



4C STRATEGIES

4C Group AB
Q2 Interim report 2023

Be Ready.
Be Resilient.
Foresee.

“Important software contracts
signed within defence sector”

The period in summary

2023 Q2

- Net sales (MSEK)
85.4 (83.3)
- Net sales growth
3% (29%)
- FX adjusted organic net sales growth
-3% (22%)
- Software revenue in relation to net sales
66% (62%)
- Adjusted EBIT margin
1% (15%)

2023 Q1-Q2

- Net sales (MSEK)
175.3 (159.3)
- Net sales growth
10% (58%)
- FX adjusted organic net sales growth
4% (49%)
- Software revenue in relation to net sales
64% (62%)
- Adjusted EBIT margin
7% (13%)
- Significant signings within defence sector – new framework agreement in place for Swedish Armed Forces, notable extension with British Army
- Promising launch of Climate Resilience solution during the quarter which further extends our resilience offering
- Continued geographical expansion – establishment of new business unit in North America targeting the corporate and public sector, and increased activity in the APAC-region with new signed contracts

“We are confident in our ability to convert expected contracts and seize new opportunities as our addressable market grows”

Key ratios

	2023	2022	2023	2022	2023	2022
	Q2	Q2	Q1-Q2	Q1-Q2	Q2 RTM	Q1-Q4
Net sales (MSEK)	85.4	83.3	175.3	159.3	347.3	331.3
FX adjusted organic net sales growth (%)	-3%	22%	4%	49%	1%	18%
Software revenue (MSEK)	56.3	51.4	112.0	98.6	225.1	211.6
Software revenue in relation to net sales (%)	66%	62%	64%	62%	65%	64%
EBIT (MSEK)	0.5	2.7	11.8	5.8	34.6	28.6
EBIT margin (%)	1%	3%	7%	4%	10%	9%
Adjusted EBIT (MSEK)	1.0	12.3	12.3	20.6	35.5	43.9
Adjusted EBIT margin (%)	1%	15%	7%	13%	10%	13%
Net income for the period (MSEK)	1.0	5.0	8.6	7.9	27.0	26.3
Earnings per share before dilution (SEK)	0.03	0.16	0.25	0.24	0.80	0.79
Earnings per share after dilution (SEK)	0.03	0.15	0.24	0.23	0.75	0.74

1%

FX-adjusted
organic net sales
growth RTM

65%

Software revenue
in relation to net
sales RTM

10%

Adjusted
EBIT margin RTM



“With the opening of our new entity in Washington D.C., we will be able to address the non-defence market directly”

A word from the CEO

Important software contracts signed within defence sector

The second quarter has been important for us. We have extended two of our most significant software and software-related services contracts, with the Swedish and British defence forces. These contracts not only extend our long-term relationships with these customers but also enables our development, innovation and integration of our software and managed service activities to go further than in the past. During the quarter we also continued our expansion in North America where we established a business unit in Washington D.C. to address the public and corporate sectors. This is a key enabler for the continued success of our resilience offering and an important step in our profitable growth journey.

Continued investments in uncertain times

As we close the second quarter of 2023, we see how the uncertainties in the world continues to challenge businesses and organizations. Although our offering is ever more relevant in such times, as predicted in the first quarter purchasing and procurement processes now take longer time. Our net sales reached MSEK 85.4 (83.3) in the quarter, generating a growth rate of 3% (29%) with an FX-effect of 6% (7%). Extended procurement processes have had an impact on our net sales figures in the quarter, especially in the North America segment, and our public and corporate customer verticals. We are not satisfied with our performance in our corporate

vertical over the last three quarters and our ability to convert enough contracts. However, we are optimistic of the growth in our pipeline which is a result of our investments in brand awareness and extended sales force. We remain confident in our ability to convert expected contracts in the year's coming quarters and expect to seize new opportunities as our addressable market grows.

As underlying growth in our markets is strong and we enter new markets, through for instance the launch of our Climate Resilience solution, we continue to invest heavily in sales, market expansion and new offerings.

With continued investments and short-term procurement delays impacting sales, our profitability reached 1% (15%) in adjusted EBIT during the second quarter. Profitability on an RTM-basis amounted to MSEK 35.5, rendering a margin of 10%.

Significant progress with new agreements in the defence sector

During the second quarter we signed noticeable extensions and new contracts in the defence sector. In the Nordics segment, we have closed a new five-year framework agreement with the Swedish Armed Forces, with an option for a two-year extension. The agreement, which has a maximum value of MSEK 150, covers 4C Strategies' market leading Exonaut Training & Exercise Management software and is an add-on to the previous maintenance agreement of MSEK 79 that was signed in the fourth quarter of 2022.

Overall, the International segment performed above expectations in the second quarter. We have signed an important extension with another long-term defence customer, British Army. The customer has exercised the two optional years that were offered as part of the 2020 contract and ensures continued support to the British Army's Collective Training Exercise Management System through our Exonaut software and related consulting services. The total value of the extension is approximately MSEK 89.

In the North American segment, the ongoing development projects with the US Army and the US Marines have been delivered according to plan and licensed data rights for one of the larger contracts will be handed over to the US Army in the second half of this year. We are currently involved in multiple programs with the US Army and US Marines, and we are part of several teams bidding for new phases and adjacent solutions.

“With the launch of our Climate Resilience solution we have proven our ability to rapidly deliver new software solutions using Exonaut Next Generation”

We expect more clarity during the third quarter on how these phases and bids will be delivered going forward. This may have an impact on our full year ambitions in our North American segment. Our Training and Exercise Management solution is also generating considerable interest in other areas of the American defence sector. Interest we expect to be able to convert in coming quarters.

Successful launch of Climate Resilience solution

During the second quarter, we have launched our new Climate Resilience solution, a solution based on the Exonaut Resilience platform. The solution, which helps organizations tackle the challenges of climate change and manage their environmental risks and impact will enable us to meet the increased demand for digital solutions in this field.

In connection to the launch, we have participated in several important sales-related activities. We attended the Responsible Business Europe 2023 exhibition in London to debut our new Climate Resilience solution. We have also invested in training our sales force to ensure that we seize new business opportunities and manage growing interest and we already see a promising pipeline of future Exonaut customers.

