



4C STRATEGIES

4C Group AB  
Interim Report  
Q3 2024

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

**“Turning point in North  
America: New contracts  
strengthen our position”**

# The period in summary

## 2024 Q3

- **Net sales (MSEK)**  
93.8 (49.1)
- **Net sales growth**  
91% (-39%)
- **FX adjusted organic net sales growth**  
93% (-42%)
- **Software revenue in relation to net sales**  
77% (53%)
- **Adjusted EBIT margin**  
17% (-70%)

## 2024 Q1–Q3

- **Net sales (MSEK)**  
230.0 (224.4)
- **Net sales growth**  
3% (-7%)
- **FX adjusted organic net sales growth**  
2% (-11%)
- **Software revenue in relation to net sales**  
66% (62%)
- **Adjusted EBIT margin**  
-14% (-10%)

- Increased net sales and cost efficiency strengthened the result for the quarter compared to the same period in 2023.
- The business in North America has experienced strong growth, a result of new significant agreements that strengthen our position in the region.
- As of Q3 2024, 4C has decided to implement an operational structure change to improve internal processes and streamline operations.

“During the third quarter, we experienced a clear turning point in North America”

Jonas Jonsson, CEO

## Key ratios

	2024 Q3	2023 Q3	2024 Q1–Q3	2023 Q1–Q3	2024 Q3 RTM	2023 Q1–Q4
Net sales (MSEK)	93.8	49.1	230.0	224.4	337.7	332.1
FX adjusted organic net sales growth (%)	93%	-42%	2%	-11%	7%	-3%
Software revenue (MSEK)	72.3	26.2	152.2	138.2	224.5	210.4
Software revenue in relation to net sales (%)	77%	53%	66%	62%	66%	63%
EBIT (MSEK)	16.3	-34.3	-32.4	-22.5	-15.8	-5.9
EBIT margin (%)	17%	-70%	-14%	-10%	-5%	-2%
Adjusted EBIT (MSEK)	16.3	-34.2	-32.4	-21.9	-15.8	-5.3
Adjusted EBIT margin (%)	17%	-70%	-14%	-10%	-5%	-2%
Net income for the period (MSEK)	11.1	-34.2	-27.8	-25.5	-11.6	-9.3
Earnings per share before dilution (SEK)	0.32	-1.01	-0.79	-0.75	-0.33	-0.27
Earnings per share after dilution (SEK)	0.32	-1.01	-0.79	-0.75	-0.33	-0.27

# 7%

FX-adjusted organic net sales growth  
RTM

# 66%

Software revenue in relation to net sales  
RTM

# -5%

Adjusted EBIT margin  
RTM



### A word from the CEO

# Turning point in North America: New contracts strengthen our position

During the third quarter, we experienced a clear turning point in North America. Alongside a major operational contract for a previously project-funded product, we secured agreements to deliver our standard software to defence clients. Together, these contracts pave the way for future business opportunities in the region. At the same time, we began seeing the benefits of the organizational restructuring and operational efficiency measures initiated in Q2. Now, our focus remains on realizing returns from previous investments and aligning our organization toward profitable growth.

#### Market Overview

We have continued to reinforce our position in the military training and exercise market, with particularly positive developments in North America. In addition to a production contract with an initial value of approximately SEK 101 million over three years, plus an option for an additional SEK 100 million for two more years, we are seeing growing interest in our standardized software within the defence sector – an area previously dominated by bespoke solutions.

In APAC, the quarter was marked by delivery of previously sold projects and the pursuit of new business, including our participation in the Land Forces event in Melbourne. In EMEA, seasonal factors influenced the quarter, but interest at several market events confirmed that our defence offerings remain in demand across the

UK, Continental Europe, and NATO. Although these markets remain focused on material investments over software, we are beginning to see this trend shift.

During the quarter, we also attended several major market events within the Resilience sector. While growth has been somewhat slower, we are seeing positive market trends and increased interest from organizations aiming to strengthen their preparedness and resilience. This interest is reflected in demand for both our services and software solutions

#### Quarter Highlights

Net sales for the third quarter reached SEK 93.8 million, marking a 91% increase compared to the same period in 2023. Operating income totaled SEK 16.3 million, with a margin of 17%.

**“Our global organization is fully engaged in this transformation, and I feel a strong drive for our continued development”**

Our new operational structure has improved internal processes, laying the foundation for more efficient business management. OPEX decreased, both year-on-year and compared to previous quarters, thanks to completed optimization efforts. We expect these changes to yield positive effects in upcoming quarters. Although we saw continued negative cash flow during this quarter, we now believe that the trend has reversed, and we anticipate improvements moving forward.

Our North American operations saw substantial revenue growth compared to the same period last year, with increased interest in our standardized software for the defence sector, further strengthening our position in this critical market. Meanwhile, we continue building our Resilience presence in North America, where we are still in the early stages of establishment.

In APAC, revenue increased year-over-year, albeit from a low base, driven primarily by deliveries of previously sold projects. Since establishing a local presence in Australia in 2022, we have secured several key defence contracts, expanding our role with Army clients as well as with the Air Force and Joint

Commands. These contracts position us as a central player in training and exercises in Australia and provide a strong foundation for continued growth in the region. However, we still expect individual quarters to reflect modest sales figures, given the market’s structure.

In EMEA, third-quarter revenue reached SEK 15.2 million, influenced by seasonally lower activity during the summer. We anticipate increased activity in the upcoming quarter.

In the Expert Services segment, revenue totaled SEK 12.5 million, in line with the previous year. Demand for our consulting services in resilience and readiness remains strong, and we see growing need for support in addressing raised readiness requirements in a increasingly uncertain world.

**Looking Forward**

With a turning point in North America behind us and steady progress among our other defence clients, we continue strengthening our position as a leading provider of training, exercise, and capability-building solutions in the global defence market. Our product offerings are already strong, and we have taken several promising steps to enhance our solutions with the latest AI and ML technologies, which are rapidly advancing.

Technology is improving quickly, and many players are striving to find their footing. Our strength lies in our already-deployed platform with several leading defence forces and our ability to operate in environments that require on-premises solutions without internet connectivity – a critical factor for deploying AI

technology in sensitive applications. We are today in a nearly unmatched market position to advance further within the defence segment.

During 2024 we have undertaken extensive work to clarify and optimize the packaging of our Resilience products. With a clear aim to simplify purchasing and implementation for our clients, our goal in the fourth quarter is to drive growth through our improved product portfolio and strong client relationships.

