



4C STRATEGIES

Invitation to acquire shares in 4C Group AB

in connection with listing on Nasdaq First North Premier Growth Market

Sole Global Coordinator and Joint Bookrunner

ABG
SUNDAL COLLIER

Joint Bookrunner


BERENBERG
PARTNERSHIP SINCE 1590

Validity of this Prospectus

This Prospectus was approved by the Swedish Financial Supervisory Authority (Sw. Finansinspektionen) on 16 May 2022. The Prospectus is valid for a period of maximum 12 months from this date, provided that 4C Group AB fulfils the obligation, in accordance with the Prospectus Regulation, if applicable, to provide supplements to the Prospectus in the event of significant new factors, material mistakes or material inaccuracies, which may affect the assessment of the shares in the Offering. The obligation to prepare a supplement to the Prospectus is valid from the time of approval until the end of the subscription period. The Company is under no obligation to prepare supplements to the Prospectus after the end of the subscription period.

Nasdaq First North Premier Growth Market

Nasdaq First North Growth Market is a registered growth market for small- and medium-sized growth enterprises in accordance with Directive 2014/65/EU on markets in financial instruments, as implemented in national law in Denmark, Finland and Sweden, and is operated by a stock exchange within the Nasdaq Group. Companies on Nasdaq First North Growth Market are not subject to the same rules as companies on the regulated market, as defined in EU law and implemented in national law. Instead, they are subject to a less extensive set of rules and regulations adapted to small growth companies. The risks attributable to investing in a company on Nasdaq First North Growth Market may therefore be higher than investing in a company on a regulated market. All companies with shares traded on Nasdaq First North Premier Growth Market have a Certified Adviser who monitors that the rules are followed. The Company's Certified Adviser is FNCA Sweden AB. Nasdaq Stockholm AB approves the application for admission to trading.

IMPORTANT INFORMATION TO INVESTORS

This prospectus (the "**Prospectus**") has been prepared in connection with an offering to the public in Sweden and to institutional investors in Sweden and abroad to acquire new and existing shares in 4C Group AB (the "**Offering**"). 4C Group AB has, in connection with the Offering, applied for admission to trading of the Company's shares on Nasdaq First North Premier Growth Market in Stockholm.

In the Prospectus, depending on the context, "**4C Group**", "**4C Strategies**" the "**Company**" or the "**Group**" refers to 4C Group AB, (a Swedish public limited liability company), reg. no. 556706-0412. The "**Principal Owners**" refers to Priveq Investment (through Priveq Investment V(A) AB and Priveq Investment V(B) AB) and Andreas Hedskog (through Hedskog Equity AB and HAEVE AB). References to the "**Nasdaq First North Premier Growth Market**", refers to the multilateral trading platform and the growth market for small and medium-sized enterprises operated by Nasdaq Stockholm AB in accordance with the Directive (EU) 2014/65 of the European Parliament and of the Council ("**MIFID II**"). ABG Sundal Collier AB ("**ABGSC**") is acting as Sole Global Coordinator and Joint Bookrunner in connection with the Offering. Joh. Berenberg, Gossler & Co. KG ("**Berenberg**") is acting as Joint Bookrunner in connection with the Offering. Nordnet is acting as Retail Manager in connection with the Offering. The Company's Certified Adviser on the Nasdaq First North Premier Growth Market is FNCA Sweden AB. References to "**Euroclear**" are to Euroclear Sweden AB.

Approval of the Prospectus and applicable law etc.

The Prospectus has been prepared in accordance with article 13 of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended (the "**Prospectus Regulation**"). The Swedish Financial Supervisory Authority (Sw. Finansinspektionen) (the "**SFSA**"), as the national competent authority, has approved the Prospectus in accordance with article 20 of the Prospectus Regulation. The SFSA only approves the Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. The approval should not be considered as an endorsement of the Group or support for the securities described in the Prospectus. The SFSA does not guarantee that the information in the Prospectus is correct or complete. Each investor should make its own assessment of whether it is appropriate to invest in the Offering.

Swedish law applies to the Prospectus. Disputes arising from the Prospectus and related legal matters shall be decided exclusively by the Swedish court, whereby Stockholm District Court shall constitute the first instance.

Offering restrictions

Within the European Economic Area ("**EEA**"), no offer is made to the public of shares in Member States other than Sweden. In other Member States within the EEA where the Prospectus Regulation is applicable, an offer of shares can only be submitted in accordance with exceptions in the Prospectus Regulation and any implementation measures.

4C Group has not taken and will not take any measures to allow an offer to the public in any jurisdiction other than Sweden. No shares may be offered, subscribed for, sold or transferred, directly or indirectly, in or to the United States, Australia, Canada, Hong Kong, Japan, New Zealand, Singapore, South Africa, South Korea, Switzerland or any other jurisdiction where such distribution requires additional prospectus, registration or other measures in addition to those that follow from Swedish law or otherwise contravene applicable rules in such jurisdiction or can not take place without the application of exceptions from such measure. Subscription and acquisition of securities in violation of the above restrictions may be invalid. Persons who receive copies of the Prospectus, or wish to invest in 4C Group, must inform themselves and follow the mentioned restrictions. Measures in violation of the restrictions may constitute a breach of applicable securities legislation. The Company reserves the right to, at its sole discretion, void the application for subscription in the Offering if 4C Group or its advisers consider that such subscription may involve a violation or a violation of laws, rules or regulations in any jurisdiction. No shares or other securities issued by 4C Group have been registered or will be registered under the United States Securities Act of 1933, as amended (the "**US Securities Act**"), or the securities laws of any state or other jurisdiction of the United States, including the District of Columbia, and may not be offered, sold or otherwise transferred, directly or indirectly, in or into the United States, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in accordance with the securities laws of the relevant state or other jurisdiction of the United States.

Investment information

An investment in securities is associated with certain risks. When making an investment decision, investors must rely on their own assessment of the Company, including applicable facts and risks. Prior to making an investment decision, prospective investors should engage their own professional adviser and carefully evaluate and give due consideration to the investment decision. Investors may rely only on the information contained in the Prospectus and any supplements to the Prospectus. No person has been authorised to provide any information or make any statements other than those contained in the Prospectus. If this nevertheless takes place, such information and such statements are not to be deemed as approved by the Company or the Joint Bookrunners and neither the Company nor the Joint Bookrunners are responsible for such information or such statements. Neither the publication or distribution of the Prospectus, nor any transactions entered into in reliance on the Prospectus, shall be deemed to imply that the information contained in the Prospectus is accurate and current as of any date other than the date of its publication or that there has been no change in the business of the Company after this date. A supplementary prospectus in accordance with the Prospectus Regulation will be published in the event of significant new factors, material mistakes or material inaccuracies, which may affect the assessment of the shares in the Offering.

Stabilisation measures

In connection with the Offering, to the extent it is compatible with Swedish law, ABGSC (the "**Stabilisation Manager**") may, acting as Sole Global Coordinator, over-allot shares to conduct transactions aimed to stabilise, maintain or in other ways support the market price of the Company's shares at a higher level than the one that might otherwise have prevailed in the open market. Such stabilisation transactions may be conducted on Nasdaq First North Premier Growth Market, over-the-counter market or any other way and may be executed any time during the period that starts from the first day of trading in the Company's shares on Nasdaq First North Premier Growth Market and ending not later than 30 calendar days thereafter. The Stabilisation Manager is, however, not required to conduct such transactions and there is no assurance that such measures will be undertaken. Under no circumstances will transactions be carried out at a higher price than that the price in the Offering.

Forward-looking statements

The Prospectus contains certain forward-looking statements and opinions.

Forward-looking statements are statements that do not relate to historical facts and events, and such statements and opinions pertaining to the future that, for example, contain wordings such as "according to estimates", "anticipates", "assumes", "believes", "could", "estimates", "expects", "forecasts", "intends", "is of the opinion", "may", "plans", "potential", "predicts", "projects", "should", "to the knowledge of" "will", "would" or similar expressions, which are intended to identify a statement as forward-looking. This applies, in particular, to statements and opinions in the Prospectus concerning future financial returns, plans and expectations with respect to the business and management of the Company, future growth and profitability, and the general economic and regulatory environment, and other matters affecting the Company.

Forward-looking statements are based on estimates and assumptions made to the best of the Company's knowledge as of the date of the Prospectus, unless otherwise is stated. Such forward-looking statements are subject to risks, uncertainties, and other factors that could cause the actual results, including the Company's cash flow, financial position and operating income (EBIT), to differ from the information presented in such statements, to fail to meet expectations expressly or implicitly assumed or described in those statements or to turn out to be less favorable than the results expressly or implicitly assumed or described in those statements. Accordingly, prospective investors should not place undue reliance on the forward-looking statements contained herein, and are strongly advised to read the entire Prospectus. Neither the Company nor the Joint Bookrunners can give any assurance regarding the future accuracy of the opinions set forth herein or as to the actual occurrence of any predicted developments.

In light of the risks, uncertainties and assumptions associated with forward-looking statements, it is possible that the future events mentioned in the Prospectus may not occur. Moreover, the forward-looking estimates and forecasts derived from third party studies referred to in the Prospectus may prove to be inaccurate. Actual results, performance or events may differ materially from those presented in such statements due to, without limitation: changes in general economic conditions, in particular economic conditions in the markets in which the Company operates, changes affecting interest rate levels, changes affecting currency exchange rates, changes in levels of competition, changes in laws and regulations, and the occurrence of accidents or environmental damages.

