>91,180</b>	<b>-71,690</b>	<b>19,490</b>

## Net sales by customer group

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

	2022	2021	2022	2021
KSEK	Q3	Q3	Q1-Q3	Q1-Q3
Defence	61,196	49,634	161,062	117,224
Public	9,411	7,873	41,516	28,874
Corporate	10,403	4,730	37,740	17,127
<b>Net sales</b>	<b>81,010</b>	<b>62,237</b>	<b>240,318</b>	<b>163,225</b>

## Net sales by income stream

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

	2022	2021	2022	2021
KSEK	Q3	Q3	Q1-Q3	Q1-Q3
Software	58,729	43,817	157,310	93,861
Software-related services	10,377	9,722	37,650	38,484
Expert services	11,904	8,698	45,357	30,880
<b>Net sales</b>	<b>81,010</b>	<b>62,237</b>	<b>240,318</b>	<b>163,225</b>



# Key Ratios

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

## FX adjusted organic net sales growth

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

	2022	2021	2022	2021
KSEK	Q3	Q3	Q1-Q3	Q1-Q3
Software	58,729	43,817	157,310	93,861
Software-related services	10,377	9,722	37,650	38,484
Expert services	11,904	8,698	45,357	30,880
<b>Net sales</b>	<b>81,010</b>	<b>62,237</b>	<b>240,318</b>	<b>163,225</b>
<i>Net sales growth (%)</i>	30%	17%	47%	20%
<i>FX adjusted organic net sales growth (%)</i>	16%	20%	36%	25%

The currency translation effect on net sales during the quarter amounted to 14% (-3%).

FX adjusted organic net sales growth on a rolling twelve months (RTM) basis refers to figures over the latest 12-months. The measure neutralizes the effects of seasonality and indicates the growth on an annualized basis.

	2022	2021
KSEK	Q3 RTM	Q3 RTM
Software	222,969	115,709
Software-related services	50,435	53,058
Expert services	64,928	43,337
<b>Net sales RTM</b>	<b>338,331</b>	<b>212,104</b>
<i>Net sales RTM growth (%)</i>	60%	1%
<i>FX adjusted organic net sales growth RTM (%)</i>	51%	5%

The currency translation effect on net sales during the last twelve months amounted to 9% (-4%).

## Software revenue

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

	2022	2021	2022	2021
KSEK	Q3	Q3	Q1-Q3	Q1-Q3
Software	58,729	43,817	157,310	93,861
Software-related services	10,377	9,722	37,650	38,484
Expert services	11,904	8,698	45,357	30,880
<b>Net sales</b>	<b>81,010</b>	<b>62,237</b>	<b>240,318</b>	<b>163,225</b>
<i>Software as a percentage of net sales (%)</i>	72%	70%	65%	58%

## Recurring revenue

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

	2022	2021	2022	2021
KSEK	Q3	Q3	Q1-Q3	Q1-Q3
Software	17,898	12,329	49,866	34,046
Software-related services	6,777	7,658	22,514	30,813
<b>Recurring revenue</b>	<b>24,675</b>	<b>19,987</b>	<b>72,380</b>	<b>64,859</b>
<i>Recurring revenue growth (%)</i>	23%	-40%	12%	-7%

	2022	2021	2022	2021
KSEK	Q3	Q3	Q1-Q3	Q1-Q3
Recurring revenue	24,675	19,987	72,380	64,859
Net sales	81,010	62,237	240,318	163,225
<i>Recurring revenue, as percentage of net sales (%)</i>	30%	32%	30%	40%

## Annual recurring revenue (ARR)

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

	2022	2021
KSEK	Q3	Q3
Software	63,231	57,264
Software-related services	36,537	41,746
Annual recurring revenue	99,768	99,010
Annual recurring revenue growth (%)	1%	18%

## EBITDA

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

	2022	2021	2022	2021
KSEK	Q3	Q3	Q1-Q3	Q1-Q3
Operating income	13,092	13,124	18,940	19,174
Depreciation	-2,639	-3,539	-10,136	-10,144
Amortization	-3,637	-4,165	-11,504	-10,754
<b>EBITDA</b>	<b>19,369</b>	<b>20,828</b>	<b>40,580</b>	<b>40,072</b>
Net sales	81,010	62,237	240,318	163,225
<b>EBITDA %</b>	<b>24%</b>	<b>33%</b>	<b>17%</b>	<b>25%</b>