We see great potential for the climate resilience offering in all segments. With the launch of our Climate Resilience solution we have proven our ability to rapidly deliver new software solutions using Exonaut Next Generation. This will be a great driver for continued and accelerated growth.

New business unit in North America and new Managing Director in Nordics

With the opening of our new entity in Washington D.C. we will be able to address the non-defence market directly. This means that we will have a full offering in North America with training solutions targeting defence customers and resilience solutions targeting the public and corporate sectors. With the increased interest from these sectors, in combination with an already strong presence and existing customer base in the US, we see great potential for a successful market penetration.

Mikael Grape, currently Managing Director of 4C Nordics, has been appointed Managing Director for the new entity in North America and will officially start his new role in the third quarter. Mikael will be responsible for developing our growth journey within the public and corporate sectors in North America. As Mikael Grape moves to the US, a new Managing Director has been appointed for 4C Nordics. Josefine Rosén has been with 4C Strategies for 13 years in multiple roles. We are confident that Josefine will steer the organization in the right direction and to the next level in our growth journey, across all sectors. Josefine will also join the group management team.

New contracts signed in Australia, APAC

The expansion to new geographical markets is crucial for our growth journey, and a major focus this quarter has been on developing newly established markets. Since the expansion to Australia last year, we have continued to strengthen the close relationship with the Australian Defence Forces and are happy to announce that we have signed new contracts in APAC. Going forward, we see great potential in this market as the pipeline is growing in all customer verticals.

Investing in further growth

To summarize, the second quarter has been important but also challenging. We continued to increase our presence in newly established markets. We have deepened and extended long-term relationships within the defence sector, which shows the demand for our software and expertise within the training management domain.

We are committed in supporting more clients building safer societies around the globe. Therefore, we continue to invest in our offering, sales activities, and our geographical expansion. To this point, we plan to expand our global sales force with tens of new sales resources spread among all segments and sectors during the remaining quarters of 2023. We are also establishing operations in more markets within the Nordics. More details to follow in the next quarter.

We are confident that with a growing global sales team, in combination with our expanding solution offering, we can maintain and attract new clients and reach our targeted financial targets.

Magnus Bergqvist
CEO

Financial overview

Net sales

Net sales in the quarter increased by 3% (29%) compared to same period previous year and amounted to MSEK 85.4 (83.3). Software revenue contributed with solid figures during the quarter and amounted to MSEK 56.3 (51.4) during the quarter.

Our service business, which comprises of software-related services and expert services, contributed with a revenue of MSEK 29.1 (31.9) during the quarter. Even with the market conditions shifting towards a tougher climate, we retain a solid progression against our strategic objective of increasing our share of software sales. Though, as predicted in the first quarter, purchasing and procurement processes now take longer time which has had an impact on all our products and services.

Net sales for the first six months amounted to MSEK 175.3 (159.3) reflecting in an increase of 10% (58%), compared to same period previous year. Software revenue amounted to MSEK 112.0 (98.6), while our service revenue accounted for MSEK 63.3 (60.7) during the first six months.

The annual rate of recurring revenue (ARR) at the end of the quarter was MSEK 109.8 (100.2). Software accounted for MSEK 73.4 (63.3).

Exchange rate fluctuations had a positive impact on net sales during the quarter, as the Swedish krona has reached historically low levels. During the second quarter, the exchange rate effect on net sales was 6% (7%) in comparison to same period previous year, and for the first six months the exchange rate effect on net sales was 6% (9%).

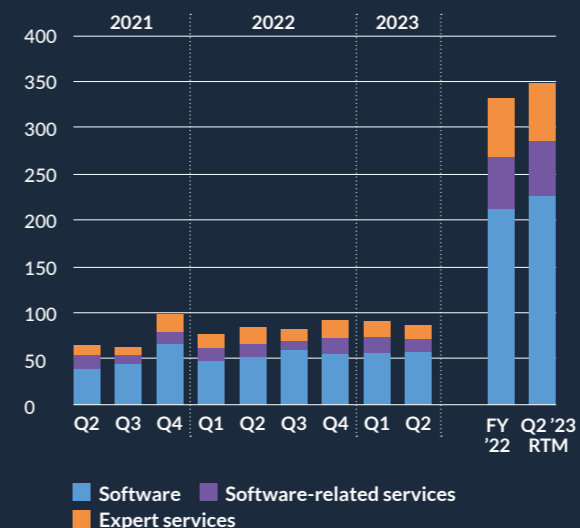
Software revenue

Software revenue accounted for 66% (62%) of total net sales during the quarter, an increase of 10% (32%).

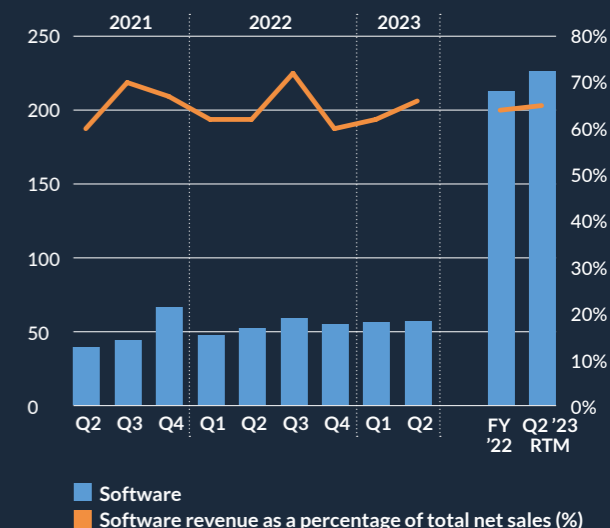
During the second quarter, our operations in the Nordics segment have been stable, especially within the defence sector. We have closed a new five-year framework agreement with the Swedish Armed Forces, with an option for a two-year extension, at a maximum value of MSEK 150. The agreement is a complement to previous maintenance agreement of MSEK 79 that was signed in the fourth quarter 2022. In our International segment, we signed an important extension with a long-term partner, the British Army, at a value of approx. MSEK 89. In the North American segment, the ongoing development projects with the US Army and the US Marines have been delivered according to plan. We expect more clarity during the third quarter on how these phases and bids will be delivered going forward.

Software revenue accounted for 64% (62%) of total net sales during the first six months, an increase of 14% (103%).