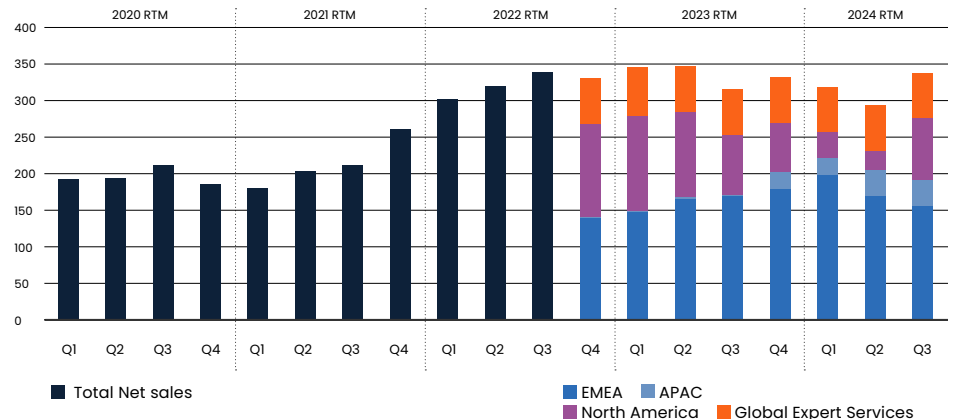
After my first six months as CEO at 4C, I am starting to see the impact of our renewed focus on product sales, a more efficient operational structure, and our initiatives to strengthen our

position in North America’s defence sector. Our global organization is fully engaged in this transformation, and I feel a strong drive for our continued development. Our task now is to stay on course and continue executing our focused strategy to deliver long-term value to our customers, employees, and shareholders.

**Jonas Jonsson**  
CEO

Total Net sales

Net sales per segment, RTM



# Financial overview

## Net sales

Net sales in the quarter increased by 91% (-39%) compared to same period previous year and amounted to MSEK 93.8 (49.1). Software revenue amounted to MSEK 72.3 (26.2) for the period. The increase is mainly due to a significant business transaction in the North America segment. Revenue from software-related services amounted to MSEK 9.1 (10.1) for the period.

Our expert services business contributed with a revenue of MSEK 12.5 (12.8) during the quarter.

Net sales for the first nine months amounted to MSEK 230.0 (224.4) reflecting in an increase of 3% (-7%), compared to same period previous year. Software revenue amounted to MSEK 152.2 (138.2), software-related services amounted to MSEK 34.9 (41.7) and our expert service accounted for MSEK 42.9 (44.5) during the first nine months.

The increase in net sales for the quarter and the first nine months is mainly related to the North America Software.

The annual rate of recurring revenue (ARR\*) at the end of the quarter was MSEK 152.0 (110.5). Software accounted for MSEK 117.5 (75.0).

Exchange rate fluctuations had less of an impact on net sales during the quarter compared to the same period previous year.

During the third quarter, the exchange rate effect on net sales was -2% (3%) in comparison to same period previous year, and for the first nine months the exchange rate effect on net sales was 0% (4%).

## Software revenue

Software revenue accounted for 77% (53%) of total net sales during the quarter, an increase by 24 percentage units.

Software revenue accounted for 66% (62%) of total net sales during the first nine months, an increase in financial figures corresponding to 4 percentage units.

## EBITDA

Operating income before depreciation and amortization (EBITDA) amounted to MSEK 26.1 (-24.5), rendering an EBITDA margin of 28% (-50%) during the quarter.

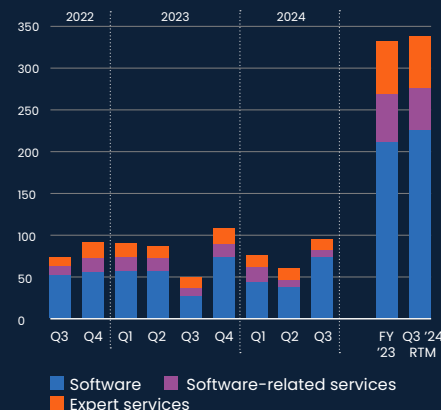
EBITDA amounted to MSEK -0.8 (4.7) during the first nine months, rendering an EBITDA margin of 0% (2%).

Adjusted EBITDA for the quarter was MSEK 26.1 (-24.4) with a margin of 28% (-50%).

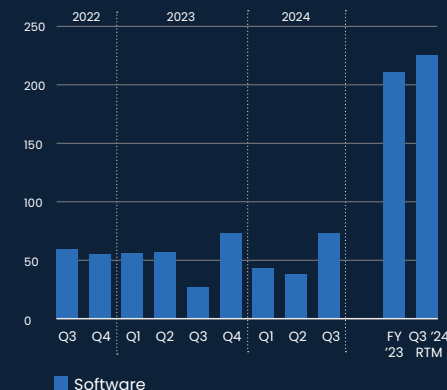
Adjusted EBITDA for the first nine months was MSEK -0.8 (5.3) with a margin of 0% (2%).

Adjusted EBITDA on a rolling twelve months (RTM) basis was MSEK 26.1 (22.8) with a margin of 8% (7%).

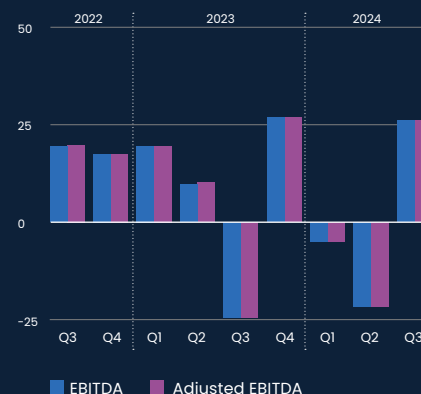
## Net sales, MSEK



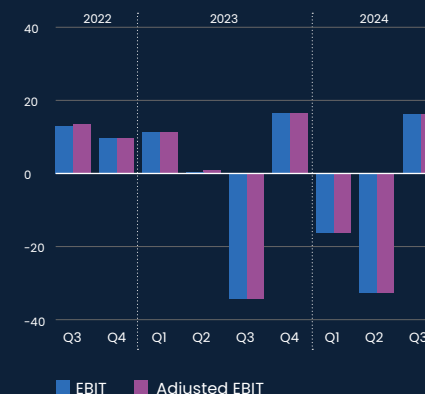
## Software revenue, MSEK



## EBITDA, MSEK



## EBIT, MSEK



\*For definition see page 19

**EBIT**

Operating income (EBIT) amounted to MSEK 16.3 (-34.3), rendering an EBIT margin of 17% (-70%) in the quarter. EBIT for the first nine months was MSEK -32.4 (-22.5) with a margin of -14% (-10%).

Adjusted EBIT for the quarter amounted to MSEK 16.3 (-34.2) with an adjusted EBIT margin of 17% (-70%).

Adjusted EBIT for the first nine months amounted to MSEK -32.4 (21.9) with an adjusted EBIT margin of -14% (-10%).

Adjusted EBIT on a rolling twelve months (RTM) basis was MSEK -15.8 (-12.3) with a margin of -5% (-4%).

**Financial position**

The equity ratio at the end of the quarter was 53% (59%). Interest-bearing debt amounted to MSEK 90.4 (69.1) at the end of the quarter whereof MSEK 39.5 (52.1) refers to leasing liabilities. The rest of the interest-bearing debt of MSEK 50.9 (17.0) refers to partly postponed tax payments of MSEK 2.5 (17.0) and overdraft facility of MSEK 48.4 (0.0). The total debt of postponed tax payments is planned to be repaid during 2024-2025.

Cash and cash equivalents amounted to MSEK 1.1 (70.2) at the end of period. The net debt position thereby totalled to MSEK 89.3 (-1.1).

Equity amounted to MSEK 211.7 (208.1) corresponding to a SEK 6.0 (6.1) per outstanding share and SEK 6.0 (5.7) per outstanding share after dilution at the end of the quarter.