## EBIT

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

	2022	2021	2022	2021
KSEK	Q3	Q3	Q1-Q3	Q1-Q3
Operating income	13,092	13,124	18,940	19,174
<b>EBIT</b>	<b>13,092</b>	<b>13,124</b>	<b>18,940</b>	<b>19,174</b>
Net sales	81,010	62,237	240,318	163,225
<b>EBIT %</b>	<b>16%</b>	<b>21%</b>	<b>8%</b>	<b>12%</b>

## Items affecting comparability

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

	2022	2021	2022	2021
KSEK	Q3	Q3	Q1-Q3	Q1-Q3
Expenses related to public listing	464	-	15,259	-
<b>Items affecting comparability</b>	<b>464</b>	<b>0</b>	<b>15,259</b>	<b>0</b>

## Adjusted EBITDA

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

	2022	2021	2022	2021
KSEK	Q3	Q3	Q1-Q3	Q1-Q3
EBITDA	19,369	20,828	40,580	40,072
Items affecting comparability	464	-	15,259	-
<b>Adjusted EBITDA</b>	<b>19,833</b>	<b>20,828</b>	<b>55,840</b>	<b>40,072</b>
Net sales	81,010	62,237	240,318	163,225
<b>Adjusted EBITDA %</b>	<b>24%</b>	<b>33%</b>	<b>23%</b>	<b>25%</b>

Adjusted EBITDA rolling twelve months (RTM) over the latest 12-months. The measure neutralizes the effect of seasonality and indicates the result on annualized basis.

	2022	2021
KSEK	Q3 RTM	Q3 RTM
EBITDA RTM	73,718	48,843
Items affecting comparability RTM	17,762	-
<b>Adjusted EBITDA RTM</b>	<b>91,480</b>	<b>48,843</b>
Net sales RTM	338,331	212,104
<b>Adjusted EBITDA RTM (%)</b>	<b>27%</b>	<b>23%</b>



## Adjusted EBIT

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

	2022	2021	2022	2021
KSEK	Q3	Q3	Q1-Q3	Q1-Q3
EBIT	13,092	13,124	18,940	19,174
Items affecting comparability	464	-	15,259	-
<b>Adjusted EBIT</b>	<b>13,557</b>	<b>13,124</b>	<b>34,200</b>	<b>19,174</b>
Net sales	81,010	62,237	240,318	163,225
<b>Adjusted EBIT %</b>	<b>17%</b>	<b>21%</b>	<b>14%</b>	<b>12%</b>

Adjusted EBIT rolling twelve months (RTM) over the latest 12-months. The measure neutralizes the effect of seasonality and indicates the result on annualized basis.

	2022	2021
KSEK	Q3 RTM	Q3 RTM
EBIT RTM	46,884	21,426
Items affecting comparability RTM	17,762	-
<b>Adjusted EBIT RTM</b>	<b>64,646</b>	<b>21,426</b>
Net sales RTM	338,331	212,104
<b>Adjusted EBIT RTM (%)</b>	<b>19%</b>	<b>10%</b>

## Net working capital

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

	2022-09-30	2021-09-30	2021-12-31
KSEK			
Current assets excl cash and cash equivalents	126,800	105,682	96,414
Current liabilities excl interest-bearing items	65,962	41,242	75,051
<b>Net working capital</b>	<b>60,838</b>	<b>64,440</b>	<b>21,363</b>

## Net debt

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

	2022-09-30	2021-09-30	2021-12-31
KSEK			
Interest-bearing non-current liabilities	19,409	11,366	9,424
Interest-bearing current liabilities	31,794	62,499	40,030
Cash and cash equivalents	119,502	8,600	66,026
<b>Net debt</b>	<b>-68,299</b>	<b>65,265</b>	<b>-16,571</b>
Adjusted EBITDA RTM	91,480	48,843	75,713
<b>Net debt ratio</b>	<b>-0.75</b>	<b>1.34</b>	<b>-0.22</b>