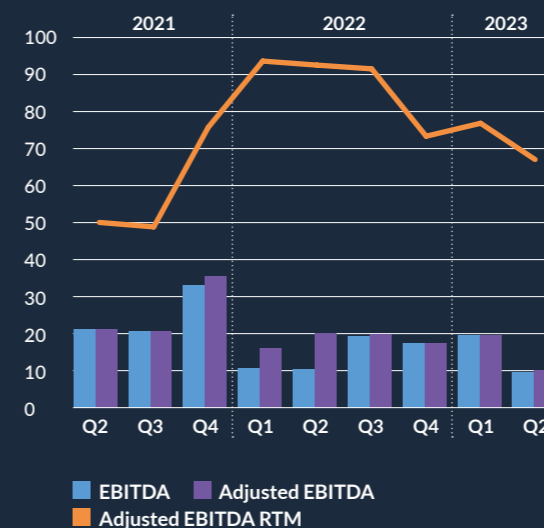
Net sales, MSEK



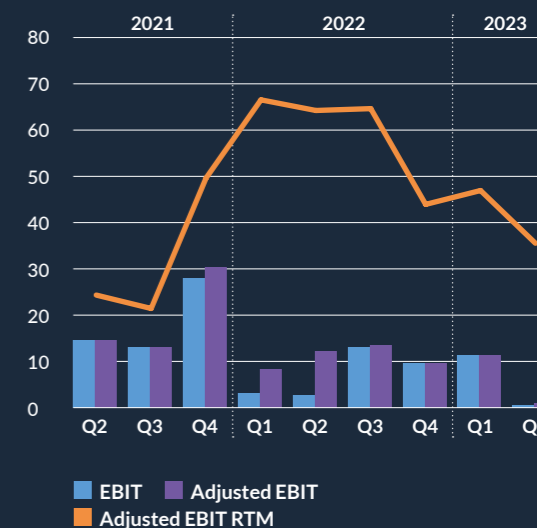
Software revenue, MSEK



EBITDA, MSEK



EBIT, MSEK



EBITDA

Operating income before depreciation and amortization (EBITDA) amounted to MSEK 9.7 (10.4), rendering an EBITDA margin of 11% (12%) during the quarter.

EBITDA has changed according to planned growth, including expansion-related costs related to strategic initiatives such as geographical expansion, improved offering and brand awareness. As we see high potential and growth opportunities in our newly established markets as well as within the addressable markets, time and resources have been invested in several areas. These areas are sales activities, establishment of new entities to penetrate our addressable markets, and in our product Exonaut, in which the work of developing our Exonaut Resilience offering has continued during the quarter.

EBITDA amounted to MSEK 29.2 (21.2) during the first six months, rendering an EBITDA margin of 17% (13%).

Adjusted EBITDA for the quarter was MSEK 10.2 (20.0) with a margin of 12% (24%). Adjustment of EBITDA corresponds to expenses related to public listing of MSEK 0.5 (9.6). Adjusted EBITDA for the first six months was MSEK 29.7 (36.0) with a margin of 17% (23%). Adjustment of EBITDA corresponds to expenses related to public listing of MSEK 0.5 (14.8).

Adjusted EBITDA on a rolling twelve months (RTM) basis was MSEK 67.0 (92.5) with a margin of 19% (29%).

EBIT

Operating income (EBIT) amounted to MSEK 0.5 (2.7), rendering an EBIT margin of 1% (3%) in the quarter. EBIT for the first six months was MSEK 11.8 (5.8) with a margin of 7% (4%).

Adjusted EBIT for the quarter amounted to MSEK 1.0 (12.3) with an adjusted EBIT margin of 1% (15%).

Adjusted EBIT for the first six months amounted to MSEK 12.3 (20.6) with an adjusted EBIT margin of 7% (13%).

Adjusted EBIT on a rolling twelve months (RTM) basis was MSEK 35.5 (64.2) with a margin of 10% (20%).

Financial position

The equity ratio at the end of the quarter was 61% (64%). Interest-bearing debt amounted to MSEK 66.2 (44.5) at the end of the year whereof MSEK 40.3 (14.6) refers to leasing liabilities. The rest of the interest-bearing debt of MSEK 25.9 (29.9) refers to postponed tax payments. The total debt of postponed tax payments is planned to be repaid during 2023-2024.

Cash and cash equivalents amounted to MSEK 110.3 (143.8) at the end of period. The net debt position thereby totalled to MSEK -44.1 (-99.3).

Equity amounted to MSEK 242.4 (210.1) corresponding to a SEK 7.1 (6.2) per outstanding share and SEK 6.7 (5.8) per outstanding share after dilution at the end of the quarter.

Cash flow

- Cash flow from operating activities for the quarter amounted to MSEK -1.8 (-4.0). The cash flow has been negatively affected by the timing of software sales during the quarter, which increase our contract assets and working capital.
- Cash flow from investing activities for the quarter amounted to MSEK -8.7 (-5.4). The change in cash flow refers to development and investments of Exonaut.
- Cash flow from financing activities for the quarter amounted to MSEK -4.7 (90.1). The change in cash flow for the comparable quarter relates to the share issuance in conjunction with the IPO.

- Cash and cash equivalents amounted to MSEK 110.3 at the end of period, and MSEK 123.9 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 33,919,142 (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 197 (179) whereof 59 (46) 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 the period

As we are closing the second quarter, we can conclude that the uncertainties in the world continue to challenge organizations around the world. The invasion in Ukraine continues, more than a year since its initiation. Inflation and interest rates creates instability in the economy as they remain at high levels. 4C Strategies has established internal measures that will be evaluated and revised to make sure that we act, and can act, proactively to manage this challenging situation.

A new board member has been elected and is active since the AGM meeting, which was held on the 1st of June 2023. Jörgen Ericsson has replaced board member Mats Hjerpe. More information about each board member can be found on our website.

Mikael Grape, currently Managing Director of 4C Nordics, has been appointed Managing Director for our new entity in North America and will officially enter his new role in the third quarter. Mikael will be responsible for further driving the growth journey within the public and corporate sectors in North America. In connection with this shift, a new Managing director has been appointed for 4C Nordics. Josefine Rosén, who has been with 4C Strategies for 13 years, has most recently had the role as an Operations Director with overall responsibility for the delivery in the Nordics and will now enter the role as MD for 4C Nordics as of August 1st, 2023.

No other significant events have occurred after the period.