**Cash flow**

- Cash flow from operating activities for the quarter amounted to MSEK -17.8 (-18.5). The cash flow has been positively affected by increased operating income for the period. Meanwhile the cash flow has been negatively affected by changes in working capital due to increased contract assets and account receivables.
- Cash flow from investing activities for the quarter amounted to MSEK -8.5 (-8.8). The change in cash flow refers to development and investments of Exonaut.
- Cash flow from financing activities for the quarter amounted to MSEK 21.8 (-12.7). The change in cash flow for the comparable quarter relates to payments of postponed tax and lease amortization and used overdraft facility. For the period we have made payments related to tax of MSEK 1.5 (8.9).
- Cash and cash equivalents amounted to MSEK 1.1 at the end of period, and MSEK 5.6 at the beginning of the period.

Our financial results for the first nine months have negatively impacted our liquidity position. We monitor our cash situation closely and expect an improved and more stable cash flow moving forward. Management's assessment is that the company has sufficient financing for the next 12 months, based on the current forecast and available credit facilities.

**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 35,132,142 (33,919,142).

**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 210 (200) whereof 63 (61) were women.

**The Parent Company**

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

**Other significant events during and after the period**

As of Q3 2024, 4C has decided to implement a structural change regarding segment reporting. Former segments Nordics, North America and International are discontinued in favour of EMEA Software, APAC Software, North America Software and Global Expert Services. This is being carried out to reflect the organizational change communicated during Q2 2024.

No other significant events have occurred after the period.

**Annual general meeting (AGM)**

The AGM 2024 was held on the 15th of May 2024.

The Board of Directors proposed no dividend for the financial year of 2023, which is in line with our dividend policy. 4C Strategies intend to use generated cash flow for investments and further growth of the company. In addition, the following decisions were made in brief:

- The income and balance statement for the financial year of 2023 were adopted.
- The board members and CEO were discharged of liability for the financial year of 2023.
- Further information can be obtained from the minutes that can be found on our [website](#).

# Financial Reporting Information

## Financial calendar



## Report information

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

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

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Jonas Jonsson  
CEO



Anders Nordgren  
CFO

Stockholm 31th of October 2024

Jonas Jonsson, CEO  
4C Group AB (publ)



## Consolidated statement of profit and loss in summary

KSEK	2024 Q3	2023 Q3	2024 Q1-Q3	2023 Q1-Q3	2023 Q1-Q4
Net sales	93,793	49,096	230,041	224,408	332,101
Other revenue	840	177	2,375	2,483	3,082
<b>Total revenue</b>	<b>94,633</b>	<b>49,274</b>	<b>232,416</b>	<b>226,891</b>	<b>335,183</b>
<b>Operating expenses</b>					
Other external costs	-18,990	-21,682	-65,796	-64,283	-91,814
Personnel costs	-57,302	-58,813	-194,083	-180,577	-244,550
Capitalized work for own account	8,638	8,443	28,310	24,661	36,085
Other operating expenses	-835	-1,699	-1,615	-1,946	-3,274
<b>Total operating expenses</b>	<b>-68,489</b>	<b>-73,751</b>	<b>-233,184</b>	<b>-222,146</b>	<b>-303,553</b>
<b>Operating income before depreciation and amortization</b>	<b>26,145</b>	<b>-24,477</b>	<b>-768</b>	<b>4,745</b>	<b>31,629</b>
Depreciation	-5,646	-4,978	-16,463	-14,605	-19,995
Amortization	-4,231	-4,862	-15,188	-12,678	-17,537
<b>Operating income</b>	<b>16,267</b>	<b>-34,317</b>	<b>-32,419</b>	<b>-22,538</b>	<b>-5,902</b>
Financial income	2,199	2,171	10,520	9,643	15,039
Financial expenses	-5,689	-3,258	-12,449	-8,366	-17,657
<b>Income after financial items</b>	<b>12,778</b>	<b>-35,404</b>	<b>-34,348</b>	<b>-21,262</b>	<b>-8,521</b>
Taxes	-1,644	1,251	6,585	-4,277	-822
<b>Net income for the period</b>	<b>11,134</b>	<b>-34,153</b>	<b>-27,763</b>	<b>-25,539</b>	<b>-9,343</b>
<b>Income attributable to:</b>					
Parent company's shareholders	11,134	-34,153	-27,763	-25,539	-9,343
<b>Other information</b>					
Earnings per share before dilution (SEK)	0.32	-1.01	-0.79	-0.75	-0.27
Earnings per share after dilution (SEK)	0.32	-1.01	-0.79	-0.75	-0.27

## Consolidated statement of other comprehensive income in summary

KSEK	2024 Q3	2023 Q3	2024 Q1-Q3	2023 Q1-Q3	2023 Q1-Q4
Net income for the period	11,134	-34,153	-27,763	-25,539	-9,343
<b>Other comprehensive income</b>					
<i>Items which will be reclassified to the income statement (net of tax)</i>					
Translation adjustments attributable to foreign operations	-334	-845	938	1,182	-28
<b>Other comprehensive income for the period, net of tax</b>	<b>-334</b>	<b>-845</b>	<b>938</b>	<b>1,182</b>	<b>-28</b>
<b>Total comprehensive income for the period</b>	<b>10,800</b>	<b>-34,998</b>	<b>-26,825</b>	<b>-24,356</b>	<b>-9,371</b>



## Consolidated statement of financial position in summary

KSEK	2024-09-30	2023-09-30	2023-12-31
<b>ASSETS</b>			
Intangible assets	86,761	67,073	73,639
Tangible assets	3,378	4,345	4,014
Right-to-use assets	40,335	55,389	50,328
Financial fixed assets	1,454	1,441	1,362
Contract assets	96,005	32,792	38,781
Deferred tax asset	14,402	529	4,093
<b>Total non-current assets</b>	<b>242,334</b>	<b>161,569</b>	<b>172,217</b>
Accounts receivables	30,648	16,858	38,675
Tax receivables	11,084	10,658	8,379
Contract assets	100,795	85,586	93,211
Other current receivables	12,196	10,038	11,731
Cash and cash equivalents	1,121	70,167	62,227
<b>Total current assets</b>	<b>155,844</b>	<b>193,309</b>	<b>214,222</b>
<b>Total assets</b>	<b>398,178</b>	<b>354,877</b>	<b>386,440</b>

KSEK	2024-09-30	2023-09-30	2023-12-31
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<i>Equity attributable to the parent company's shareholders</i>	211,734	208,083	226,501
<b>Total equity</b>	<b>211,734</b>	<b>208,083</b>	<b>226,501</b>
Interest-bearing non-current liabilities	-	-	1,985
Non-current lease liabilities	21,483	33,004	29,801
Deferred tax liability	17,873	15,749	15,170
Other non-current liabilities	141	830	497
<b>Total non-current liabilities</b>	<b>39,496</b>	<b>49,583</b>	<b>47,453</b>
Interest-bearing current liabilities	50,894	17,008	10,401
Current lease liabilities	18,058	19,061	19,402
Accounts payables	11,313	8,900	10,815
Tax liabilities	1,276	3,709	694
Contract liabilities	31,427	15,551	28,291
Other current liabilities	33,980	32,982	42,882
<b>Total current liabilities</b>	<b>146,947</b>	<b>97,211</b>	<b>112,486</b>
<b>Total equity and liabilities</b>	<b>398,178</b>	<b>354,877</b>	<b>386,440</b>