## Earnings per share

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

	2022	2021	2022	2021
	Q3	Q3	Q1-Q3	Q1-Q3
Weighted average number of shares	32,966,701	31,062,000	32,966,701	31,062,000
Weighted average number of dilutive shares	2,310,000	2,310,000	2,310,000	2,310,000
<b>Weighted average number of shares after dilution</b>	<b>35,276,701</b>	<b>33,372,000</b>	<b>35,276,701</b>	<b>33,372,000</b>

	2022	2021	2022	2021
	Q3	Q3	Q1-Q3	Q1-Q3
Net income for the period (KSEK)	13,257	11,956	21,120	15,129
<b>Income attributable to Parent company's shareholders (KSEK)</b>	<b>13,257</b>	<b>11,956</b>	<b>21,120</b>	<b>15,129</b>
Weighted average number of shares	32,966,701	31,062,000	32,966,701	31,062,000
<b>Earnings per share before dilution (SEK)</b>	<b>0.40</b>	<b>0.38</b>	<b>0.64</b>	<b>0.49</b>
Weighted average number of shares after dilution	35,276,701	33,372,000	35,276,701	33,372,000
<b>Earnings per share after dilution (SEK)</b>	<b>0.38</b>	<b>0.36</b>	<b>0.60</b>	<b>0.45</b>

# Auditors' Review Report

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*This is a translation from the Swedish original.*

## **4C Group AB (publ)**

Corporate identity number 556706-0412

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*To the Board of 4C Group AB (publ)*

## **Introduction**

We have reviewed the condensed interim report for 4C Group AB as at September 30, 2022 and for the nine months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

## **Scope of review**

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 Review of Interim Financial Statements Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

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Malmö, November 14th, 2022

Ernst & Young AB

Peter Gunnarsson  
Authorized Public Accountant

# Selected Historical Financials per Quarter and Year

	2022	2022	2022	2021	2021	2021	2021	2021	2020	2020	2020	2020
	Q3	Q2	Q1	YTD	Q4	Q3	Q2	Q1	YTD	Q4	Q3	Q2
Net sales (MSEK)	81.0	83.3	76.0	261.2	98.0	62.2	64.8	36.2	185.3	48.9	53.4	41.6
Net sales growth (%)	30%	29%	110%	41%	101%	17%	56%	-13%	4%	-34%	50%	1%
FX adjusted organic net sales growth (%)	16%	22%	97%	44%	99%	20%	67%	-10%	5%	-32%	53%	2%
Software revenue (MSEK)	58.7	51.4	47.2	159.5	65.7	43.8	38.8	11.2	86.1	21.8	33.5	13.8
Software as a percentage of net sales (%)	72%	62%	62%	61%	67%	70%	60%	31%	46%	45%	63%	33%
Recurring revenue (MSEK)	24.7	29.7	18.0	107.9	43.1	20.0	22.7	22.2	93.1	23.5	33.1	18.1
Annual recurring revenue (MSEK)	99.8	100.2	97.2	106.6	106.6	99.0	94.3	93.2	93.0	93.0	84.0	80.8
EBITDA (MSEK)	19.4	10.4	10.8	73.2	33.1	20.8	21.1	-1.9	36.8	8.8	22.0	4.1
EBITDA margin (%)	24%	12%	14%	28%	34%	33%	33%	-5%	20%	18%	41%	10%
EBIT (MSEK)	13.1	2.7	3.1	47.1	27.9	13.1	14.6	-8.5	13.1	2.3	16.0	-1.6
EBIT margin (%)	16%	3%	4%	18%	29%	21%	22%	-24%	7%	5%	30%	-4%
Items affecting comparability (MSEK)	0.5	9.6	5.2	2.5	2.5	-	-	-	-	-	-	-
Adjusted EBITDA (MSEK)	19.8	20.0	16.0	75.7	35.6	20.8	21.1	-1.9	36.8	8.8	22.0	4.1
Adjusted EBITDA margin (%)	24%	24%	21%	29%	36%	33%	33%	-5%	20%	18%	41%	10%
Adjusted EBIT (MSEK)	13.6	12.3	8.3	49.6	30.4	13.1	14.6	-8.5	13.1	2.3	16.0	-1.6
Adjusted EBIT margin (%)	17%	15%	11%	19%	31%	21%	22%	-24%	7%	5%	30%	-4%
Net income for the period (MSEK)	13.3	5.0	2.8	39.0	23.9	12.0	10.1	-6.9	7.4	0.3	12.1	-1.9
Earnings per share before dilution* (SEK)	0.40	0.16	0.09	1.26	0.77	0.38	0.33	-0.22	0.24	0.01	0.39	-0.06
Earnings per share after dilution* (SEK)	0.38	0.15	0.08	1.17	0.71	0.36	0.30	-0.21	0.23	0.01	0.38	-0.06
Net working capital (MSEK)	60.8	20.3	18.6	21.4	21.4	64.4	36.7	10.8	11.8	11.8	28.0	12.0
Net debt (MSEK)	-68.3	-99.3	-11.9	-16.6	-16.6	65.3	48.2	32.5	12.7	12.7	40.3	28.0