Annual general meeting (AGM)

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

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

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

Declaration

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

21st of July 2023
Stockholm, Sweden

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

Andreas Hedskog
Chairman

Louise Bagewitz
Board Member

David Lidbetter
Board Member

Lena Ridström
Board Member

Christine Rankin
Board Member

Jörgen Ericsson
Board Member

Financial Reporting Information

Financial calendar



Report information

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

Financial reports and calendar are available on 4C's website, investors.4cstrategies.com.

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Magnus Bergqvist
CEO



Anders Nordgren
CFO

Stockholm 21st of July 2023

Magnus Bergqvist, CEO
4C Group AB (publ)

Consolidated statement of profit and loss

KSEK	2023 Q2	2022 Q2	2023 Q1-Q2	2022 Q1-Q2	2022 Q1-Q4
Net sales	85,415	83,274	175,312	159,308	331,277
Other revenue	1,470	1,042	2,305	1,534	3,075
Total revenue	86,885	84,316	177,617	160,842	334,351
Operating expenses					
Other external costs	-22,324	-24,679	-42,601	-43,776	-87,397
Personnel costs	-63,176	-54,248	-121,764	-106,684	-214,383
Capitalized work for own account	8,102	5,009	16,218	10,985	26,298
Other operating expenses	207	-21	-247	-155	-836
Total operating expenses	-77,191	-73,939	-148,395	-139,631	-276,319
Operating income before depreciation and amortization	9,694	10,378	29,222	21,211	58,033
Depreciation	-4,834	-3,884	-9,627	-7,496	-14,425
Amortization	-4,383	-3,770	-7,816	-7,867	-14,969
Operating income	478	2,723	11,779	5,848	28,638
Financial income	4,717	4,916	7,472	9,820	13,911
Financial expenses	-1,208	-955	-5,108	-5,295	-9,978
Income after financial items	3,987	6,685	14,142	10,372	32,572
Taxes	-2,944	-1,637	-5,528	-2,509	-6,281
Net income for the period	1,043	5,048	8,615	7,863	26,291
Income attributable to:					
Parent company's shareholders	1,043	5,048	8,615	7,863	26,291
Other information					
Earnings per share before dilution (SEK)	0.03	0.16	0.25	0.24	0.79
Earnings per share after dilution (SEK)	0.03	0.15	0.24	0.23	0.74

Consolidated statement of other comprehensive income

KSEK	2023 Q2	2022 Q2	2023 Q1-Q2	2022 Q1-Q2	2022 Q1-Q4
Net income for the period	1,043	5,048	8,615	7,863	26,291
Other comprehensive income					
<i>Items which will be reclassified to the income statement (net of tax)</i>					
Translation adjustments attributable to foreign operations	1,781	1,155	2,027	1,269	1,643
Other comprehensive income for the period, net of tax	1,781	1,155	2,027	1,269	1,643
Total comprehensive income for the period	2,824	6,202	10,642	9,132	27,933

Consolidated statement of financial position in summary

KSEK	2023-06-30	2022-06-30	2022-12-31
ASSETS			
Intangible assets	63,492	46,879	55,091
Tangible assets	4,517	2,996	4,306
Right-to-use assets	43,450	14,789	46,436
Financial fixed assets	1,301	1,053	1,023
Contract assets	31,290	36,548	25,125
Deferred tax asset	406	702	298
Total non-current assets	144,456	102,967	132,279
Accounts receivables	45,757	23,726	35,258
Tax receivables	8,785	6,914	6,313
Contract assets	78,210	43,176	61,061
Other current receivables	11,894	9,016	9,931
Cash and cash equivalents	110,319	143,765	146,805
Total current assets	254,964	226,597	259,369
Total assets	399,420	329,564	391,648

KSEK	2023-06-30	2022-06-30	2022-12-31
EQUITY AND LIABILITIES			
Equity			
<i>Equity attributable to the parent company's shareholders</i>	242,361	210,145	231,756
Total equity	242,361	210,145	231,756
Interest-bearing non-current liabilities	-	25,932	5,955
Non-current lease liabilities	25,699	4,826	30,704
Deferred tax liability	15,012	11,589	13,281
Other non-current liabilities	857	850	1,176
Total non-current liabilities	41,567	43,197	51,115
Interest-bearing current liabilities	25,932	3,970	21,962
Current lease liabilities	14,563	9,761	11,930
Accounts payables	9,634	11,673	9,092
Tax liabilities	5,657	7,393	2,689
Contract liabilities	20,850	12,076	19,591
Other current liabilities	38,856	31,349	43,512
Total current liabilities	115,492	76,222	108,776
Total equity and liabilities	399,420	329,564	391,648

Changes in consolidated equity

KSEK	Share capital	Other contributed capital	Reserves	Profit/loss brought forward	Total equity
Opening balance 1 January 2022	170	54,858	1,202	51,363	107,593
Net income for the period	-	-	-	26,291	26,291
Other comprehensive income	-	-	1,643	-	1,643
Total other comprehensive income	0	0	1,643	26,291	27,933
Transaction with owners					
New share issues	50	94,260	-	-	94,310
	-	1,920	-	-	1,920
Bonus issue	374	-	-	-374	0
Total transaction with owners	424	96,180	0	-374	96,230
Closing balance 31 December 2022	594	151,038	2,844	77,280	231,756
Opening balance 1 January 2023	594	151,038	2,844	77,280	231,756
Net income for the period	-	-	-	8,615	8,615
Other comprehensive income	-	-	2,027	-	2,027
Total other comprehensive income	0	0	2,027	8,615	10,642
Transaction with owners					
Repurchased warrants	-	-38	-	-	-38
Total transaction with owners	0	-38	0	0	-38
Closing balance 30 June 2023	594	151,001	4,872	85,895	242,361