After the date of the Prospectus, neither the Company nor the Joint Bookrunners assumes any obligation, except as required by applicable law or Nasdaq First North Premier Growth Market's Rule Book for Issuers, to update any forward-looking statements or to conform these forward-looking statements to actual events or developments.

Industry and market information

The Prospectus contains information about the Company's geographic markets and product markets, market size, market shares, market position and other market information pertaining to the Company's business and market. Unless otherwise stated, such information is based on the Company's analysis of a variety of sources, including statistics and information from external industry or market reports, market research, publicly available information and commercial publications. Industry and market publications generally state that the information in the publication has been obtained from sources believed to be reliable, but that the accuracy and completeness of the information cannot be guaranteed. The Company has not independently verified, and therefore cannot guarantee the accuracy of, the market information contained in the Prospectus that has been obtained from or is derived from these market publications. Market information and statistics are by their nature forward-looking, subject to uncertainty, are subject to subjective interpretation and do not necessarily reflect actual or future market conditions. Accordingly, potential investors should be aware that such information contained in the Prospectus do not necessarily constitute reliable indicators of the Company's future performance.

Availability

The Prospectus is available on the Company's web page (www.4cstrategies.com), ABGSC's web page (www.abgsc.com), the web page of the SFSA, (<https://fi.se/sv/vara-register/prospektregistret/>) and the European Securities and Markets Authority's web page (www.esma.europa.eu).

Financial information

Certain financial and other information presented in the Prospectus has been rounded to make the information easily comprehensible to the reader. Accordingly, the figures contained in certain columns do not tally exactly with the total amount specified. Except as expressly indicated herein, no information in the Prospectus has been audited or reviewed by the Company's auditors. Financial information in the Prospectus relating to the Company that is not included in the audited information or that has not been reviewed by the Company's auditor is derived from the Company's internal accounting and reporting systems. All financial amounts are presented in Swedish Krona ("**SEK**") unless otherwise stated.

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Summary of the Offering

Price per share:	SEK 35
Application period for the public in Sweden and for institutional investors:	17-23 May 2022
First day of trading:	24 May 2022
Settlement date:	27 May 2022

Calander

Interim report second quarter 2022	23 August 2022
Interim report third quarter 2022	15 November 2022
Year-end report for the financial year 2022	15 February 2023

Other information

Ticker:	4C
ISIN code:	SE0017936891

Summary

Introductions and warnings

Introductions and warnings

This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on a consideration of the Prospectus as a whole by the investor. The investor may lose all or part of the invested capital. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under Swedish law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have prepared the summary, including any translations thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.

Information about the issuer

4C Group AB ("4C Group", the "Company" or the "Group") is a Swedish public limited liability company with registration number 556706-0412. The Company's address is Vattugatan 17, 111 52 Stockholm, Sweden. The Company is the parent company of the Group which, in addition to the parent company, consists of five wholly-owned subsidiaries. The Group companies are located in Sweden, the UK, the US and Norway. The Company's web page is www.4cstrategies.com.

The Company's Legal Entity Identification (LEI) code is 8945002E2CEXZODDOT51 and the ISIN code of the shares subject to the Offering SE0017936891.

Information about Selling Shareholders

In addition to the newly issued shares offered by the Company in the Offering, the shareholders listed in the below table (the "Selling Shareholders") are offering a total of 10,068,970 existing shares in the Offering. Information regarding the Selling Shareholders is set out in the table below.

Name	Address	LEI code	Legal form	Country of registration and jurisdiction	Numbers of shares offered in the Offering	Number of shares before the Offering	Number of shares following the Offering
Priveq Investment V(A) AB ¹	Box 5295, 102 46, Stockholm	636700TRK2-KJAMHIZ289	Limited liability company	Sweden	4,363,954	12,468,440	8,104,486
Priveq Investment V(B) AB ¹	Box 5295, 102 46, Stockholm	636700ZJ117-X7DMU2G03	Limited liability company	Sweden	671,377	1,918,220	1,246,843
Hedskog Equity AB ²	Box 5295, 102 46, Stockholm	894500NHR-YVXJ11TOT80	Limited liability company	Sweden	1,239,590	5,131,968	3,892,378
HAEVE AB ²	Tornaplaten 3, 223 63, Lund	894500NEJK-CT4W4CY630	Limited liability company	Sweden	428,572	428,572	-
Lagga invest AB ³	Vällstavägen 19, 194 47, Upplands Väsby	894500JQF-N83EUXZJH92	Limited liability company	Sweden	502,863	3,456,023	2,953,160
Klas Lindström	Company's address	N/A	N/A	N/A	762,777	762,777	-
Mikael Edqvist	Company's address	N/A	N/A	N/A	988,242	3,294,140	2,305,898
EKIL Konsult AB ⁴	Handelsbacken 4, 139 53, Värmdö	894500KAWV-97BDVVKD42	Limited liability company	Sweden	450,000	1,031,460	581,460
Hans Arvidsson Consulting AB	Hornsgatan 66 A, 118 21, Stockholm	894500HRRE-6PEEJC7H39	Limited liability company	Sweden	303,045	918,320	615,275
Christer Hellström	Company's address	N/A	N/A	N/A	170,000	340,000	170,000
Jörgen Lenz	Company's address	N/A	N/A	N/A	170,000	340,000	170,000
Hässlingsby gård AB ⁵	Hässlingsby gård 1, 137 95, Österhaninge	6367005WF5-4S1P33N730	Limited liability company	Sweden	7,000	56,000	49,000
Johan Würtz	Company's address	N/A	N/A	N/A	3,150	21,000	17,850
Nils Kjellgren	Company's address	N/A	N/A	N/A	4,200	14,000	9,800
Alexander Jarl	Company's address	N/A	N/A	N/A	4,200	14,000	9,800

1) Represented in the board of directors by the director Mats Hjerpe.

2) Controlled by chair of the board Andreas Hedskog.

3) Controlled by deputy CEO Klas Lindström.

4) Controlled by CEO Magnus Bergqvist.

5) Controlled by senior executive Mikael Grape.

Competent authority

The Prospectus has been reviewed by the Swedish Financial Supervisory Authority (Sw. Finansinspektionen) (the "SFSA"), which is the competent authority in Sweden for approving prospectuses under the Prospectus Regulation. The SFSA approved the Prospectus on 16 May 2022. The SFSA may be contacted on the following details:

Finansinspektionen
Box 7821, SE-103 97 Stockholm
+46 (0)8 408 980 00
finansinspektionen@fi.se
www.fi.se

Key information about the issues

Who is the issuer of the securities?

Company's registered office and legal form 4C Group AB, corporate registration number 556706-0412, is a Swedish public limited liability company incorporated on 31 May 2006 and registered with the Swedish Companies Registration Office on 21 June 2006. The Company name was registered on 29 September 2006 and the Company's trading name is 4C Strategies. The Company's registered seat is located in the Municipality of Stockholm in the County of Stockholm and the Company's operations are governed by Swedish law. The Company's Legal Entity Identification (LEI) code is 8945002E2CEXZODDOT51. The address of the Company is Vattugatan 17, 111 52 Stockholm and the Company can be reached at +46 (0)8-522 27 900. The Company's web page is www.4cstrategies.com.

The Company's principal activities 4C Strategies was founded in 2000 and is a leading global provider of software solutions and expert services for organisational readiness, training, and crisis management with a unique¹ offering on the market. Through its Exonaut® software platform, 4C Strategies offers a complete platform for building organisational readiness. Exonaut® enables effective, secure and seamless management of incidents, crises, risks and compliance assurance. Exonaut® also supports the sustainment and continuity of operations affected by disruptions and crises and provides a software solution for both military and civilian customers in training management and capability development. In addition to Exonaut®, the Company also provides software-related services and expert services. The Company provides its solutions primarily to customers in mission-critical environments such as defence forces, public organisations, and companies in the corporate sector that have a need of managing risks and training for sudden and critical events. The Company's Exonaut® software platform is accredited by NATO on the Secret Level and Cyber Essentials Plus², among others.

4C Strategies has a global presence with headquarters in Stockholm, users in over 100 countries and seven offices globally in Stockholm, Malmö, London, Lillehammer, Warminster, Orlando and Washington D.C. During the financial year 2021, 70% of net sales were generated outside the Nordics.

In recent years, 4C Strategies has expanded into new regions and new customer groups. This expansion has resulted in increased growth, with the Company's net sales increasing from SEK 178,605 thousand in 2019 to SEK 261,238 thousand in 2021, corresponding to a CAGR of 20.9%.

1) Source: The Market Study. Defined as having the broadest offering of comparable companies in the market for organisational readiness and training in the defence, public and corporate sectors.

2) Cyber Essentials is a certification scheme designed to show that an organisation has a minimum level of protection in cyber security through annual assessments to maintain certification.

Major shareholders The Company has 38 shareholders as of the date of the Prospectus. The table below shows holdings of shares and votes of at least 5% in the Company before and after the completion of the Offering.

As of the date of the Prospectus, the Company is controlled in particular by Priveq Investment (through Priveq Investment V(A) AB and Priveq Investment V(B) AB) and Andreas Hedskog (through Hedskog Equity AB and HAEVE AB). Following the completion of the Offering, these shareholders will continue to control a large proportion of the number of shares and votes in the Company (see table below).