Stockholm, Sweden

# Definitions

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## 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 agreement (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 an recurring nature such as software and software-related services related income.

## Annual recurring revenue

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

## FX adjusted organic net sales growth

Organic growth in net sales adjusted for foreign exchange effects.

## Items affecting comparability

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

## EBITDA

Operating income before depreciation and amortization.

## Adjusted EBITDA

Operating income before depreciation, amortization and items affecting comparability.

## EBITDA margin

EBITDA as a percentage of net sales.

## EBIT

Operating income before financial income and expenses, and taxes.

## Adjusted EBIT

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

## EBIT margin

EBIT as a percentage of net sales.

## EBT

Income before taxes, after financial income and expenses.

## Adjusted EBT

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

## Net income

Net profit after tax.

## Earnings per share before dilution

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

## Earnings per share after dilution

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

## Net working capital

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

## Equity ratio

Total equity as a percentage of total assets.

## Net debt

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

## Net debt ratio

Net debt as a percentage of adjusted EBITDA RTM.

## Number of employees

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



### 4C Strategies

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

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

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

### Sustainability

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

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

### 4C at a glance

- Founded in Sweden in 2000
- Headquartered in Stockholm
- Offices in the Nordics, UK, US and Australia
- 150 customers & users in +100 countries
- Share traded on Nasdaq First North Premier Growth Market, under the ticker '4C'



# Our Offerings

## Exonaut® Software

### Resilience platform

Exonaut® is a market-leading resilience software platform featured in Gartner's hype cycle for Business Continuity and IT Resilience and the Market Guide for Crisis/Emergency Management (C/E M) Solutions. The powerful solution is used by the public sector and across industries – ranging from logistics and manufacturing to critical infrastructure, pharma and finance. Accredited by NATO and several armed forces to Secret and Unclassified level.

### Training & exercise management platform

Exonaut is a highly scalable and configurable data-driven platform for planning, managing, mapping and evaluating training and exercises. It has been developed to support readiness. The Exonaut® platform is used by NATO and the Swedish, US, British and Australian armed forces, among others.

## Consultancy Services

### Software consultancy

Our software consultants provide wide-ranging support for clients. At an early stage – scoping, deployment and implementation of Exonaut. Once in use, onsite support large scale exercises are available, with follow-up reports based on the exercise data. Various service desk support is available for Exonaut customers depending on clients' needs and service delivery model, i.e. inhouse or cloud-based.