## Changes in consolidated equity in summary

KSEK	Share capital	Other contributed capital	Reserves	Profit/loss brought forward	Total equity
<b>Opening balance 1 January 2023</b>	594	151,038	2,844	77,280	231,756
Net income for the period	-	-	-	-25,539	-25,539
Other comprehensive income	-	-	1,182	0	1,182
<b>Total other comprehensive income</b>	<b>0</b>	<b>0</b>	<b>1,182</b>	<b>-25,539</b>	<b>-24,356</b>
<b>Transaction with owners</b>					
Payment warrants	-	721	-	-	721
Repurchased warrants	-	-38	-	-	-38
<b>Total transaction with owners</b>	<b>0</b>	<b>683</b>	<b>0</b>	<b>0</b>	<b>683</b>
<b>Closing balance 31 December 2023</b>	<b>594</b>	<b>151,722</b>	<b>4,026</b>	<b>51,742</b>	<b>208,083</b>
<b>Opening balance 1 January 2024</b>	<b>598</b>	<b>155,149</b>	<b>2,816</b>	<b>67,937</b>	<b>226,501</b>
Net income for the period	-	-	-	-27,763	-27,763
Other comprehensive income	-	-	938	-	938
<b>Total other comprehensive income</b>	<b>0</b>	<b>0</b>	<b>938</b>	<b>-27,763</b>	<b>-26,825</b>
<b>Transaction with owners</b>					
New share issues	16	12,042	-	-	12,059
<b>Total transaction with owners</b>	<b>16</b>	<b>12,042</b>	<b>0</b>	<b>0</b>	<b>12,059</b>
<b>Closing balance 30 September 2024</b>	<b>615</b>	<b>167,192</b>	<b>3,754</b>	<b>40,174</b>	<b>211,734</b>

## Consolidated cash flow statement in summary

KSEK	2024 Q3	2023 Q3	2024 Q1-Q3	2023 Q1-Q3	2023 Q1-Q4
<b>Cash flow from operating activities</b>					
Operating income	16,267	-34,317	-32,419	-22,538	-5,902
Adjustment for non-cash items	9,958	10,362	30,101	25,505	36,676
Financial items	-3,490	-1,087	-1,929	1,277	-2,619
Income tax paid	-1,559	-2,019	-3,093	-5,386	-6,702
<b>Cash flow from operating activities, before changes in working capital</b>	<b>21,176</b>	<b>-27,060</b>	<b>-7,341</b>	<b>-1,142</b>	<b>21,453</b>
Change in working capital	-38,913	8,603	-62,104	-27,470	-39,199
<b>Cash flow from operating activities</b>	<b>-17,737</b>	<b>-18,458</b>	<b>-69,445</b>	<b>-28,612</b>	<b>-17,746</b>
<b>Cash flow from investing activities</b>					
Acquisition of intangible assets	-8,638	-8,443	-28,310	-24,661	-36,085
Acquisition of tangible assets	-13	-165	-281	-869	-990
Acquisition of financial assets	102	-367	-45	-367	-370
Repayment of deposits	-	203	-	-	-
Other	-	0	-	-3	-
<b>Cash flow from investing activities</b>	<b>-8,549</b>	<b>-8,772</b>	<b>-28,636</b>	<b>-25,900</b>	<b>-37,445</b>

KSEK	2024 Q3	2023 Q3	2024 Q1-Q3	2023 Q1-Q3	2023 Q1-Q4
<b>Cash flow from financing activities</b>					
New share issues	-	-	12,059	-	3,377
Warrant premiums	-	721	-	683	739
Net change of overdraft account	28,323	-	48,379	-	-
Repayment of interest bearing debts	-1,469	-8,924	-9,884	-10,909	-15,531
Cash payments for principal portion of the lease liability	-5,103	-4,510	-14,854	-13,266	-17,669
Other	-	-	-	-	-
<b>Cash flow from financing activities</b>	<b>21,751</b>	<b>-12,713</b>	<b>35,699</b>	<b>-23,492</b>	<b>-29,084</b>
<b>Cash flow for the period</b>	<b>-4,535</b>	<b>-39,943</b>	<b>-62,382</b>	<b>-78,004</b>	<b>-84,275</b>
<b>Change in cash and cash equivalents</b>					
Cash and cash equivalents at the beginning of the year	5,632	110,319	62,227	146,805	146,805
Exchange rate differences in cash and cash equivalents	25	-209	1,277	1,366	-303
<b>Cash and cash equivalents at the end of the period</b>	<b>1,121</b>	<b>70,167</b>	<b>1,121</b>	<b>70,167</b>	<b>62,227</b>

## Parent company income statement

KSEK	2024 Q3	2023 Q3	2024 Q1-Q3	2023 Q1-Q3	2023 Q1-Q4
<b>Operating revenue</b>					
Net sales	44,813	27,239	113,695	131,915	187,246
Other revenue	41	-8	104	-21	7
<b>Total revenue</b>	<b>44,855</b>	<b>27,230</b>	<b>113,800</b>	<b>131,894</b>	<b>187,253</b>
<b>Operating expenses</b>					
Other external costs	-9,601	-25,962	-59,512	-71,035	-91,744
Personnel costs	-18,423	-29,351	-86,437	-92,448	-124,924
Other operating expenses	-38	-	-135	-	-
<b>Total operating expenses</b>	<b>-28,062</b>	<b>-55,312</b>	<b>-146,084</b>	<b>-163,482</b>	<b>-216,668</b>
<b>Operating income before depreciation and amortization</b>	<b>16,793</b>	<b>-28,082</b>	<b>-32,285</b>	<b>-31,588</b>	<b>-29,415</b>
Depreciation and amortization	-144	-126	-418	-326	-455
<b>Operating income</b>	<b>16,649</b>	<b>-28,208</b>	<b>-32,703</b>	<b>-31,914</b>	<b>-29,870</b>
Financial income and expenses	-721	-515	2,982	3,691	1,077
<b>Income after financial items</b>	<b>15,928</b>	<b>-28,723</b>	<b>-29,721</b>	<b>-28,224</b>	<b>-28,793</b>
Appropriations	-	-3,750	-	-11,850	9,120
<b>Income before tax</b>	<b>15,928</b>	<b>-32,473</b>	<b>-29,721</b>	<b>-40,074</b>	<b>-19,673</b>
Taxes	-2,537	-	5,703	-	3,661
<b>Net income for the period</b>	<b>13,392</b>	<b>-32,473</b>	<b>-24,017</b>	<b>-40,074</b>	<b>-16,012</b>