Consolidated cash flow statement in summary

KSEK	2023 Q2	2022 Q2	2023 Q1-Q2	2022 Q1-Q2	2022 Q1-Q4
Cash flow from operating activities					
Operating income	478	2,724	11,779	5,848	28,638
Adjustment for non-cash items	7,374	7,254	15,143	14,891	28,445
Financial items	3,051	4,200	2,364	4,997	4,883
Income tax paid	-1,823	-3,893	-3,367	-109	-5,610
Cash flow from operating activities, before changes in working capital	9,080	10,285	25,918	25,627	56,356
Change in working capital	-10,904	-14,246	-36,073	-28,150	-31,733
Cash flow from operating activities	-1,824	-3,961	-10,154	-2,523	24,623
Cash flow from investing activities					
Acquisition of intangible assets	-8,102	-4,847	-16,218	-10,985	-26,298
Acquisition of tangible assets	-530	-559	-704	-707	-2,324
Repayment of deposits	-53	-6	-203	36	84
Other	-3	-	-3	-	-
Cash flow from investing activities	-8,689	-5,412	-17,128	-11,656	-28,538

KSEK	2023 Q2	2022 Q2	2023 Q1-Q2	2022 Q1-Q2	2022 Q1-Q4
Cash flow from financing activities					
New share issues	-	93,421	-	93,421	94,310
Warrant premiums	-38	-	-38	-	1,920
Repayment of interest bearing debts	-530	-	-1,985	-	-2,338
Cash payments for principal portion of the lease liability	-4,407	-3,285	-8,756	-6,639	-15,367
Other	321	-	-	-	395
Cash flow from financing activities	-4,653	90,136	-10,779	86,782	78,920
Cash flow for the period	-15,166	80,763	-38,061	72,603	75,005
Change in cash and cash equivalents					
Cash and cash equivalents at the beginning of the year	123,906	59,190	146,805	66,026	66,026
Exchange rate differences in cash and cash equivalents	1,578	3,812	1,575	5,137	5,775
Cash and cash equivalents at the end of the year	110,319	143,765	110,319	143,765	146,805

Parent company income statement

KSEK	2023 Q2	2022 Q2	2023 Q1-Q2	2022 Q1-Q2	2022 Q1-Q4
Operating revenue					
Net sales	47,546	51,724	104,676	99,544	201,846
Other revenue	-14	29	-13	15	7
Total revenue	47,532	51,753	104,664	99,559	201,853
Operating expenses					
Other external costs	-23,595	-21,740	-45,073	-41,245	-77,794
Personnel costs	-32,125	-30,559	-63,097	-60,096	-116,391
Other operating expenses	-	-2	-	-2	-15
Total operating expenses	-55,720	-52,302	-108,170	-101,343	-194,199
Operating income before depreciation and amortization	-8,188	-549	-3,506	-1,784	7,653
Depreciation and amortization	-106	-59	-200	-114	-256
Operating income	-8,294	-608	-3,707	-1,898	7,397
Financial income and expenses	4,232	4,826	4,206	6,198	6,023
Income after financial items	-4,061	4,217	499	4,300	13,420
Appropriations	-6,300	-	-8,100	-	-300
Income before tax	-10,361	4,217	-7,601	4,300	13,120
Taxes	620	-970	-	-998	-1,795
Net income for the period	-9,742	3,248	-7,601	3,302	11,325

Parent company balance statement

KSEK	2023-06-30	2022-06-30	2022-12-31
ASSETS			
Fixed assets			
<i>Tangible assets</i>			
Machinery and equipment	1,858	929	1,497
Total tangible fixed assets	1,858	929	1,497
<i>Financial fixed assets</i>			
Shares in subsidiaries	21,668	21,487	21,560
Deferred tax asset	-	-	-
Total financial fixed assets	21,668	21,487	21,560
Total non-current assets	23,526	22,415	23,057
<i>Current assets</i>			
Current intercompany receivables	109,186	118,334	118,484
Other current receivables	4,767	3,673	1,486
Accrued income and prepaid expenses	10,600	7,544	8,215
Cash and cash equivalents	73,445	96,242	119,861
Total current assets	197,998	225,793	248,046
Total assets	221,524	248,208	271,103

KSEK	2023-06-30	2022-06-30	2022-12-31
EQUITY AND LIABILITIES			
Equity			
<i>Restricted equity</i>			
Share capital	594	594	594
Total restricted equity	594	594	594
<i>Unrestricted equity</i>			
Additional paid in capital	151,001	148,229	151,038
Profit/loss brought forward	25,630	14,304	14,304
Net income for the period	-7,601	3,302	11,325
Total unrestricted equity	169,030	165,836	176,668
Total equity	169,623	166,430	177,262
Untaxed reserves	9,380	9,380	9,380
<i>Non-current liabilities</i>			
Total non-current liabilities	0	0	0
<i>Current liabilities</i>			
Accounts payables	5,044	8,687	3,553
Current intercompany liabilities	8,242	28,474	42,092
Current tax liabilities	1,789	6,794	1,789
Other current liabilities	16,065	18,219	28,126
Accrued expenses and prepaid income	11,381	10,224	8,902
Total current liabilities	42,521	72,399	84,462
Total equity and liabilities	221,524	248,208	271,103

Notes

Accounting principles

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts act. The group's financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and the accounting policies which constitute the accounting standard for this interim report, are stated in the most recent annual report. New accounting principles that came into effect on 1 January 2023 have not had any significant impact on the Group's reporting as of 30 June 2023. Preparing the financial reports in accordance with IFRS requires the 4C management team to decide on how to apply the accounting policies which may impact the reported figures of assets, liabilities and result.

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

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

Alternative Performance measures (APM)

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

Risks and uncertainties

4C Strategies is exposed to risks in its operations, both business and financial, and these are described together with other risks in the latest published report, the Annual Report, 3rd of May 2023. With the ongoing Russian invasion in Ukraine, 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) and Australian Dollar (AUD). 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.