Shareholder	Shareholding immediately before the Offering		After the Offering (if the Offering is fully subscribed and the Overallotment Option is not exercised)		After the Offering (if the Offering is fully subscribed and the Overallotment Option is exercised in full)	
	Number of shares	Percent (%)	Number of shares	Percent (%)	Number of shares	Percent (%)
Priveq Investment ¹	14,386,660	46.3	9,351,329	27.6	7,412,413	21.9
Andreas Hedskog ²	5,560,540	17.9	3,892,378	11.5	3,892,378	11.5
Klas Lindström ³	4,218,800	13.6	2,953,160	8.7	2,953,160	8.7
Mikael Edqvist	3,294,140	10.6	2,305,898	6.8	2,305,898	6.8
Total major shareholders	27,460,140	88.4	18,502,765	54.5	16,563,849	48.8
Other shareholders	3,601,860	11.6	2,490,265	7.3	2,490,265	7.3
<i>Additional new shareholders</i>	-	-	12,926,112	38.1	14,865,028	43.8
Total new and existing shares	31,062,000	100	33,919,142	100	33,919,142	100

1) Refers to Priveq Investment V (A) AB and Priveq Investment V (B) AB.

2) Through Hedskog Equity AB and HAEVE AB.

3) Personally and through Lagga Invest AB.

Board of directors and management The Company's board of directors consists of Andreas Hedskog (chair of the board), Mats Hjerpe, David Lidbetter, Louise Bagewitz, Lena Ridström and Christine Rankin.

Magnus Bergqvist (CEO), Klas Lindström (Vice President), Anders Nordgren (CFO), Jonas Jonsson (Managing Director, International), Michael Coss (Managing Director, North America), Mikael Grape (Managing Director, Nordic), Martin Rusner (Chief Product Officer), Maria Larsson (Chief Human Resources Officer) and Mikael Edqvist (Senior VP Sales, North America).

Auditor Ernst & Young Aktiebolag is the Company's auditor with Peter Gunnarsson as auditor in charge. Peter Gunnarsson has been the Company's auditor since the extra general meeting on 28 September 2021. Martin Henriksson of Ernst & Young Aktiebolag was the principal auditor of the Company for the remainder of the period covered by the historical financial information in the Prospectus. Peter Gunnarsson and Martin Henriksson are chartered public accountants and members of FAR (Institute of the Accountancy Profession in Sweden). Ernst & Young Aktiebolag's address is Box 7850, 103 99 Stockholm, Sweden.

Key financial information of the Company

Key financial information in summary

Below is selected historical financial information for the Group for the 2021, 2020 and 2019 financial years, as well as interim financial information for the period 1 January – 31 March 2022 with comparative figures for the corresponding period in 2021. The financial information for the 2021, 2020 and 2019 financial years has been derived from the Company's audited consolidated accounts, which has been prepared in accordance with International Financial Reporting Standards as adopted by the EU ("IFRS"), the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 1 (Supplementary Accounting Rules for Groups) and has been audited by the Company's auditor for purposes of the Prospectus in accordance with FAR's recommendation RevR 5 – Examination of Financial Information in Prospectuses. The interim financial information for the period 1 January – 31 March 2022, with comparative figures for the corresponding period in 2021, has been prepared in accordance with IAS 34 Interim Financial Reporting and has been reviewed (but not audited) by the Company's auditor in accordance with ISRE 2410 – Review of Interim Financial Information.

Key items in the Group's Consolidated Income Statement

SEK thousand	1 January – 31 December			1 January – 31 March	
	2021	2020	2019	2022	2021
Net sales	261,238	185,293	178,605	76,034	36,188
Operating income	47,118	13,056	8,982	3,124	-8,505
Net income for the period	38,989	7,352	7,909	2,815	-6,937

Key items in the Group's Consolidated Balance Statement

SEK thousand	31 December			31 March
	2021	2020	2019	2022
Total assets	243,895	158,075	161,716	235,587
Total equity	107,593	66,557	61,660	110,522

Key items in the Group's Consolidated Cash Flow Statement

SEK thousand	1 January – 31 December			1 January – 31 March	
	2021	2020	2019	2022	2021
Cash flow from the operating activities	75,486	59,085	40,094	-5,617	-9,713
Cash flow from investing activities	-20,550	-17,633	-14,684	-6,244	-5,528
Cash flow from financing activities	-14,761	-30,247	-13,156	3,701	775
Cash flow for the period	40,176	11,206	12,254	-8,160	-14,467

Key financial
information in summary
(cont.)

The Group's key performance measures

SEK thousand (unless stated otherwise)	1 January - 31 December			1 January - 31 March	
	2021	2020	2019	2022	2021
IFRS key performance measures					
Net sales ¹	261,238	185,293	178,605	76,034	36,188
Alternative key performance measures					
Total revenue ¹	263,748	186,826	179,528	76,526	37,145
Net sales growth, %	41.0	3.7	N/A	110.1	-12.7
FX adjusted organic net salesgrowth, %	44.4	5.1	N/A	97.2	-10.3
Recurring revenue	107,937	93,118	71,353	18,005	22,161
Recurring revenue, as percentage of net sales, %	41.3	50.3	40.0	23.7	61.2
Annual Recurring Revenue (ARR)	106,584	93,027	67,282	97,181	93,216
Capitalised work for own account ¹	17,946	17,374	13,816	5,976	5,489
Items affecting comparability	2,503	N/A	N/A	5,214	0
EBITDA	73,210	36,802	30,455	10,833	-1,884
EBITDA margin, %	28.0	19.9	17.1	14.2	-5.2
Adjusted EBITDA	75,713	36,802	30,455	16,047	-1,884
Adjusted EBITDA margin, %	29.0	19.9	17.1	21.1	-5.2
Operating income (EBIT) ¹	47,118	13,056	8,982	3,124	-8,505
EBIT margin, %	18.0	7.0	5.0	4.1	-23.5
Adjusted EBIT	49,621	13,056	8,982	8,338	-8,505
Adjusted EBIT margin, %	19.0	7.0	5.0	11.0	-23.5
Net debt	-16,571	12,713	30,214	-11,911	32,496
Net debt / adjusted EBITDA TTM, x	-0.2	0.3	1.0	-0.1	1.0
Net working capital	21,363	11,802	25,532	18,556	10,816
Net working capital, as percentage of net sales TTM, %	8.2	6.4	14.3	6.2	6.0
Cash conversion ratio, %	63.7	90.1	N/A	72.1	78.0
Operational key performance measures					
Average number of employees (no)	154	130	124	167	134

1) The key performance measure has been audited for the 2021, 2020 and 2019 and reviewed for the period 1 January - 31 March 2022 as well as the comparative period 2021.

Specific key risks for the Company

Key risks related to the Company's operations

Risks related to 4C Strategies' IT infrastructure and security systems

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

Risks related to confidential information

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

Risks related to internal control

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

Risks related to sales to publicly funded entities

During the financial year 2021, 87.7% of 4C Strategies' revenues were attributable to the defence and public sectors. There is a risk that the purchasing power of 4C Strategies' publicly funded customers could decline as a result of government or public austerity programs and other policy decisions. This could include, for example, political decisions to reduce defence budgets in countries where 4C Strategies customers are defence forces, which could lead to a reduction in military exercises and thus a reduced need for the Company's service offering. There is also a risk that 4C Strategies' public sector customers may decide to reduce current or future investments in, for example, total defence or in other areas in which 4C Strategies provides services.

4C Strategies must continuously monitor changes in the world around it in order to adapt its service offerings to the needs

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

4C Strategies must continuously evaluate its product and service offerings and adapt to technological developments

As society in general digitises, new risks, and thus new needs, arise for virtually all industries, including with respect to product and service offerings similar to the Company's. 4C Strategies believes that continued technological development will require the Company to be able to continually deliver valuable updates to Exonaut®. It is therefore necessary for 4C Strategies to continue to evaluate its product and service offerings and adapt them to customer preferences, environmental considerations and technological developments generally. This may prove difficult if the technology desired by the customer is not available to the Company on reasonable terms or at all within the Company's platform, or if the Company is unable to develop its product and service offering on its own to match the needs/requirements of the customers at the time.

Risks related to future capital requirements

Although the Company has historically been able to finance its operations with internally generated funds, in the future the Company may need to seek additional funding to intensify development projects and marketing efforts. There is a risk that the Company may not be able to access additional capital when needed or that available capital may only be obtainable on unfavourable terms.

Key information about the securities

The main features of the securities

Information regarding the Company's shares

As of 31 March 2022, the share capital of the Company amounted to SEK 543,585 divided among 1,553,100 shares and each share had a quota value of SEK 0.35. The annual general meeting of the Company resolved on 19 April 2022 on a share split, whereby one share was divided into 20 new shares. Therefore, as of the date of the Prospectus, the share capital of the Company amounted to SEK 543,585 divided among 31,062,000 shares and each share had a quota value of SEK 0.0175.

The shares in the Company has been issued in accordance with Swedish law. All issued shares are fully paid and freely transferable. The ISIN code for the Company's share is SE0017936891. The shares are denominated in SEK.

Certain rights attached to the shares

The shares in the Offering are in the same class. The rights attached to the shares issued by the Company, including those pursuant to the Company's articles of association, may only be amended in accordance with the procedures set out in the Swedish companies act (2005:551).

Preferential rights to new shares, etc.

If the Company issues new shares, warrants or convertibles in a cash issue or a set-off issue, as a general rule, the main rule is that shareholders have preferential rights to subscribe for such securities proportionally to the number of shares held prior to the issue.

Voting rights

Each share in the Company entitles the holder to one vote at general meetings of shareholders, and each shareholder is entitled to cast votes equal in number to the number of shares held by said shareholder in the Company.

Rights to dividends and balances in the event of liquidation

All shares carry equal rights to dividends and to the Company's assets and any surplus in the event of liquidation.