## Parent company balance statement

KSEK	2024-09-30	2023-09-30	2023-12-31
<b>ASSETS</b>			
<b>Fixed assets</b>			
<i>Tangible assets</i>			
Machinery and equipment	1,616	1,842	1,775
<b>Total tangible fixed assets</b>	<b>1,616</b>	<b>1,842</b>	<b>1,775</b>
<i>Financial fixed assets</i>			
Shares in subsidiaries	21,680	21,680	21,680
Deferred tax asset	9,379	-	3,676
<b>Total financial fixed assets</b>	<b>31,060</b>	<b>21,680</b>	<b>25,357</b>
<b>Total non-current assets</b>	<b>32,676</b>	<b>23,522</b>	<b>27,132</b>
<i>Current assets</i>			
Current intercompany receivables	130,247	107,977	129,771
Other current receivables	6,069	5,378	6,301
Accrued income and prepaid expenses	8,843	9,443	7,455
Cash and cash equivalents	1	29,450	34,543
<b>Total current assets</b>	<b>145,160</b>	<b>152,248</b>	<b>178,070</b>
<b>Total assets</b>	<b>177,836</b>	<b>175,770</b>	<b>205,202</b>

KSEK	2024-09-30	2023-09-30	2023-12-31
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<i>Restricted equity</i>			
Share capital	615	594	598
<b>Total restricted equity</b>	<b>615</b>	<b>594</b>	<b>598</b>
<i>Unrestricted equity</i>			
Additional paid in capital	167,192	151,722	155,149
Profit/loss brought forward	9,618	25,630	25,630
Net income for the period	-24,017	-40,074	-16,012
<b>Total unrestricted equity</b>	<b>152,792</b>	<b>137,278</b>	<b>164,767</b>
<b>Total equity</b>	<b>153,407</b>	<b>137,871</b>	<b>165,366</b>
<b>Untaxed reserves</b>	<b>-</b>	<b>9,380</b>	
<i>Other non-current liabilities</i>			
<b>Total non-current liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>Current liabilities</i>			
Accounts payables	7,849	5,634	7,606
Current intercompany liabilities	-	3,131	14,473
Current tax liabilities	-	1,789	-
Other current liabilities	8,452	8,460	8,713
Accrued expenses and prepaid income	8,128	9,505	9,044
<b>Total current liabilities</b>	<b>24,429</b>	<b>28,519</b>	<b>39,836</b>
<b>Total equity and liabilities</b>	<b>177,836</b>	<b>175,770</b>	<b>205,202</b>

# Auditors' Review Report

This is a translation from the Swedish original.

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

Corporate identity number 556706-0412

To the Board of 4C Group AB (publ)

### **Introduction**

We have reviewed the condensed interim report for 4C Group AB (publ) which can be found on pages 5 to 23 of this document. Including balance sheet and income statement, change in equity and change in cash flow, note information and other interim information in accordance with the Annual Accounts Act as of September 30, 2024, 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.

Malmö, October 31, 2024

Ernst & Young AB

**Peter Gunnarsson**

Authorized Public Accountant

# Notes

## Accounting principles

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts act. The group's financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and the accounting policies which constitute the accounting standard for this interim report, are stated in the most recent annual report. New accounting principles that came into effect on 1 January 2024 have not had any significant impact on the Group's reporting as of 30 September 2024. 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.

## Risks and uncertainties

4C Strategies is exposed to risks in its operations, both business and financial, and these are described together with other risks in the latest published report, the Annual Report, 17th of April 2024. With the ongoing Russian invasion in Ukraine, escalation in the Israel-Palestinian conflict, continued high inflation rates and interest rates, as well as other uncertainties across the world, 4C Strategies has implemented measures for securing that risks that are emerge and actualized can be handled. There have been no other changes to risk and uncertainty factors during the period.

## Currency translations

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

Transaction differences of operational balance items due to translation are recognized as 'Other Revenue' and 'Other Operating Expenses'. The differences of other balance sheet items in foreign currency, such as 'Cash and cash equivalents', are recognized within financial items. Differences that occur from translating net sales and operating expenses in foreign currency are recognized under respective revenue and cost item.

## Transactions with related parties

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

## Taxes

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

## Earnings per share

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

## Financial instruments

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

## Segment summary

The Group's operating segments are divided into EMEA Software, APAC Software, North America Software and Global Expert Services. The evaluation of the business performance is divided into three geographical regions. These operating segments have the same business model, i.e. sales and delivery.

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

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

### Segment reporting

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.

KSEK	EMEA	APAC	North America	Global Expert Services	Total Segment	Group Common	Eliminations	Group
<b>Q3 2024</b>								
Software	7,288	689	64,304	-	72,281	-	-	72,281
Software-related services	7,950	142	970	-	9,063	-	-	9,063
Expert services	-	-	-	12,450	12,450	-	-	12,450
<b>Revenue from contracts with customers</b>	<b>15,238</b>	<b>831</b>	<b>65,274</b>	<b>12,450</b>	<b>93,793</b>	<b>0</b>	<b>0</b>	<b>93,793</b>
Other revenue	188	-	-2	-80	107	733	-	840
Internal revenue	1,001	14	-61	119	1,073	-836	-237	0
<b>Total revenue</b>	<b>16,428</b>	<b>845</b>	<b>65,212</b>	<b>12,489</b>	<b>94,973</b>	<b>-103</b>	<b>-237</b>	<b>94,633</b>
Personnel costs	-11,480	-1,598	-4,267	-8,912	-26,257	-31,045	-	-57,302
Other external costs	-3,251	-813	-2,936	-2,645	-9,644	-1,542	-	-11,187
Internal costs	-1,006	-	-124	-398	-1,529	1,292	237	0
<b>Total cost</b>	<b>-15,737</b>	<b>-2,411</b>	<b>-7,328</b>	<b>-11,955</b>	<b>-37,430</b>	<b>-31,295</b>	<b>237</b>	<b>-68,489</b>
<b>EBITDA</b>	<b>691</b>	<b>-1,566</b>	<b>57,884</b>	<b>534</b>	<b>57,543</b>	<b>-31,398</b>	<b>0</b>	<b>26,145</b>
Amortization	-	-	-	-	0	-4,231	-	-4,231
Depreciation	-	-	-	-	0	-5,646	-	-5,646
Financial income	-	-	-	-	0	2,199	-	2,199
Financial expenses	-	-	-	-	0	-5,689	-	-5,689
<b>Income before tax</b>	<b>691</b>	<b>-1,566</b>	<b>57,884</b>	<b>534</b>	<b>57,543</b>	<b>-44,765</b>	<b>0</b>	<b>12,778</b>
Items affecting comparability	-	-	-	-	0	-	-	0
<b>Adjusted EBT</b>	<b>691</b>	<b>-1,566</b>	<b>57,884</b>	<b>534</b>	<b>57,543</b>	<b>-44,765</b>	<b>0</b>	<b>12,778</b>