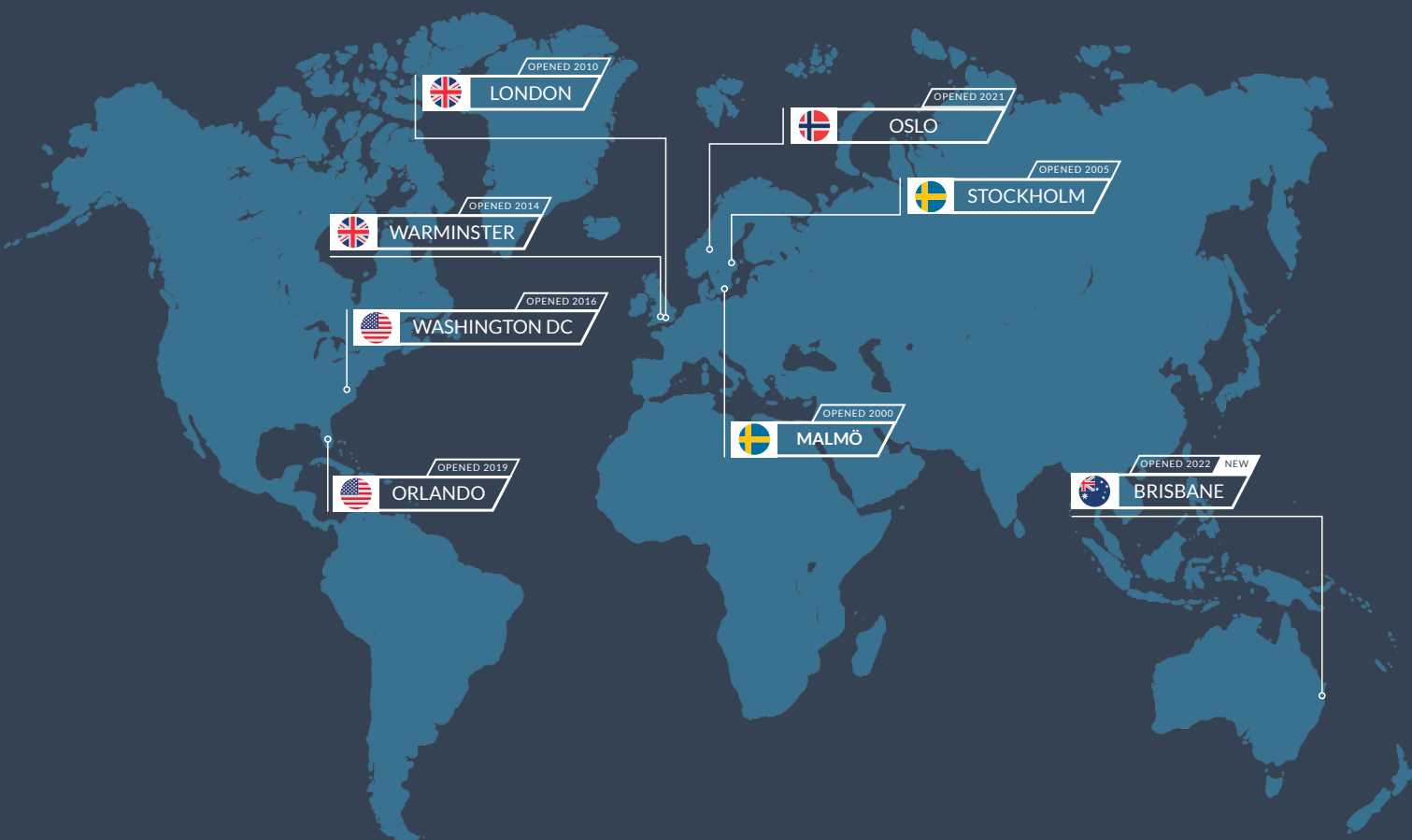
### Expert services

Our consultants provide expert advisory services to the public and private sectors. They ensure organizations are prepared for potential threats to business continuity and have the necessary capabilities to assess risks and handle incidents and crises. Services range from identifying key threats or risks and increasing resilience capabilities to holding crisis training and exercises, to supporting organizations during an ongoing crisis.





# 4C STRATEGIES



Find us on

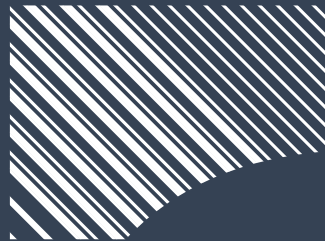
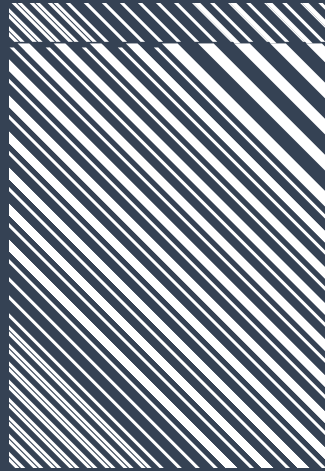
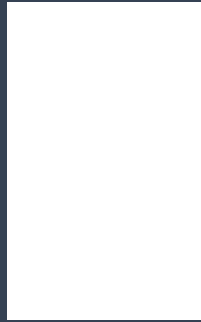


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