No restrictions on the right to receive dividends apply to shareholders residing outside of Sweden. With reservation for any limitations imposed by the banks and clearing systems in the jurisdictions concerned, distributions to such shareholders are conducted in the same manner as to shareholders in Sweden. Shareholders who are not subjects to taxation in Sweden are usually subject to Swedish withholding tax.

Information regarding the Company's shares (cont.)

Dividend policy

As of the date of the Prospectus, the board of directors intends to reinvest the cash flow generated by the Company in growth initiatives, and does therefore not intend to propose a dividend in the short or medium term.

Where will the securities be traded?

Admission to trading on Nasdaq First North Premier Growth Market

The Company's shares will be subject to application for trade on the multilateral trading platform and growth market for small and medium-sized enterprises - Nasdaq First North Premier Growth Market. Nasdaq Stockholm AB, who operates Nasdaq First North Premier Growth Market, has on 9 May 2022 assessed that the Company meets the listing requirements provided that customary terms and conditions, including the distribution requirement for the Company's shares, are met no later than the first day of trading in the Company's shares. The Company's board of directors intends to apply for admission to trading of the Company's shares on Nasdaq First North Premier Growth Market and trading is expected to commence on 24 May 2022.

What are the key risks specific to the securities?

Key risks that are specific to the Company's securities

Risk of an illiquid market and volatile prices

4C Strategies' shares have not previously been traded on a marketplace. It is therefore difficult to predict the level of trading and the interest that will be shown in the shares. If active and liquid trading does not develop or remains unsustainable, this may result in difficulties for shareholders to dispose of shares and the market price may differ significantly from the price of the shares in the Offering.

The interests of the Company's main shareholders may differ from those of minority shareholders

Priveq Investment (through Priveq Investment V(A) AB and Priveq Investment V(B) AB) and Andreas Hedskog (through Hedskog Equity AB and HAEVE AB) as well as and other shareholders with larger shareholdings are able, through their shareholdings, to exercise significant influence on matters requiring shareholder approval at a general meeting. The interests of these shareholders may differ significantly from, or conflict with, the interests of the Company or other shareholders, and the largest shareholders could exercise influence over the Company in a way that does not best promote the interests of the other shareholders.

Commitments from Cornerstone investors are not secured

The Fourth Swedish National Pension Fund, Livförsäkringsbolaget Skandia, ömsesidigt, Skandia Fonder AB, Carnegie Fonder, Grenspecialisten, LMK Venture Partners AB, Neptunia Invest, Tibia Konsult AB and a consortium of Erik Syrén, Martin Bjäringer, Tedde Jeansson and Carl Rosvall ("**Cornerstone Investors**") have undertaken to acquire shares in the Offering corresponding in total to 335 million. However, the commitments of the Cornerstone Investors are not secured by bank guarantee, escrow, pledge or similar arrangements, and there is therefore a risk that the Cornerstone Investors will not honour their commitments. Furthermore, the commitments of the Cornerstone Investors are subject to conditions. In the event that any of these conditions are not met, there is a risk that the Cornerstone Investors will not honour their commitments, which could have a material adverse effect on the completion of the Offering.

Key information on the offering of securities to the public

Under which conditions and timetable can I invest in the securities?

Terms and conditions of the Offering

The Offering

The Offering comprises a maximum of 12,926,112 shares, of which the Company is offering a maximum of 2,857,142 newly issued shares and the Selling Shareholders are offering a maximum of 10,068,970 existing shares. The Offering is divided into two parts: the offering to the general public in Sweden¹ and the offering to institutional investors in Sweden and abroad.²

Overallotment Option

To cover any over-allotment in the Offering, Priveq Investment V (A) AB and Priveq Investment V (B) AB intends to provide an Overallotment Option to the Joint Bookrunners to offer not more than 1,938,916 additional shares, corresponding to a maximum of 15% of the total number of shares in the Offering (the "**Overallotment Option**").

Provided that the Offering is completed and that the Overallotment Option is exercised in full, the Offering will comprise a maximum of 14,865,028 shares.

Offering price

The price per share in the Offering is SEK 35. No commission will be payable.

Application

Applications for acquisition of shares within the offer to the general public in Sweden may be made during the period 17 May - 23 May 2022, and relate to a minimum of 200 shares and a maximum of 28,000 shares in even lots of 50 shares each. Only one application per investor may be made. If several applications are made, the right is reserved to consider only the first one received. The application is binding.

Information regarding allotment and payment

Notification of the allotment is expected to be made on or about 24 May 2022. As soon as possible thereafter, a settlement note will be sent to the allottees of the Offering. Full payment for allocated shares must be made in cash no later than the settlement date of 27 May 2022.

Terms and conditions for completion of the Offering

The Offering is conditional upon that the Company, the Selling Shareholders and the Joint Bookrunners enters into a placing agreement (the "**Placing Agreement**"), which is expected to take place on or around 23 May 2022. The Offering is further conditional upon the interest in the Offering as determined by the Joint Bookrunners being sufficiently high for trading in the shares, certain conditions in the Placement Agreement being satisfied and the Placement Agreement not being terminated. Joint Bookrunners may, subject to certain conditions, terminate the Placing Agreement until the settlement date of 27 May 2022 if any material adverse events occur, if the warranties provided by the Company to Joint Bookrunners prove to be incorrect or if any of the other conditions under the Placing Agreement are not fulfilled.

Dilution

The new share issue in the Offering will have a dilutive effect of approximately 8.4% for existing shareholders calculated on the number of shares in the Company after completion of the Offering.

Costs related to the Offering

The Company's costs in connection with the Offering amount to approximately SEK 16.5 million, of which SEK 8.5 million have been charged against earnings up until 31 March 2022.

1) The "public" refers to individuals and legal entities in Sweden that apply to acquire a maximum of 28,000 shares.

2) "Institutional investors" includes individuals and legal entities that apply to acquire more than 28,000 shares.

Who is the offeror and/or the person applying for admission to trading?

Offeror of the securities In addition to the shares offered by the Company in the Offering, the shareholders listed in the below table (the "Selling Shareholders") are offering up to 10,068,970 existing shares in the Offering. Information about the Selling Shareholders is presented in the table below.

Name	Address	LEI code	Legal form	Country of registration and jurisdiction	Numbers of shares offered in the Offering	Number of shares before the Offering	Number of shares following the Offering
Priveq Investment V(A) AB ¹	Box 5295, 102 46, Stockholm	636700TRK2-KJAMHIZ289	Limited liability company	Sweden	4,363,954	12,468,440	8,104,486
Priveq Investment V(B) AB ¹	Box 5295, 102 46, Stockholm	636700ZJ117-X7DMU2G03	Limited liability company	Sweden	671,377	1,918,220	1,246,843
Hedskog Equity AB ²	Box 5295, 102 46, Stockholm	894500NHR-YVXJ11TOT80	Limited liability company	Sweden	1,239,590	5,131,968	3,892,378
HAEVE AB ²	Tornaplaten 3, 223 63, Lund	894500NEJK-CT4W4CY630	Limited liability company	Sweden	428,572	428,572	-
Lagga invest AB ³	Vällstavägen 19, 194 47, Upplands Väsby	894500JQF-N83EUAZJH92	Limited liability company	Sweden	502,863	3,456,023	2,953,160
Klas Lindström	Company's address	N/A	N/A	N/A	762,777	762,777	-
Mikael Edqvist	Company's address	N/A	N/A	N/A	988,242	3,294,140	2,305,898
EKIL Konsult AB ⁴	Handelsbacken 4, 139 53, Värmdö	894500KAWV-97BDVVVD42	Limited liability company	Sweden	450,000	1,031,460	581,460
Hans Arvidsson Consulting AB	Hornsgatan 66 A, 118 21, Stockholm	894500HRRE-6PEEJC7H39	Limited liability company	Sweden	303,045	918,320	615,275
Christer Hellström	Company's address	N/A	N/A	N/A	170,000	340,000	170,000
Jörgen Lenz	Company's address	N/A	N/A	N/A	170,000	340,000	170,000
Hässlingsby gård AB ⁵	Hässlingsby gård 1, 137 95, Österhaninge	6367005WF5-4S1P33N730	Limited liability company	Sweden	7,000	56,000	49,000
Johan Würtz	Company's address	N/A	N/A	N/A	3,150	21,000	17,850
Nils Kjellgren	Company's address	N/A	N/A	N/A	4,200	14,000	9,800
Alexander Jarl	Company's address	N/A	N/A	N/A	4,200	14,000	9,800

1) Represented in the board of directors by the director Mats Hjerpe.

2) Controlled by chair of the board Andreas Hedskog.

3) Controlled by deputy CEO Klas Lindström.

4) Controlled by CEO Magnus Bergqvist.

5) Controlled by senior executive Mikael Grape.

Why is this Prospectus being produced?

Background and rationale

The board of directors of 4C Strategies and the Principal Owners believe that a listing of the Company's shares on Nasdaq First North Premier Growth Market represents an important step in the Company's development. The board of directors believes that a listing on Nasdaq First North Premier Growth Market will increase awareness of 4C Strategies' business and benefit 4C Strategies' future potential by enhancing the Company's profile and brand to investors, partners and customers, as well as increasing its ability to attract and retain qualified employees and key management personnel. The Offering and listing will also provide 4C Strategies with access to Swedish and international capital markets and broaden its long-term shareholder base. In addition, the Offering will enable the Selling Shareholders to sell part of their current shareholding and create a more liquid market for the shares.