KSEK	Nordics	International	North America	Total Segment	Group Common	Eliminations	Group
Q2 2023							
Software	10,589	37,236	8,444	56,269	-	-	56,269
Software-related services	2,026	12,076	566	14,669	-	-	14,669
Expert services	13,706	771	-	14,477	-	-	14,477
Revenue from contracts with customers	26,321	50,084	9,010	85,415	0	0	85,415
Other revenue	-11	947	0	935	535	-	1,470
Internal revenue	236	7,228	7,531	14,994	4,053	-19,047	0
Total revenue	26,545	58,258	16,541	101,345	4,587	-19,047	86,885
Personnel costs	-14,616	-16,247	-11,015	-41,877	-21,299	-	-63,176
Other external costs	-3,006	-6,836	-3,077	-12,919	-1,095	-	-14,015
Internal costs	-1,856	-1,667	-144	-3,667	-15,381	19,047	0
Total cost	-19,477	-24,750	-14,236	-58,463	-37,775	19,047	-77,191
EBITDA	7,068	33,508	2,305	42,882	-33,187	0	9,694
Amortization	-	-	-	-	-4,383	-	-4,383
Depreciation	-	-	-	-	-4,834	-	-4,834
Financial income	-	-	-	-	4,717	-	4,717
Financial expenses	-	-	-	-	-1,208	-	-1,208
Income before tax	7,068	33,508	2,305	42,882	-38,895	0	3,987
Items affecting comparability	-	-	-	-	509	-	509
Adjusted EBT	7,068	33,508	2,305	42,882	-38,386	0	4,496

KSEK	Nordics	International	North America	Total Segment	Group Common	Eliminations	Group
Q2 2022							
Software	12,177	19,083	20,109	51,369	-	-	51,369
Software-related services	4,005	7,223	2,125	13,354	-	-	13,354
Expert services	17,972	579	-	18,551	-	-	18,551
Revenue from contracts with customers	34,154	26,885	22,235	83,274	0	0	83,274
Other revenue	11	1,003	-	1,014	29	-	1,042
Internal revenue	-841	5,629	6,097	10,885	4,907	-15,792	0
Total revenue	33,323	33,517	28,332	95,173	4,936	-15,792	84,316
Personnel costs	-12,888	-12,010	-7,842	-32,741	-21,507	-	-54,248
Other external costs	-2,012	-4,578	-2,256	-8,846	-10,845	-	-19,691
Internal costs	-2,898	-1,511	-25	-4,434	-11,359	15,792	0
Total cost	-17,799	-18,099	-10,122	-46,020	-43,711	15,792	-73,939
EBITDA	15,525	15,418	18,210	49,153	-38,775	0	10,378
Amortization	-	-	-	-	-3,770	-	-3,770
Depreciation	-	-	-	-	-3,884	-	-3,884
Financial income	-	-	-	-	4,916	-	4,916
Financial expenses	-	-	-	-	-955	-	-955
Income before tax	15,525	15,418	18,210	49,153	-42,468	0	6,685
Items affecting comparability	-	-	-	-	9,582	-	9,582
Adjusted EBT	15,525	15,418	18,210	49,153	-32,886	0	16,267

KSEK	Nordics	International	North America	Total Segment	Group Common	Eliminations	Group
Q1-Q2 2023							
Software	18,689	44,548	48,799	112,037	-	-	112,037
Software-related services	4,707	25,172	1,760	31,640	-	-	31,640
Expert services	30,313	1,323	-	31,635	-	-	31,635
Revenue from contracts with customers	53,710	71,043	50,560	175,312	0	0	175,312
Other revenue	17	1,753	0	1,770	536	-	2,305
Internal revenue	626	14,272	14,790	29,687	7,459	-37,146	0
Total revenue	54,352	87,067	65,349	206,769	7,995	-37,146	177,617
Personnel costs	-29,727	-30,214	-21,588	-81,529	-40,235	-	-121,764
Other external costs	-5,856	-12,076	-5,223	-23,155	-3,475	-	-26,631
Internal costs	-3,877	-3,970	-277	-8,124	-29,022	37,146	0
Total cost	-39,460	-46,260	-27,088	-112,808	-72,733	37,146	-148,395
EBITDA	14,892	40,807	38,262	93,961	-64,739	0	29,222
Amortization	-	-	-	0	-7,816	-	-7,816
Depreciation	-	-	-	0	-9,627	-	-9,627
Financial income	-	-	-	0	7,472	-	7,472
Financial expenses	-	-	-	0	-5,108	-	-5,108
Income before tax	14,892	40,807	38,262	93,961	-79,819	0	14,142
Items affecting comparability	-	-	-	0	509	-	509
Adjusted EBT	14,892	40,807	38,262	93,961	-79,310	0	14,651

KSEK	Nordics	International	North America	Total Segment	Group Common	Eliminations	Group
Q1-Q2 2022							
Software	16,929	25,417	56,235	98,581	-	-	98,581
Software-related services	7,773	15,700	3,801	27,274	-	-	27,274
Expert services	31,715	1,738	-	33,454	-	-	33,454
Revenue from contracts with customers	56,418	42,855	60,036	159,308	0	0	159,308
Other revenue	107	1,412	-	1,519	15	-	1,534
Internal revenue	438	10,502	11,014	21,954	7,625	-29,579	0
Total revenue	56,962	54,768	71,050	182,781	7,640	-29,579	160,842
Personnel costs	-26,029	-23,539	-14,802	-64,371	-42,314	-	-106,684
Other external costs	-4,312	-7,973	-3,859	-16,144	-16,803	-	-32,947
Internal costs	-5,328	-2,361	-102	-7,792	-21,787	29,579	0
Total cost	-35,669	-33,874	-18,762	-88,306	-80,904	29,579	-139,631
EBITDA	21,293	20,894	52,288	94,475	-73,264	0	21,211
Amortization	-	-	-	0	-7,867	-	-7,867
Depreciation	-	-	-	0	-7,496	-	-7,496
Financial income	-	-	-	0	9,820	-	9,820
Financial expenses	-	-	-	0	-5,295	-	-5,295
Income before tax	21,293	20,894	52,288	94,475	-84,102	0	10,372
Items affecting comparability	-	-	-	0	14,795	-	14,795
Adjusted EBT	21,293	20,894	52,288	94,475	-69,307	0	25,167

Net sales by income stream

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

KSEK	2023 Q2	2022 Q2	2023 Q1-Q2	2022 Q1-Q2
Software	56,269	51,369	112,037	98,581
Software-related services	14,669	13,354	31,640	27,274
Expert services	14,477	18,551	31,635	33,454
Net sales	85,415	83,274	175,312	159,308

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 groups is presented to describe how the Group's revenue is divided depending on what type of market the customers are operating in.