KSEK	EMEA	APAC	North America	Global Expert Services	Total Segment	Group Common	Eliminations	Group
<b>Q3 2023</b>								
Software	18,720	221	7,224	-	26,165	-	-	26,165
Software-related services	9,714	-	381	-	10,094	-	-	10,094
Expert services	-	-	-	12,837	12,837	-	-	12,837
<b>Revenue from contracts with customers</b>	<b>28,433</b>	<b>221</b>	<b>7,605</b>	<b>12,837</b>	<b>49,096</b>	<b>0</b>	<b>0</b>	<b>49,096</b>
Other revenue	-293	-	-	-16	-309	486	-	177
Internal revenue	5,685	28	7,610	345	13,668	2,335	-16,002	0
<b>Total revenue</b>	<b>33,825</b>	<b>249</b>	<b>15,215</b>	<b>13,166</b>	<b>62,455</b>	<b>2,821</b>	<b>-16,002</b>	<b>49,274</b>
Personnel costs	-17,860	-1,201	-11,736	-8,498	-39,295	-19,518	-	-58,813
Other external costs	-5,862	-271	-1,771	-1,338	-9,242	-5,696	-	-14,938
Internal costs	-1,710	-225	-163	-1,069	-3,167	-12,835	16,002	0
<b>Total cost</b>	<b>-25,433</b>	<b>-1,697</b>	<b>-13,670</b>	<b>-10,905</b>	<b>-51,704</b>	<b>-38,049</b>	<b>16,002</b>	<b>-73,751</b>
<b>EBITDA</b>	<b>8,392</b>	<b>-1,448</b>	<b>1,545</b>	<b>2,261</b>	<b>10,751</b>	<b>-35,228</b>	<b>0</b>	<b>-24,477</b>
Amortization	-	-	-	-	0	-4,862	-	-4,862
Depreciation	-	-	-	-	0	-4,978	-	-4,978
Financial income	-	-	-	-	0	2,171	-	2,171
Financial expenses	-	-	-	-	0	-3,258	-	-3,258
<b>Income before tax</b>	<b>8,392</b>	<b>-1,448</b>	<b>1,545</b>	<b>2,261</b>	<b>10,751</b>	<b>-46,155</b>	<b>0</b>	<b>-35,404</b>
Items affecting comparability	-	-	-	-	0	80	-	80
<b>Adjusted EBT</b>	<b>8,392</b>	<b>-1,448</b>	<b>1,545</b>	<b>2,261</b>	<b>10,751</b>	<b>-46,075</b>	<b>0</b>	<b>-35,324</b>



KSEK	EMEA	APAC	North America	Global Expert Services	Total Segment	Group Common	Eliminations	Group
<b>Q1-Q3 2024</b>								
Software	64,971	14,043	73,210	-	152,224	-	-	152,224
Software-related services	31,534	1,150	2,213	-	34,897	-	-	34,897
Expert services	-	-	-	42,921	42,921	-	-	42,921
<b>Revenue from contracts with customers</b>	<b>96,504</b>	<b>15,193</b>	<b>75,423</b>	<b>42,921</b>	<b>230,041</b>	<b>0</b>	<b>0</b>	<b>230,041</b>
Other revenue	1,276	-	240	-22	1,494	880	-	2,375
Internal revenue	12,745	591	14,106	921	28,363	9,689	-38,053	0
<b>Total revenue</b>	<b>110,526</b>	<b>15,784</b>	<b>89,770</b>	<b>43,820</b>	<b>259,899</b>	<b>10,570</b>	<b>-38,053</b>	<b>232,416</b>
Personnel costs	-52,649	-5,317	-26,727	-27,768	-112,460	-81,623	-	-194,083
Other external costs	-14,416	-5,217	-11,170	-5,624	-36,426	-2,675	-	-39,101
Internal costs	-4,380	-489	-1,308	-2,663	-8,839	-29,214	38,053	0
<b>Total cost</b>	<b>-71,445</b>	<b>-11,023</b>	<b>-39,204</b>	<b>-36,054</b>	<b>-157,726</b>	<b>-113,511</b>	<b>38,053</b>	<b>-233,184</b>
<b>EBITDA</b>	<b>39,081</b>	<b>4,761</b>	<b>50,566</b>	<b>7,766</b>	<b>102,173</b>	<b>-102,941</b>	<b>0</b>	<b>-768</b>
Amortization	-	-	-	-	0	-15,188	-	-15,188
Depreciation	-	-	-	-	0	-16,463	-	-16,463
Financial income	-	-	-	-	0	10,520	-	10,520
Financial expenses	-	-	-	-	0	-12,449	-	-12,449
<b>Income before tax</b>	<b>39,081</b>	<b>4,761</b>	<b>50,566</b>	<b>7,766</b>	<b>102,173</b>	<b>-136,522</b>	<b>0</b>	<b>-34,348</b>
Items affecting comparability	-	-	-	-	0	-	-	0
<b>Adjusted EBT</b>	<b>39,081</b>	<b>4,761</b>	<b>50,566</b>	<b>7,766</b>	<b>102,173</b>	<b>-136,522</b>	<b>0</b>	<b>-34,348</b>

KSEK	EMEA	APAC	North America	Global Expert Services	Total Segment	Group Common	Eliminations	Group
<b>Q1-Q3 2023</b>								
Software	80,165	2,013	56,023	-	138,202	-	-	138,202
Software-related services	39,593	-	2,141	-	41,734	-	-	41,734
Expert services	-	-	-	44,472	44,472	-	-	44,472
<b>Revenue from contracts with customers</b>	<b>119,758</b>	<b>2,013</b>	<b>58,165</b>	<b>44,472</b>	<b>224,408</b>	<b>0</b>	<b>0</b>	<b>224,408</b>
Other revenue	1,189	-	-	27	1,216	1,267	-	2,483
Internal revenue	17,881	88	22,400	1,038	41,407	11,743	-53,151	0
<b>Total revenue</b>	<b>138,828</b>	<b>2,102</b>	<b>80,565</b>	<b>45,538</b>	<b>267,032</b>	<b>13,010</b>	<b>-53,151</b>	<b>226,891</b>
Personnel costs	-52,382	-3,184	-33,324	-26,853	-115,743	-64,834	-	-180,577
Other external costs	-17,832	-648	-6,994	-5,037	-30,512	-11,057	-	-41,569
Internal costs	-5,947	-829	-440	-3,449	-10,664	-42,486	53,151	0
<b>Total cost</b>	<b>-76,161</b>	<b>-4,661</b>	<b>-40,757</b>	<b>-35,340</b>	<b>-156,920</b>	<b>-118,377</b>	<b>53,151</b>	<b>-222,146</b>
<b>EBITDA</b>	<b>62,667</b>	<b>-2,560</b>	<b>39,807</b>	<b>10,198</b>	<b>110,112</b>	<b>-105,366</b>	<b>0</b>	<b>4,745</b>
Amortization	-	-	-	-	0	-12,678	-	-12,678
Depreciation	-	-	-	-	0	-14,605	-	-14,605
Financial income	-	-	-	-	0	9,643	-	9,643
Financial expenses	-	-	-	-	0	-8,366	-	-8,366
<b>Income before tax</b>	<b>62,667</b>	<b>-2,560</b>	<b>39,807</b>	<b>10,198</b>	<b>110,112</b>	<b>-131,373</b>	<b>0</b>	<b>-21,262</b>
Items affecting comparability	-	-	-	-	0	589	-	589
<b>Adjusted EBT</b>	<b>62,667</b>	<b>-2,560</b>	<b>39,807</b>	<b>10,198</b>	<b>110,112</b>	<b>-130,784</b>	<b>0</b>	<b>-20,673</b>

### Net sales by income stream

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

KSEK	2024 Q3	2023 Q3	2024 Q1-Q3	2023 Q1-Q3
Software	72,281	26,165	152,224	138,202
Software-related services	9,063	10,094	34,897	41,734
Expert services	12,450	12,837	42,921	44,472
<b>Net sales</b>	<b>93,793</b>	<b>49,096</b>	<b>230,041</b>	<b>224,408</b>