The Offering includes the sale of both existing and new shares. The Offering is expected to raise approximately SEK 100 million for 4C Strategies before deducting costs related to the Offering amounting to approximately SEK 16.5 million. 4C Strategies intends to use the net proceeds from the Offering primarily to fund the following activities in the following order of priority:

- » Expansion into new markets and customers (approximately 70-80%); and
- » Research and development of 4C Strategies' Exonaut® software platform (approximately 20-30%).

The Company will not receive any proceeds from the sale of existing shares by Selling Shareholders.

Interests of advisers

In connection with the Offering, the Joint Bookrunners provides financial advisory and other services to the Company, services for which they will receive remuneration. From time to time, the Joint Bookrunners may provide services to the Company, in the ordinary course of business and in connection with other transactions, for which they may receive compensation.

The Company deems that there are no interests or engagements that could be material to the Offering.

Risk factors

Investing in securities involves risk. This section describes the risk factors and important circumstances that are considered material to the Company's business and future development. In accordance with the Prospectus Regulation, the risk factors set out in this section are limited to those risks which are deemed to be specific to the Company and/or the Company's shares and which are deemed to be material to enable an investor to make an informed investment decision in the Offering. The assessment of the materiality of the risk factors set out in the Prospectus has been graded based on the Company's assessment of the probability of the materialisation of such risk and the assessed impact of the negative consequences of the risk. Where the expected adverse impact of the risk could not be quantified, the Company has graded the adverse impact on a qualitative scale denoted as (i) adverse impact, (ii) significant adverse impact and (iii) material adverse impact.

The risk factors are presented in a limited number of categories which include risks related to the Company's business and industry, legal and regulatory risks, financial risks and risks related to the Company's shares and the Offering. The risk factors presented below are based on the Company's assessment and available information as of the date of the Prospectus. The risk factors deemed to be the most material as of the date of the Prospectus are presented first within each category, with the risk factors presented thereafter in no particular order of importance.

Risks related to the Company's business and industry

Risks related to 4C Strategies' IT infrastructure and security systems

The Company helps its customers solve complex needs in operations-critical environments. The Company has developed Exonaut® software, a platform that can be tailored to customer needs and includes tools for risk management, incident reporting and crisis management, governance and control, training and compliance. The Company's three major customer categories are the defence forces, the public sector and private companies. In the defence forces, Exonaut® is used as a tool to, among other things, streamline and coordinate military exercises and evaluate the trainees in the context of these exercises. In the public sector, Exonaut® is used as a tool to improve and streamline work in turbulent times. In private companies, Exonaut® is used to manage significant risks, strengthen compliance structures within the organisation and manage incidents or crises that are outside the normal way of working of the operator. The majority of the Company's customers operates the software by themselves in their own IT infrastructure/environment.

Given the purposes for which Exonaut® is used, and by whom, the Company and its customers are subjects to risks related to the resilience and security of its IT infrastructure and related security systems. The approaches and techniques used to gain unauthorised access to data and software (for example techniques such as "scraping") are constantly evolving and the Company may fail to ensure the software's success in anticipation or prevention of unauthorised access to data related to, among other factors, trade secrets or customers and employees. This risk also applies to 4C Strategies' customers and is highly relevant in such circumstances when the Company's customers operates the software themselves in their own IT infrastructure/environment. Should the Company's customers be exposed to such IT related attacks or attempts of unauthorised access to data, there is a risk that the Company's customers that operates the software by themselves, perceive (rightly or not) this risk exposure attributable to the usage of the Company's software. This could in turn cause the customer to terminate or not prolong the agreement.

4C Strategies' (as well as their customers') systems are also vulnerable to software bugs, malicious software or other computer viruses or so-called "break-ins," "internet worms," "phishing attacks," attempts to overload servers using denial-of-service attacks, or other malicious attacks and similar disruptions. Recently, several cases of so-called "ransomware" attacks targeting companies in Sweden as well as globally have also occurred. A ransomware attack is an unauthorised intrusion into a company's internal software, in which the purpose

behind the unauthorised intrusion is to blackmail a company by taking the company's data hostage with the threat to sell and/or publish the same unless the company pays a ransom. The Company believes that cybercrime will increase in society in general, which is also expected to increase the risk of potential cybercrime against the Company as awareness of the Company and the use of its offering increases.

Although 4C Strategies has developed systems and processes designed to protect the data on its platform, and to prevent or detect security breaches, 4C Strategies cannot guarantee that these measures will ensure absolute security, and 4C Strategies may incur significant costs to protect the Company against, or remediate the consequences of, any attacks.

Attacks on 4C Strategies' and its customers' IT infrastructure and security systems may cause system failures, disruptions, loss of data, delays in the delivery of services, and/or service disruptions, which may result in the loss of critical data or unauthorised access to personal data (related to both the Company and its customers) and may result in claims for damages against the Company or the termination of customers' agreements. Such events could also result in damage to 4C Strategies' reputation and adversely affect 4C Strategies' ability to retain existing customers as well as attract new ones. Further, it could require the Company to expend significant resources to remediate the security breach and to deal with issues related to any such breach. If any of the above risks materialise, it could have a material adverse impact on the Company's business, results of operations, reputation and prospects.

Risks related to confidential information

4C Strategies' activities involve the handling of sensitive and confidential information. In addition to the technical measures taken by 4C Strategies to protect access to information, the Company also relies on confidentiality agreements to protect internal and external know-how, confidential information and trade secrets of the Company and its customers. Nevertheless, unauthorised, intentional or unintentional disclosure or use of the Company's and its customers' information may occur. As the Company has access to sensitive information that is subject to strict confidentiality, including information related to government agencies, there is a risk that information could be disclosed to other governments, organisations and other parties. There is also a risk that potential competitors and other parties could use this information to harm the Company or for competitive or destructive purposes. If 4C Strategies is exposed to unauthorised, intentional or unintentional disclosure or use of the Company's internal or external know-how and trade secrets, this could have a material adverse impact on the Company's reputation and prospects.

Risks related to internal control

The internal control of the Company's operational activities is part of the Company's security efforts to manage risks related to, among other factors, internal processes and regulatory compliance. For the sake of the Company's credibility with customers and other stakeholders, it is important that these processes are adequately documented and include expected risks related to each individual area. As there is a risk that the Company may be exposed to attempts at various types of intrusions, espionage, fraud, hacking, fraudulent invoices and other improper actions, it is important that the Company's employees can identify and know how to manage these types of risks and events. There is a risk that the Company's governing documents have not considered each relevant risk or that the Company's employees do not act in the particular situation as stipulated in the Company's governing documents, which could result in harm to the Company and the Company's customers if, for example, it leads to the unauthorised disclosure of sensitive information. If this risk materialises, it could have a significant adverse impact on the Company's business, reputation and prospects.

Risks related to sales to publicly funded entities

During the financial year 2021, 87.7% of 4C Strategies' revenues were attributable to the defence and public sectors. There is a risk that the purchasing power of 4C Strategies' publicly funded customers could decline as a result of government or public austerity programs and other policy decisions. This could include, for example, political decisions to reduce defence budgets in countries where 4C Strategies customers are defence forces, which could lead to a reduction in military exercises and thus a reduced need for the Company's service offering. There is also a risk that 4C Strategies' public sector customers may decide to reduce current or future investments in, for example, total defence or in other areas in which 4C Strategies provides services. A materialisation of these risks could have a significant adverse impact on the Company's prospects and results of operations.

4C Strategies participates as a bidder in government and public procurement. 4C Strategies may be affected by changes in public procurement rules. As 4C Strategies operates globally and in relation to government and public bodies in several different countries, this places high demands on either internal or external expertise in public procurement in several different markets. In this regard, there is a risk that the costs of winning contracts and acquiring new customers, or retaining existing ones, will be high and that procedural errors may be committed that result in the annulment of the contract or otherwise being challenged by competitors of the Company. Swedish procurement legislation is mainly based on the EU *acquis* and public procurement rules are based on the principles of non-discrimination, equal treatment, proportionality and transparency. The rigorous rules governing public procurement include the requirement to re-tender contracts when they expire and the possibility of review of awarded contracts in the event of alleged or actual procedural errors, which may mean that the procurement has to be re-tendered as an alternative to rectification. In certain circumstances, contracts already concluded can also be annulled. Such events, in addition to incurring costs including fees to advisors and requiring time resources, may result in the initiation of new procurement procedures and the loss of contracts already awarded to 4C Strategies. If any of these risks materialise, this could have an adverse effect on 4C Strategies' business and results of operations.

4C Strategies must continuously monitor changes in the world around it in order to adapt its service offerings to the needs

As 4C Strategies helps its customers solve complex needs in mission-critical environments, the Company needs to constantly monitor changes in the world around it, including political, security, global and local conflicts, wars or other civil disruptions. The Company's customers include several defence forces in Sweden, Norway, Switzerland, the UK and the US, as well as NATO on the Secret Level. 4C Strategies' customers expect the Company to have insights and knowledge about events in the world and how these agencies can respond to them. If the Company fails to keep abreast of changes in the world or misjudges the impact of those changes, there is a risk that the Company will not be able to deliver the expert services or service offering requested or will not adapt its Exonaut® platform or service offering to new world events and customer requirements in a timely manner. If this risk materialises, 4C Strategies' service offering may be considered less attractive than those of competitors and may result in customer churn and reduced revenues, thereby affecting the Company's profitability and results. It could also have an adverse impact on the Company's reputation within the industry and among both current and prospective customers.