KSEK	2023 Q2	2022 Q2	2023 Q1-Q2	2022 Q1-Q2
Defence	64,591	44,908	124,471	99,866
Public	10,792	18,992	29,460	32,105
Corporate	10,032	19,373	21,380	27,337
Net sales	85,415	83,274	175,312	159,308

Net sales per customer group and segment

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

Net sales per customer group and segment	2023 Q2	2022 Q2	2023 Q1-Q2	2022 Q1-Q2
Defence	10,568	11,224	13,947	15,727
Public	10,558	15,569	27,695	27,571
Corporate	5,194	7,361	12,067	13,120
Nordics	26,321	34,154	53,710	56,418
Defence	45,012	11,450	59,965	24,103
Public	234	3,423	1,765	4,534
Corporate	4,837	12,012	9,313	14,218
International	50,084	26,885	71,043	42,855
Defence	9,010	22,235	50,560	60,036
Public	-	-	-	-
Corporate	-	-	-	-
North America	9,010	22,235	50,560	60,036
Defence	64,591	44,908	124,471	99,866
Public	10,792	18,992	29,460	32,105
Corporate	10,032	19,373	21,380	27,337
Net sales	85,415	83,274	175,312	159,308

Key Ratios

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

FX adjusted organic net sales growth

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

KSEK	2023 Q2	2022 Q2	2023 Q1-Q2	2022 Q1-Q2
Software	56,269	51,369	112,037	98,581
Software-related services	14,669	13,354	31,640	27,274
Expert services	14,477	18,551	31,635	33,454
Net sales	85,415	83,274	175,312	159,308
Net sales growth (%)	3%	29%	10%	58%
FX adjusted organic net sales growth (%)	-3%	22%	4%	49%

The currency translation effect on net sales during the quarter amounted to 6% (7%) during the quarter.

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	2023 Q2 RTM	2022 Q2 RTM
Software	225,068	208,057
Software-related services	59,757	49,779
Expert services	62,455	61,722
Net sales RTM	347,280	319,558
Net sales RTM growth (%)	9%	57%
FX adjusted organic net sales growth RTM (%)	1%	53%

The currency translation effect on net sales during the last twelve months amounted to 7% (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	2023 Q2	2022 Q2	2023 Q1-Q2	2022 Q1-Q2
Software	56,269	51,369	112,037	98,581
Software-related services	14,669	13,354	31,640	27,274
Expert services	14,477	18,551	31,635	33,454
Net sales	85,415	83,274	175,312	159,308
Software as a percentage of net sales (%)	66%	62%	64%	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	2023 Q2	2022 Q2	2023 Q1-Q2	2022 Q1-Q2
Software	29,807	21,984	44,785	31,968
Software-related services	9,653	7,717	20,470	15,737
Recurring revenue	39,460	29,701	65,255	47,705
Recurring revenue growth (%)	33%	31%	37%	6%

KSEK	2023 Q2	2022 Q2	2023 Q1-Q2	2022 Q1-Q2
Recurring revenue	39,460	29,701	65,255	47,705
Net sales	85,415	83,274	175,312	159,308
Recurring revenue, as percentage of net sales (%)	46%	36%	37%	30%

Annual recurring revenue (ARR)

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

KSEK	2023 Q2	2022 Q2
Software	73,448	63,323
Software-related services	36,356	36,844
Annual recurring revenue	109,803	100,167
Annual recurring revenue growth (%)	10%	6%

EBITDA

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

KSEK	2023 Q2	2022 Q2	2023 Q1-Q2	2022 Q1-Q2
Operating income	478	2,723	11,779	5,848
Depreciation	-4,834	-3,884	-9,627	-7,496
Amortization	-4,383	-3,770	-7,816	-7,867
EBITDA	9,694	10,378	29,222	21,211
Net sales	85,415	83,274	175,312	159,308
EBITDA (%)	11%	12%	17%	13%

EBIT

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

KSEK	2023 Q2	2022 Q2	2023 Q1-Q2	2022 Q1-Q2
Operating income	478	2,723	11,779	5,848
EBIT	478	2,723	11,779	5,848
Net sales	85,415	83,274	175,312	159,308
EBIT (%)	1%	3%	7%	4%

Items affecting comparability

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

KSEK	2023 Q2	2022 Q2	2023 Q1-Q2	2022 Q1-Q2
Expenses related to public listing	509	9,582	509	14,795
Items affecting comparability	509	9,582	509	14,795

Adjusted EBITDA

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

KSEK	2023 Q2	2022 Q2	2023 Q1-Q2	2022 Q1-Q2
EBITDA	9,694	10,378	29,222	21,211
Items affecting comparability	509	9,582	509	14,795
Adjusted EBITDA	10,203	19,959	29,731	36,006
Net sales	85,415	83,274	175,312	159,308
Adjusted EBITDA (%)	12%	24%	17%	23%

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	2023 Q2 RTM	2022 Q2 RTM
EBITDA RTM	66,044	75,177
Items affecting comparability RTM	973	17,298
Adjusted EBITDA RTM	67,017	92,474
Net sales RTM	347,280	319,558
Adjusted EBITDA RTM (%)	19%	29%

Adjusted EBIT

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

KSEK	2023 Q2	2022 Q2	2023 Q1-Q2	2022 Q1-Q2
EBIT	478	2,723	11,779	5,848
Items affecting comparability	509	9,582	509	14,795
Adjusted EBIT	987	12,305	12,288	20,643
Net sales	85,415	83,274	175,312	159,308
Adjusted EBIT (%)	1%	15%	7%	13%

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	2023 Q2 RTM	2022 Q2 RTM
EBIT RTM	34,569	46,916
Items affecting comparability RTM	973	17,298
Adjusted EBIT RTM	35,543	64,214
Net sales RTM	347,280	319,558
Adjusted EBIT RTM (%)	10%	20%

Net working capital

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

KSEK	2023-06-30	2022-06-30	2022-12-31
Current assets excl cash and cash equivalents	144,645	82,832	112,563
Current liabilities excl interest-bearing items	74,997	62,491	74,884
Net working capital	69,648	20,341	37,680

Net debt

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

KSEK	2023-06-30	2022-06-30	2022-12-31
Interest-bearing non-current liabilities	25,699	30,758	36,659
Interest-bearing current liabilities	40,495	13,730	33,892
Cash and cash equivalents	110,319	143,765	146,805
Net debt	-44,125	-99,277	-76,255
Adjusted EBITDA RTM	67,017	92,474	73,292
Net debt ratio	-0.66	-1.07	-1.04