### Net sales by sector

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

KSEK	2024 Q3	2023 Q3	2024 Q1-Q3	2023 Q1-Q3
Defence	80,595	31,640	173,217	156,112
Public	7,090	8,140	25,910	37,600
Corporate	6,109	9,316	30,914	30,697
<b>Net sales</b>	<b>93,793</b>	<b>49,096</b>	<b>230,041</b>	<b>224,408</b>

## Key Ratios

### Alternative Performance measures (APM)

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

### FX adjusted organic net sales growth

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

KSEK	2024 Q3	2023 Q3	2024 Q1-Q3	2023 Q1-Q3
Software	72,281	26,165	152,224	138,202
Software-related services	9,063	10,094	34,897	41,734
Expert services	12,450	12,837	42,921	44,472
<b>Net sales</b>	<b>93,793</b>	<b>49,096</b>	<b>230,041</b>	<b>224,408</b>
Net sales growth (%)	91%	-39%	3%	-7%
FX adjusted organic net sales growth (%)	93%	-41%	2%	-10%

The currency translation effect on net sales growth during the quarter amounted to -2% (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.

KSEK	2024 Q3 RTM	2023 Q3 RTM
Software	224,470	192,504
Software-related services	51,422	59,474
Expert services	61,842	63,389
<b>Net sales RTM</b>	<b>337,734</b>	<b>315,367</b>
Net sales RTM growth (%)	7%	-7%
FX adjusted organic net sales growth RTM (%)	7%	-11%
Software as a percentage of net sales RTM (%)	66%	61%

The currency translation effect on net sales during the last twelve months amounted to 0% (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 financial target for 4C.

KSEK	2024 Q3	2023 Q3	2024 Q1-Q3	2023 Q1-Q3
Software	72,281	26,165	152,224	138,202
Software-related services	9,063	10,094	34,897	41,734
Expert services	12,450	12,837	42,921	44,472
<b>Net sales</b>	<b>93,793</b>	<b>49,096</b>	<b>230,041</b>	<b>224,408</b>
Software as a percentage of net sales (%)	77%	53%	66%	62%

## Recurring revenue

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

KSEK	2024 Q3	2023 Q3	2024 Q1-Q3	2023 Q1-Q3
Software	67,701	24,062	122,278	68,848
Software-related services	5,048	4,350	22,156	24,820
<b>Recurring revenue</b>	<b>72,749</b>	<b>28,413</b>	<b>144,434</b>	<b>93,668</b>
Recurring revenue growth (%)	155%	15%	54%	29%

TKR	2024 Q3	2023 Q3	2024 Q1-Q3	2023 Q1-Q3
Recurring revenue	72,749	28,413	144,434	93,668
Net sales	93,793	49,096	230,041	224,408
<b>Recurring revenue, as percentage of net sales (%)</b>	<b>78%</b>	<b>58%</b>	<b>63%</b>	<b>42%</b>

## Annual recurring revenue (ARR)

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

KSEK	2024 Q3	2023 Q3
Software	117,538	74,974
Software-related services	34,419	35,492
<b>Annual recurring revenue</b>	<b>151,957</b>	<b>110,465</b>
Annual recurring revenue growth (%)	38%	11%

## EBITDA

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

KSEK	2024 Q3	2023 Q3	2024 Q1-Q3	2023 Q1-Q3
Operating income	16,267	-34,317	-32,419	-22,538
Depreciation	5,646	4,978	16,463	14,605
Amortization	4,231	4,862	15,188	12,678
<b>EBITDA</b>	<b>26,145</b>	<b>-24,477</b>	<b>-768</b>	<b>4,745</b>
Net sales	93,793	49,096	230,041	224,408
<b>EBITDA (%)</b>	<b>28%</b>	<b>-50%</b>	<b>0%</b>	<b>2%</b>

## EBIT

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

KSEK	2024 Q3	2023 Q3	2024 Q1-Q3	2023 Q1-Q3
Operating income	16,267	-34,317	-32,419	-22,538
<b>EBIT</b>	<b>16,267</b>	<b>-34,317</b>	<b>-32,419</b>	<b>-22,538</b>
Net sales	93,793	49,096	230,041	224,408
<b>EBIT (%)</b>	<b>17%</b>	<b>-70%</b>	<b>-14%</b>	<b>-10%</b>

## Items affecting comparability

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

KSEK	2024 Q3	2023 Q3	2024 Q1-Q3	2023 Q1-Q3
Expenses related to public listing	-	80	-	589
<b>Items affecting comparability</b>	<b>0</b>	<b>80</b>	<b>0</b>	<b>589</b>

## Adjusted EBITDA

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

KSEK	2024 Q3	2023 Q3	2024 Q1-Q3	2023 Q1-Q3
EBITDA	26,145	-24,477	-768	4,745
Items affecting comparability	-	80	-	589
<b>Adjusted EBITDA</b>	<b>26,145</b>	<b>-24,397</b>	<b>-768</b>	<b>5,334</b>
Net sales	93,793	49,096	230,041	224,408
<b>Adjusted EBITDA (%)</b>	<b>28%</b>	<b>-50%</b>	<b>0%</b>	<b>2%</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.

KSEK	2024 Q3 RTM	2023 Q3 RTM
EBITDA RTM	26,116	22,198
Items affecting comparability RTM	-	589
<b>Adjusted EBITDA RTM</b>	<b>26,116</b>	<b>22,787</b>
Net sales RTM	337,734	315,367
<b>Adjusted EBITDA RTM (%)</b>	<b>8%</b>	<b>7%</b>

## Adjusted EBIT

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

KSEK	2024 Q3	2023 Q3	2024 Q1-Q3	2023 Q1-Q3
EBIT	16,267	-34,317	-32,419	-22,538
Items affecting comparability	-	80	-	589
<b>Adjusted EBIT</b>	<b>16,267</b>	<b>-34,237</b>	<b>-32,419</b>	<b>-21,949</b>
Net sales	93,793	49,096	230,041	224,408
<b>Adjusted EBIT (%)</b>	<b>17%</b>	<b>-70%</b>	<b>-14%</b>	<b>-10%</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.