4C Strategies must continuously evaluate its product and service offerings and adapt to technological developments

4C Strategies' operations and revenues are divided into software revenues, revenues from software-related services and revenues from expert services. 4C Strategies relies on access to leading-edge and innovative technologies to successfully develop competitive products and service offerings for its customers. The Company has developed Exonaut® software, which is a platform that can be tailored to the customer's needs and includes tools for risk management, incident reporting and crisis management, governance and control, training, and compliance, among others. As society in general digitises, new risks, and thus new needs, arise for virtually all industries, including with respect to product and service offerings similar to the Company's. 4C Strategies believes that continued technological development will require the Company to be able to continually deliver valuable updates to Exonaut®. It is therefore necessary for 4C Strategies to continue to evaluate its product and service offerings and adapt them to customer preferences, environmental considerations and technological developments generally. This may prove difficult if the technology desired by the customer is not available to the Company on reasonable terms or at all within the Company's platform, or if the Company is unable to develop its product and service offering on its own to match the needs/requirements of the customers at the time. Furthermore, there is a risk that new versions of Exonaut® may contain technical errors or bugs that may result in the service not functioning properly. This may affect customer confidence in the Company's services and have an adverse impact on the Company's reputation. Steps taken by the Company to develop its technology may involve significant investment and there is no guarantee that such investment will be successful. Failure of 4C Strategies to keep pace with technological developments in the industry or failure to invest in development projects could have a significant adverse impact on the Group's prospects.

Risks related to 4C Strategies employees

As of 31 December 2021, 4C Strategies had 179 full-time equivalents (FTEs) across seven offices in Stockholm, Malmö, Lillehammer, London, Warminster, Washington D.C. and Orlando. In 2021, on average, 23% were women and 77% were men. The Company has key personnel who have expertise in niche areas deemed most vital by the Company's customers. Furthermore, the Company has key personnel working on the development of the Company's IT structure and the Exonaut® platform. 4C Strategies' employees are the Company's most important asset and in order to continue to grow, 4C Strategies depends on retaining, developing and recruiting qualified employees. It is therefore of great importance that the Company is perceived as an attractive place to work, offering competitive working conditions and an attractive working environment. There is a risk that the Company will fail to retain or recruit qualified personnel. Such a situation would present short-term challenges in replacing the skills of the employees that have left and, in the longer term, could result in a loss of revenue and difficulties in completing ongoing assignments if the Company's customers lose confidence in the Company's employees. In the event that key personnel leave and cannot be replaced, this could have a negative impact on the business.

Risks related to damage to the Company's facilities

The servers through which the Company offers its services are located in two separate server halls in Sweden. As the Company is dependent on the availability and functionality of the servers, the Company is exposed to the risk of damage to these premises and the servers therein. Damage in this regard may occur as a result of, for example, fire, sabotage or accidents. Should damage occur, depending on the extent of the damage, it could have material adverse consequences for the Company, including (but not limited to): prolonged downtime, materially limited ability to perform contractual obligations to customers, and large claims for damages. Each of these risks could result in significant losses to the Company and damage the Company's reputation and could have a material adverse impact on the Company's business and reputation.

The Company's growth risks challenging its resources

The Company's growth strategy is primarily based on organic growth to increase the Company's market share in existing and new markets. The implementation of the Company's growth strategy exposes the Group's management, administration, IT systems and operational and financial infrastructure to challenges. The Company has experienced that certain parts of the organisation have from time to time been heavily strained. This has led to short-term challenges in terms of delivering to the desired extent. The Company's organic growth has placed and will continue to place demands on the Company's management and its operational and financial infrastructure. Investments in the business, including the establishment of procedures and processes, will require the Company to commit both financial and human resources (including from the Company's management). Continued growth may also limit the Company's ability to attract, train, motivate and retain employees, and develop and improve the Company's operational, management and financial controls. In order to reach new customers, and to increase sales to existing customers, the Company may need to modify and optimise its service and product offerings, change the manner in which sales and marketing efforts are conducted or take other actions intended to increase customer engagement and revenue. In order to take the above actions, the

Company may need to allocate significant management time and resources. The Company's failure to effectively manage an increase in the size of its business and the complexities of future growth could have an adverse impact on the Company's growth plans, operations and results of operations and could result in the Company failing to achieve, in whole or in part, its financial objectives.

Risks related to sales to private operators

The Company's corporate sector customers accounted for 12.3% of the Group's net sales in fiscal year 2021. Thus, the Group is to some extent dependent on a healthy and stable general economy, as the opposite situation often means that a reduction in the purchasing power of private operators. For example, adverse changes in general economic conditions both in Sweden and globally, such as periods of slower growth or recession, inflation or deflation, general market weakness and changes in the purchasing power of companies and consumers, in general, may affect demand for the range of products and services provided by the Group. Should this risk materialise, it could have an adverse effect on demand for the Group's product and service offerings, and therefore on the Group's profits.

Legal and regulatory risks

4C Strategies is subject to risks related to intellectual property rights

4C Strategies protects its intellectual property through a combination of trademarks, domain names and copyrights. The Company engages in the sale of either time-limited or perpetual licences of its Exonaut® software that are operated/hosted by the customer or 4C Strategies. 4C Strategies continuously develop its Exonaut® software to which the source code is subject to copyright protection (Sw. *upphovsrätt*). The scope of copyright protection is subject to limitations and is not visible to third parties through public records. There is a risk that third parties may infringe or misappropriate 4C Strategies' intellectual property rights. This may occur, for example, through consultants, third-party vendors, former or current employees violating their obligations of confidentiality and restrictions on use with respect to the Company's intellectual property. Furthermore, intellectual property laws in Sweden and other jurisdictions may provide differing and limited protection, make it difficult for 4C Strategies to obtain or maintain a competitive advantage, or prevent 4C Strategies' competitors from copying 4C Strategies' products and services or gaining access to 4C Strategies' proprietary information and technology. In addition, external parties may attempt to challenge, invalidate, circumvent or prevent enforcement of any of 4C Strategies' intellectual property rights. Such claims, whether or not they have any legal merit, could require 4C Strategies to spend significant amounts on litigation, which could result in damages or settlement costs, and require the Company to acquire licences to third parties' intellectual property in order to continue to provide its product and service offerings to the Company's customers. There is a risk that licences of this type will not be made available to the Company or will only be made available to the Company at significant cost. Litigation of this nature may also distract management's attention from the business of 4C Strategies. In the event that one or more of these risks materialises, it could have a significant adverse impact on 4C Strategies' results and prospects.

Risks related to personal data

In the course of 4C Strategies' business, the Company manages personal data relating primarily to the Company's customers and employees and the processing of personal data is governed by various personal data laws in the various jurisdictions in which the Company operates, such as Regulation (EU) 2016/679 of the European Parliament and of the Council ("GDPR") within the EU. Among other factors, the GDPR imposes requirements on how 4C Strategies identifies, evaluates and stores the data of natural persons. In addition, the GDPR imposes requirements on personal data processing principles. The costs of complying with various regulations on personal data management are increasing, and are also placing increasing demands on companies to ensure that they have adequate routines and processes for data protection, data transfer and information security. Additionally, the laws and regulations relating to the processing of personal data are under constant development, and new laws, regulations and decisions from authorities may with short notice place additional requirements on the Company's organisation and processing of personal data. Such developments may also mean that what was formerly regarded as lawful processing of personal data, may be seen as unlawful processing. Competent authorities may also take different views on such processing activities, which may also conflict over different jurisdictions. An example in this context is the European Court of Justice ruling of 16 July 2020 in "Data Protection Commissioner v. Facebook Ireland Limited and Maximillian Schrems", which invalidated the EU and US Privacy Shield framework for data transfers to the US and increased the legal requirements imposed on data exporters when transferring personal data to non-EU countries, which were deemed to have an inadequate data protection level compared to the standards imposed in the European Economic Area.

There is a risk that the Company processes, or has in the past processed, personal data incorrectly, and security breaches or deficient routines may result in data leaks that could lead to the dissemination of personal data. Unauthorized access or disclosure of personal data may also result from cybersecurity breaches due to human error, external hacking, malicious software, internal security breaches and similar incidents beyond the Company's control. Any non-compliance could lead to potentially significant regulatory investigations and/or actions, litigation, fines, sanctions and damage to the Group's reputation. For example, a breach of the GDPR could result in financial penalties of up to EUR 20 million, or 4% of the Company's turnover, whichever is higher. If this were to occur, it could have a material adverse impact on 4C Strategies' business, reputation, results and financial condition.

Financial risks

Risks related to future capital requirements

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

Although the Company has historically been able to finance its operations with internally generated funds, in the future the Company may need to seek additional funding to intensify development projects and

marketing efforts. The availability of capital in the capital and credit markets depends, among other factors, on the general state of the financial markets, the Company's creditworthiness and its ability to increase its indebtedness. Therefore, depending on the circumstances in which additional capital is sought, the Company may be required to accept financing on less favourable terms than those available as at the date of the Prospectus. In addition, market disruptions or uncertainties in the external environment may limit the availability of the capital required to operate the business. There is a risk that the Company may not be able to access additional capital when needed or that available capital may only be obtainable on unfavourable terms. If these risks materialise, this could have an adverse impact on the Company's business, results of operations, financial condition and prospects.