Earnings per share

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

	2023 Q2	2022 Q2	2023 Q1-Q2	2022 Q1-Q2
Weighted average number of shares	33,919,142	32,490,571	33,919,142	32,490,571
Weighted average number of dilutive shares	2,310,000	2,310,000	2,310,000	2,310,000
Weighted average number of shares after dilution	36,229,142	34,800,571	36,229,142	34,800,571
	2023 Q2	2022 Q2	2023 Q1-Q2	2022 Q1-Q2
Net income for the period (KSEK)	1,043	5,048	8,615	7,863
Income attributable to Parent company's shareholders (KSEK)	1,043	5,048	8,615	7,863
Weighted average number of shares	33,919,142	32,490,571	33,919,142	32,490,571
Earnings per share before dilution (SEK)	0.03	0.16	0.25	0.24
Weighted average number of shares after dilution	36,229,142	34,800,571	36,229,142	34,800,571
Earnings per share after dilution (SEK)	0.03	0.15	0.24	0.23

Selected historical financials per quarter and year

	2023 Q2	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2022 YTD	2021 YTD	2020 YTD
Net sales (MSEK)	85.4	89.9	91.0	81.0	83.3	76.0	98.0	62.2	64.8	331.3	261.2	185.3
Net sales growth (%)	3%	18%	-7%	30%	29%	110%	101%	17%	56%	27%	41%	4%
FX adjusted organic net sales growth (%)	-3%	13%	-13%	16%	22%	97%	99%	20%	67%	18%	44%	5%
Software revenue (MSEK)	56.3	55.8	54.3	58.7	51.4	47.2	65.7	43.8	38.8	211.6	159.5	86.1
Software as a percentage of net sales (%)	66%	62%	60%	72%	62%	62%	67%	70%	60%	64%	61%	46%
Recurring revenue (MSEK)	39.5	25.8	41.7	24.7	29.7	18.0	43.1	20.0	22.7	114.0	107.9	93.1
Annual recurring revenue (MSEK)	109.8	108.2	107.2	99.8	100.2	97.2	106.6	99.0	94.3	107.2	106.6	93.0
Annual recurring revenue - Software (MSEK)	73.4	72.7	70.5	63.2	63.3	60.9	60.7	57.3	53.5	70.5	60.7	51.4
Annual recurring revenue - Software-related services (MSEK)	36.4	35.5	36.8	36.5	36.8	36.3	45.9	41.7	40.8	36.8	45.9	41.6
EBITDA (MSEK)	9.7	19.5	17.5	19.4	10.4	10.8	33.1	20.8	21.1	58.0	73.2	36.8
EBITDA margin (%)	11%	22%	19%	24%	12%	14%	34%	33%	33%	18%	28%	20%
EBIT (MSEK)	0.5	11.3	9.7	13.1	2.7	3.1	27.9	13.1	14.6	28.6	47.1	13.1
EBIT margin (%)	1%	13%	11%	16%	3%	4%	29%	21%	22%	9%	18%	7%
Items affecting comparability (MSEK)	0.5	-	-	0.5	9.6	5.2	2.5	-	-	15.3	2.5	-
Adjusted EBITDA (MSEK)	10.2	19.5	17.5	19.8	20.0	16.0	35.6	20.8	21.1	73.3	75.7	36.8
Adjusted EBITDA margin (%)	12%	22%	19%	24%	24%	21%	36%	33%	33%	22%	29%	20%
Adjusted EBIT (MSEK)	1.0	11.3	9.7	13.6	12.3	8.3	30.4	13.1	14.6	43.9	49.6	13.1
Adjusted EBIT margin (%)	1%	13%	11%	17%	15%	11%	31%	21%	22%	13%	19%	7%
Net income for the period (MSEK)	1.0	7.6	5.2	13.3	5.0	2.8	23.9	12.0	10.1	26.3	39.0	7.4
Earnings per share before dilution (SEK)	0.03	0.22	0.16	0.40	0.16	0.09	0.77	0.38	0.33	0.79	1.26	0.24
Earnings per share after dilution (SEK)	0.03	0.21	0.15	0.38	0.15	0.08	0.71	0.36	0.30	0.74	1.17	0.23
Net working capital (MSEK)	69.6	61.3	37.7	60.8	20.3	18.6	21.4	64.4	36.7	37.7	21.4	11.8
Net debt (MSEK)	-44.1	-54.5	-76.3	-68.3	-99.3	-11.9	-16.6	65.3	48.2	-76.3	-16.6	12.7

Definitions

SEK

The currency Swedish Krona.

KSEK

The currency Swedish Krona in thousands.

MSEK

The currency Swedish Krona in millions.

RTM

Rolling twelve months, the past 12 consecutive months.

Software (revenue)

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

Software-related services

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

Expert services

The total revenue of advisory and consulting related income.

Net sales

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

Other revenue

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

Recurring revenue

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

Annual recurring revenue

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

FX adjusted organic net sales growth

Organic growth in net sales adjusted for foreign exchange effects.

Items affecting comparability

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

EBITDA

Operating income before depreciation and amortization.

Adjusted EBITDA

Operating income before depreciation, amortization and items affecting comparability.

EBITDA margin

EBITDA as a percentage of net sales.

EBIT

Operating income before financial income and expenses, and taxes.

Adjusted EBIT

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

EBIT margin

EBIT as a percentage of net sales.

EBT

Income before taxes, after financial income and expenses.

Adjusted EBT

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

Net income

Net profit after tax.

Earnings per share before dilution

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

Earnings per share after dilution

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

Net working capital

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

Equity ratio

Total equity as a percentage of total assets.

Net debt

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

Net debt ratio

Net debt as a percentage of adjusted EBITDA RTM.

Number of employees

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

4C Strategies' Roadmap



Mission

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



Vision

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



Our values

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

Results

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

Integrity

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

Fun

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

Competence

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



Financial targets

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

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

20%

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

70%

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

20%

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

Strategy

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

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



This is 4C

4C Strategies

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

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

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

Sustainability

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

For more examples of our sustainability work, please visit our website: investors.4cstrategies.com.



Australia
Brisbane

Nordics
Malmö
Oslo
Stockholm (HQ)

UK
London
Warminster

US
Orlando
Washington

150+

Customers

100+

Countries with Exonaut users

4C

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

Our offering

Exonaut software

Resilience platform

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

Training and exercise platform

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

Consultancy services

Software-related services

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

Expert services

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



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

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

Be Ready. Be Resilient. Foresee.



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