KSEK	2024 Q3 RTM	2023 Q3 RTM
EBIT RTM	-15,783	-12,840
Items affecting comparability RTM	-	589
<b>Adjusted EBIT RTM</b>	<b>-15,783</b>	<b>-12,251</b>
Net sales RTM	337,734	315,367
<b>Adjusted EBIT RTM (%)</b>	<b>-5%</b>	<b>-4%</b>

## Net working capital

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

KSEK	2024-09-30	2023-09-30	2023-12-31
Current assets excl cash and cash equivalents	154,723	123,141	151,996
Current liabilities excl interest-bearing items	77,996	61,142	82,683
<b>Net working capital</b>	<b>76,727</b>	<b>62,000</b>	<b>69,313</b>

## Net debt

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

KSEK	2024-09-30	2023-09-30	2023-12-31
Interest-bearing non-current liabilities	21,483	33,004	31,786
Interest-bearing current liabilities	68,952	36,069	29,803
Cash and cash equivalents	1,121	70,167	62,227
<b>Net debt</b>	<b>89,314</b>	<b>-1,094</b>	<b>-637</b>
Adjusted EBITDA RTM	26,116	22,787	32,218
<b>Net debt ratio</b>	<b>3.42</b>	<b>-0.05</b>	<b>-0.02</b>

## Earnings per share

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

	2024 Q3	2023 Q3	2024 Q1-Q3	2023 Q1-Q3
Weighted average number of shares	34,950,475	33,919,142	34,950,475	33,919,142
Dilution effect after dilutive shares	221,667	0	221,667	0
<b>Weighted average number of shares after dilution</b>	<b>35,172,142</b>	<b>33,919,142</b>	<b>35,172,142</b>	<b>33,919,142</b>

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

	2024 Q3	2023 Q3	2024 Q1-Q3	2023 Q1-Q3
Net income for the period (KSEK)	11,134	-34,153	-27,763	-25,539
<b>Income attributable to Parent company's shareholders (KSEK)</b>	<b>11,134</b>	<b>-34,153</b>	<b>-27,763</b>	<b>-25,539</b>
Weighted average number of shares	34,950,475	33,919,142	34,950,475	33,919,142
<b>Earnings per share before dilution (SEK)</b>	<b>0.32</b>	<b>-1.01</b>	<b>-0.79</b>	<b>-0.75</b>
Weighted average number of shares after dilution	35,172,142	36,229,142	35,172,142	36,229,142
<b>Earnings per share after dilution (SEK)</b>	<b>0.32</b>	<b>-1.01</b>	<b>-0.79</b>	<b>-0.75</b>

# Selected historical financials per quarter and year

	2024 Q3	2024 Q2	2024 Q1	2023 Q4	2023 Q3	2023 Q2	2023 Q1	2022 Q4	2022 Q3	2023 YTD	2022 YTD	2021 YTD
Net sales (MSEK)	93.8	60.5	75.7	107.7	49.1	85.4	89.9	91.0	81.0	332.1	331.3	261.2
Net sales growth (%)	91%	-29%	-16%	18%	-39%	3%	18%	-7%	30%	0%	27%	41%
FX adjusted organic net sales growth (%)	93%	-29%	-17%	18%	-41%	-1%	13%	-13%	16%	-3%	18%	44%
Software revenue (MSEK)	72.3	37.3	42.6	72.2	26.2	56.3	55.8	54.3	58.7	210.4	211.6	159.5
Software as a percentage of net sales (%)	77%	62%	56%	67%	53%	66%	62%	60%	72%	63%	64%	61%
Recurring revenue (MSEK)	72.7	34.3	37.4	47.5	28.4	39.5	25.8	41.7	24.7	141.2	114.0	107.9
Annual recurring revenue (MSEK)	152.0	129.9	120.7	119.1	110.5	109.8	108.2	107.2	99.8	119.1	107.2	106.6
Annual recurring revenue - Software (MSEK)	117.5	94.0	85.2	82.9	75.0	73.4	72.7	70.5	63.2	82.9	70.5	60.7
Annual recurring revenue - Software-related services (MSEK)	34.4	35.9	35.6	36.2	35.5	36.4	35.5	36.8	36.5	36.2	36.8	45.9
EBITDA (MSEK)	26.1	-21.8	-5.1	26.9	-24.5	9.7	19.5	17.5	19.4	31.6	58.0	73.2
EBITDA margin (%)	28%	-36%	-7%	25%	-50%	11%	22%	19%	24%	10%	18%	28%
EBIT (MSEK)	16.3	-32.6	-16.1	16.6	-34.3	0.5	11.3	9.7	13.1	-5.9	28.6	47.1
EBIT margin (%)	17%	-54%	-21%	15%	-70%	1%	13%	11%	16%	-2%	9%	18%
Items affecting comparability (MSEK)	-	-	-	-	0.1	0.5	-	-	0.5	0.6	15.3	2.5
Adjusted EBITDA (MSEK)	26.1	-21.8	-5.1	26.9	-24.4	10.2	19.5	17.5	19.8	32.2	73.3	75.7
Adjusted EBITDA margin (%)	28%	-36%	-7%	25%	-50%	12%	22%	19%	24%	10%	22%	29%
Adjusted EBIT (MSEK)	16.3	-32.6	-16.1	16.6	-34.2	1.0	11.3	9.7	13.6	-5.3	43.9	49.6
Adjusted EBIT margin (%)	17%	-54%	-21%	15%	-70%	1%	13%	11%	17%	-2%	13%	19%
Net income for the period (MSEK)	11.1	-27.5	-11.4	16.2	-34.2	1.0	7.6	5.2	13.3	-9.3	26.3	39.0
Earnings per share before dilution (SEK)	0.32	-0.79	-0.33	0.48	-1.01	0.03	0.22	0.16	0.40	-0.27	0.79	1.26
Earnings per share after dilution (SEK)	0.32	-0.79	-0.33	0.44	-1.01	0.03	0.21	0.15	0.38	-0.27	0.74	1.17
Net working capital (MSEK)	76.7	68.9	67.9	69.3	62.0	69.6	61.3	37.7	60.8	69.3	37.7	21.4
Net debt (MSEK)	89.3	59.8	13.3	-0.6	-1.1	-44.1	-54.5	-76.3	-68.3	-0.6	-76.3	-16.6

# Definitions

## **SEK**

The currency Swedish Krona.

## **KSEK**

The currency Swedish Krona in thousands.

## **MSEK**

The currency Swedish Krona in millions.

## **RTM**

Rolling twelve months, the past 12 consecutive months.

## **Software (revenue)**

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

## **Software-related services**

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

## **Expert services**

The total revenue of advisory and consulting related income.

## **Net sales**

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

## **Other revenue**

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

## **Recurring revenue**

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

## **Annual recurring revenue**

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

## **FX adjusted organic net sales growth**

Organic growth in net sales adjusted for foreign exchange effects.

## **Items affecting comparability**

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

## **EBITDA**

Operating income before depreciation and amortization.

## **Adjusted EBITDA**

Operating income before depreciation, amortization and items affecting comparability.

## **EBITDA margin**

EBITDA as a percentage of net sales.

## **EBIT**

Operating income before financial income and expenses, and taxes.

## **Adjusted EBIT**

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

## **EBIT margin**

EBIT as a percentage of net sales.

## **EBT**

Income before taxes, after financial income and expenses.

## **Adjusted EBT**

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

## **Net income**

Net profit after tax.

## **Earnings per share before dilution**

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

## **Earnings per share after dilution**

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

## **Net working capital**

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

## **Equity ratio**

Total equity as a percentage of total assets.

## **Net debt**

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

## **Net debt ratio**

Net debt as a percentage of adjusted EBITDA RTM.

## **Number of employees**

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

# This is 4C

## 4C Strategies

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

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

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

## Sustainability

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

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



### Vision

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



### Our values

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

#### Results

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

#### Integrity

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

#### Fun

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

#### Competence

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



### Mission

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



### Financial targets

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

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

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

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

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



# Our offering

## Exonaut software

### Resilience platform

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

### Training and exercise platform

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

## Consultancy services

### Software-related services

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

### Expert services

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

## Global operations with local presence





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.

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