Risks related to exchange rate fluctuations

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

For 4C Strategies' transactions, exposures arise mainly in GBP, USD and EUR as primarily sales bases and some other cost bases are denominated in those currencies. Of all incoming cash flows in 2021, GBP and USD accounted for the vast majority. For this reason, there is a risk that unfavourable changes in foreign exchange rates could impact the Group's revenues, which could adversely affect 4C Strategies' margins and operating income. The Company does not hedge estimated cash flows denominated in foreign currencies, which could increase the risk that any major currency fluctuations could adversely affect the operating income (EBIT).

A change of USD, GBP and EUR of +/- ten (10)% against SEK in the financial year 2021 would have had an effect on profit before tax of +/- SEK 8,233 thousand, SEK 2,441 thousand, and SEK 333 thousand, respectively. The sensitivity analysis is based on the assumption that all other factors, such as interest rates, remain unchanged. Translation risk arises from the translation of net assets of foreign subsidiaries into the reporting currency SEK. The Group is affected by the translation of the income statements and balance sheets of foreign subsidiaries into SEK.

4C Strategies is exposed to tax risks

4C Strategies operates in several countries and the tax strategies applied by the Group are based on interpretations of current tax legislation in the various countries where the Company operates, including with respect to corporate income tax, VAT, classification of various intra-group and other transactions, employer's contributions and similar taxes and duties. If the Group's interpretation or application of tax laws, tax treaties or other tax regulations proves to be incorrect, or if applicable tax laws, tax treaties, regulations or interpretations by authorities, or practices in relation thereto change, including with retroactive effect, the Group's past and current tax position may be subject to reassessment by tax authorities. There is

a risk that a reallocation of income will be required, meaning that as taxable income increases in one country of operation, a corresponding decrease will occur in the other country of operation. The overall tax burden may increase if it is allocated to a country with a higher tax rate. A reallocation may therefore affect the Group's global effective tax rate and impact the Group's financial position and results of operations. Furthermore, if a tax authority were to consider that the Group has made incorrect allocations of profits between countries, resulting in incorrect tax losses, or if intra-group transactions have not taken place at arm's length, this could lead to litigation or arbitration proceedings. If a tax authority were to prevail in such reassessments or disputes, an increased tax cost could be incurred, including fees, interest costs and tax penalties.

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

Risks related to the Company's shares and the Offering

Risk of an illiquid market and volatile prices

4C Strategies' shares have not previously been traded on a market-place. It is therefore difficult to predict the level of trading and the interest that will be shown in the shares. The price at which the shares trade and the price at which investors may complete their investment will be affected by a number of factors, some of which are specific to 4C Strategies and its business while others are common to listed companies and are beyond the Company's control. The listing and admission to trading of 4C Strategies' shares on the Nasdaq First North Premier Growth Market should not be construed as implying that there will be a liquid market for the shares. There is a risk that the price of the shares will be highly volatile in connection with the admission to trading. If active and liquid trading does not develop or remains unsustainable, this may result in difficulties for shareholders to dispose of shares and the market price may differ significantly from the price of the shares in the Offering.

The interests of the Company's main shareholders may differ from those of minority shareholders

Priveq Investment (through Priveq Investment V(A) AB and Priveq Investment V(B) AB) and Andreas Hedskog (through Hedskog Equity AB and HAEVE AB) are 4C Strategies' largest shareholders as per the day of the Prospectus. After the Offering it is expected that Priveq Investment will control approximately 21.9% of the shares and votes in the Company and that Andreas Hedskog will control approximately 11.5% of the shares and votes in the Company (in both cases assuming full exercise of the Overallotment Option). The Principal Owners and other shareholders with larger shareholdings are able, through their shareholdings, to exercise significant influence on matters requiring shareholder approval at a general meeting. This includes the appointment and removal of directors, decisions on dividends, decisions on new share issues, amendments to the articles of association and other important matters. The interests of these shareholders may differ significantly from, or conflict with, the interests of the Company or other shareholders, and the largest shareholders could exercise influence over the Company in a way that does not best promote the interests of the other shareholders.

Risks related to future sales of major shareholdings

The price of the Company's share on the Nasdaq First North Premier Growth Market may be significantly affected by the sale of large blocks of stock, particularly by directors, officers and major shareholders. Shareholders of the Company, who collectively hold approximately 52.2% of the outstanding shares and votes of the Company following the Offering (assuming it is completed and the Overallotment Option is exercised in full), have committed through lock-up undertakings not to sell their respective holdings for a certain period from the first day of trading on the Nasdaq First North Premier Growth Market. However, during the lock-up period, the Joint Bookrunners may decide to grant an exemption from the selling restrictions. Once this restriction period has expired, the concerned shareholders will be free to sell their shares, unless there are other legal or contractual obstacles. Future sales of large shareholdings and disposals by major shareholders, directors and/or senior executives may have an adverse impact on the Company's share price.

Commitments from Cornerstone investors are not secured

The Fourth Swedish National Pension Fund, Livförsäkringsbolaget Skandia, ömsesidigt, Skandia Fonder AB, Carnegie Fonder, Grenspecialisten, LMK Venture Partners AB, Neptunia Invest, Tibia Konsult AB and a consortium of Erik Syrén, Martin Bjäringer, Tedde Jeansson and Carl Rosvall ("**Cornerstone Investors**") have undertaken to acquire shares in the Offering corresponding in total to 335 million. Subject to the Offering being fully subscribed, the commitments comprise 9,571,424 shares, corresponding to 64.4% of the total number of shares in the Offering. However, the commitments of the Cornerstone Investors are not secured by bank guarantee, escrow, pledge or similar arrangements, and there is therefore a risk that the Cornerstone Investors will not honour their commitments. Furthermore, the commitments of the Cornerstone Investors are subject to conditions. In the event that any of these conditions are not met, there is a risk that the Cornerstone Investors will not honour their commitments, which could have a material adverse effect on the completion of the Offering.

Invitation to acquire shares in 4C Group AB

The general public in Sweden and institutional investors in Sweden and abroad are hereby invited, in accordance with the terms of the Prospectus, to acquire a maximum of 12,926,112 shares in the Company, of which the Company offers a maximum of 2,857,142 newly issued shares and the Selling Shareholders offer a maximum of 10,068,970 already issued shares. The price per share in the Offering is SEK 35. In determining the offering price, discussions with the Cornerstone Investors and certain other institutional investors have been considered, as well as a comparison of the market price of other comparable listed companies, current market conditions and estimates of the Company's business opportunities and prospects and the risks associated therewith. The reasons for the Offering and the listing of the Company's shares on Nasdaq First North Premier Growth Market are set out in the section "*Background and rationale*" below.

The new share issue in the Offering is expected to raise gross proceeds of approximately SEK 100 million. After deduction of the Company's costs related to the Offering, which are estimated to amount to SEK 16.5 million¹, the Company is expected to raise net proceeds of SEK 83.5 million. Following completion of the Offering, the Company's share capital will amount to a maximum of SEK 593,585 divided amongst a maximum of 33,919,142 shares. The Company will not receive any proceeds from the sale of the Selling Shareholders' shares in the Offering.

In order to cover any over-allotment in the Offering, Priveq Investment V (A) AB and Priveq Investment V (B) AB intends to provide an over-allotment option to the Joint Bookrunners to offer in aggregate a maximum of 1,938,916 additional shares, corresponding to a maximum of 15% of the total number of shares in the Offering (the "**Over-allotment Option**"). The Over-allotment Option may be exercised, in whole or in part, for a period of 30 days from the first day of trading in the Company's shares on Nasdaq First North Premier Growth Market. The Over-allotment Option may only be exercised for the purpose of covering any over-allotment in the Offering or short positions.

Assuming full exercise of the Over-allotment Option, the Offering will comprise 14,865,028 shares, corresponding to approximately 43.8% of the total number of shares and votes in the Company after completion of the Offering. The total value of the Offering amounts to approximately SEK 452 million and approximately SEK 520 million if the Over-allotment Option is exercised in full.

The Fourth Swedish National Pension Fund, Livförsäkringsbolaget Skandia, ömsesidigt, Skandia Fonder AB, Carnegie Fonder, Grenspecialisten, LMK Venture Partners AB, Neptunia Invest, Tibia Konsult AB and a consortium of Erik Syrén, Martin Bjäringer, Tedde Jeansson and Carl Rosvall (the "**Cornerstone Investors**") have, subject to certain conditions, agreed to acquire shares in the Offering for a total amount of up to SEK 335 million. The Cornerstone Investors will be given priority in the allocation of shares in the Offering and will receive full allocation in accordance with their respective commitments. The commitments do not include an entitlement to any remuneration or other compensation. For more information on these commitments, see the section "*Legal considerations and supplementary information - Commitments by Cornerstone Investors in the Offering*".

*For further information, refer to the Prospectus in its entirety, which has been prepared by the board of directors of the Company in connection with the Offering. The board of directors of the Company is responsible for the contents of the Prospectus. To the best of the board of director's knowledge, the information contained in the Prospectus is in accordance with the facts and no statement likely to affect the import of the Prospectus has been omitted. The Selling Shareholders confirm their agreement to be bound by the terms and conditions of the Offering as set out in the section "*Terms and conditions*".*

16 May 2022
4C Group AB
 Board of directors

¹) SEK 8.5 million of the Company's costs of SEK 16.5 million have been charged against earnings up until 31 March 2022.

Background and rationale

4C Strategies was founded in 2000 and is a leading global provider of software solutions and expert services for organisational readiness, training, and crisis management with a unique¹ offering on the market. Through its Exonaut® software platform, 4C Strategies offers a complete platform for building organisational readiness. Exonaut® enables effective, secure and seamless management of incidents, crises, risks and compliance assurance. Exonaut® also supports the sustainment and continuity of operations affected by disruptions and crises and provides a software solution for both military and civilian customers in training management and capability development. In addition to Exonaut®, the Company also provides software-related services and expert services. The Company provides its solutions primarily to customers in mission-critical environments such as defence forces, public organisations and companies in the corporate sector that have a need to manage risk and training for sudden and critical events. Common among 4C Strategies' customers is the need for high security. The Company's Exonaut® software platform is accredited by NATO on the Secret Level and Cyber Essentials Plus², among others, which creates a high level of credibility for the Company's software solutions. 4C Strategies has a global presence with headquarters in Stockholm, users in over 100 countries and seven offices globally in Stockholm, Malmö, London, Lillehammer, Warminster, Orlando and Washington D.C. During the financial year 2021, 70% of net sales were generated outside the Nordics.

In recent years, 4C Strategies has expanded into new regions and new customer groups. This expansion has resulted in increased growth, with the Company's net sales increasing from SEK 178,605 thousand in 2019 to SEK 261,238 thousand in 2021, corresponding to a CAGR of 20.9%. This growth has been largely driven by a higher share of software revenues, which represented 46.5% of total net sales in 2019 and 61.1% in 2021. Owing to 4C Strategies' scalable business model, the adjusted EBIT margin has increased from 5.0% to 19.0% during the period 2019 to 2021. 4C Strategies' assessment is that the ongoing digitisation trend, i.e. the shift from analogue solutions to software, combined with global trends such as increasing volatility, uncertainty, complexity and ambiguity ("**VUCA**")³, is expected to drive growth both in the market and for the Company.

The board of directors of 4C Strategies and the Principal Owners believe that a listing of the Company's shares on Nasdaq First North Premier Growth Market represents an important step in the Company's development. The board of directors believes that a listing on Nasdaq First North Premier Growth Market will increase awareness of 4C Strategies' business and benefit 4C Strategies' future potential by enhancing the Company's profile and brand to investors, partners and customers, as well as increasing its ability to attract and retain qualified employees and key management personnel. The Offering and listing will also provide 4C Strategies with access to Swedish and international capital markets and broaden its long-term shareholder base. In addition, the Offering will enable the Selling Shareholders to sell part of their current shareholding and create a more liquid market for the shares.

The Offering includes the sale of both existing and new shares. The Offering is expected to raise approximately SEK 100 million for 4C Strategies before deducting costs related to the Offering amounting to approximately SEK 16.5 million⁴. 4C Strategies intends to use the net proceeds from the Offering of SEK 83.5 million primarily to fund the following activities in the following order of priority:

- » Expansion into new markets and customers (approximately 70-80%); and
- » Research and development of 4C Strategies' Exonaut® software platform (approximately 20-30%).

The Company will not receive any proceeds from the sale of existing shares by Selling Shareholders.

16 May 2022
4C Group AB
 Board of directors

1) Source: The Market Study. Defined as having the broadest offering of comparable companies in the market for organisational readiness and training in the defence, public and corporate sectors.

2) Cyber Essentials is a certification scheme designed to show that an organisation has a minimum level of protection in cyber security through annual assessments to maintain certification.

3) VUCA (is a term used to describe a number of challenges that individuals, groups and organisations need to address. The acronym stands for "Volatility, Uncertainty, Complexity and Ambiguity".

4) SEK 8.5 million of the Company's costs of SEK 16.5 million have been charged against earnings up until 31 March 2022.

Terms and conditions

The Offering

The Offering comprises a maximum of 12,926,112 shares, of which the Company is offering a maximum of 2,857,142 newly issued shares and the Selling Shareholders are offering a maximum of 10,068,970 existing shares. Assuming that the Offering is completed, the Company will receive net proceeds of approximately SEK 100 million before deduction of costs relating to the Offering. The Offering is divided into two parts:

- » the offering to the general public in Sweden.¹
- » the offering to institutional investors in Sweden and abroad.²

The ISIN code for the Company's share is SE0017936891. The outcome of the Offering is expected to be announced through a press release, which will be available on the Company's website, investors.4cstrategies.com, on or about 24 May 2022.

Overallotment Option

To cover any over-allotment in the Offering, Priveq Investment V (A) AB and Priveq Investment V (B) AB intends to provide an Overallotment Option to the Joint Bookrunners to offer not more than 1,938,916 additional shares, corresponding to a maximum of 15% of the total number of shares in the Offering (the "**Overallotment Option**"). The Overallotment Option may be exercised, in whole or in part, for a period of 30 days from the first day of trading in the Company's shares on the Nasdaq First North Premier Growth Market. The Overallotment Option may only be exercised to cover any over-allotment in the Offering or short positions.

Provided that the Offering is completed and that the Overallotment Option is exercised in full, the Offering will comprise a maximum of 14,865,028 shares, representing 43.8% of the shares and votes in the Company following the completion of the Offering.

Allotment of shares

The allotment of shares between each part of the Offering will be based on demand. The allotment will be determined by the Company's board of directors and the Principal Owners in consultation with the Joint Bookrunners.

Offering price

The price per share in the Offering is SEK 35. In determining the offering price, discussions with the Cornerstone Investors and certain other institutional investors have been considered, as well as a comparison of the market price of other comparable listed companies, current market conditions and estimates of the Company's business opportunities and prospects and the risks associated therewith. No commission will be payable.

Application

The offering to the general public in Sweden

Applications for acquisition of shares within the offer to the general public in Sweden may be made during the period 17 May up to and including 23 May 2022 and relate to a minimum of 200 shares and a maximum of 28,000 shares in even lots of 50 shares each. Only one application per investor may be made. If several applications are made, the right is reserved to consider only the first one received.

The application is binding. The Company and the Principal Owners, in consultation with the Joint Bookrunners, reserve the right to extend the application period. Notification of such extension will be provided through a press release. The Prospectus is available on the Company's web page (investors.4cstrategies.com) and ABGSC's web page (www.abgsc.se).

Application via Nordnet

Nordnet clients in Sweden can apply through Nordnets webservice. Application to acquire shares is made via Nordnet's webservice and can be submitted from 17 May 2022 up to and including 15:00 p.m. on 23 May 2022. To ensure that they do not lose their right to any allotment, Nordnet customers must have sufficient funds available in their account from 23:59 p.m. on 23 May 2022 until the settlement date, which is expected to be 27 May 2022. Full details of how to become a Nordnet customer and the application procedure via Nordnet are available on www.nordnet.se. For customers that have an investment savings account at the Company, should an application result in allotment, Nordnet will purchase the equivalent number of shares to the Offering and resell the shares to the customer at a price corresponding to the Offering Price.

The offering to institutional investors

Applications for acquisition of shares within the offer to institutional investors may be made during the period 17 May 2022 up to and including 23 May 2022. The board of directors of the Company and the Principal Owners in consultation with the Joint Bookrunners reserve the right to discontinue or extend the application period of the Offering to institutional investors. Notification of such potential early discontinuation or extension will be provided through a press release. Notification shall be made to the Joint Bookrunners in accordance with specific instructions.

Employees within 4C Strategies

Employees within 4C Strategies who wish to acquire shares in the Offering must follow special instructions from the Company.

Important information about LEI and NPID

According to the Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments ("**MiFID II**") all investors need a global identification code to be able to carry out securities transactions as of 3 January 2018. These requirements call for all legal entities to apply for registration of a LEI-code ("**Legal Entity Identifier**"), and all physical persons to learn their NPID-number (National Personal ID or National Client Identifier), in order to be able to acquire shares in the Offering. Observe that it is the investor's legal status that determines whether a LEI-code or NPID-number is required, and that the Joint Bookrunners may not be able to execute the transaction for the person in question if a LEI-code or NPID-number (as applicable) is not presented. Legal entities needing to acquire a LEI-code can turn to any of the suppliers available on the market. Instructions regarding the global LEI-system can be found on www.gleif.org/en/about-lei/how-to-get-anlei-find-lei-issuing-organisations. For physical persons with only a Swedish citizenship, the NPID-number is "SE" followed by the personal identity number. If the person in question has multiple citizenships or another citizenship than Swedish, the NPID-number can be any other type of number. Those intending to apply to acquire shares in the Offering are encouraged to apply for registration of a LEI-code (legal entities) or learn their NPID-number (physical persons) as early as possible as this information needs to be stated in the application.

¹ The "public" refers to individuals and legal entities in Sweden that apply to acquire a maximum of 28,000 shares.

² "Institutional investors" includes individuals and legal entities that apply to acquire more than 28,000 shares.

Allotment

Decision on allotment of shares in the Offering will be made by the board of directors of the Company and the Principal Owners in consultation with the Joint Bookrunners, with the objective of achieving a good institutional ownership base and a broad distribution of the shares among the general public to enable regular and liquid trading of the Company's shares on the Nasdaq First North Premier Growth Market. The allotment is not dependent on the time of the notification during the notification period. In the event of oversubscription, allotment may not take place or may take place with a lower number of shares than the notification refers to, in which case allotment may take place in whole or in part by random selection. In addition, related parties of the Company and certain clients of the Joint Bookrunners and Nordnet may be specifically considered for allotment. Allocation may also be made to employees of the Joint Bookrunners and Nordnet, but without priority. In such cases, allocation will be made in accordance with the rules of the Swedish Securities Market Association and the regulations of the Swedish Financial Supervisory Authority. Cornerstone Investors are guaranteed full allocation in accordance with their respective commitments.

Information regarding allotment and payment

Notification of the allotment is expected to be made on or about 24 May 2022. As soon as possible thereafter, a settlement note will be sent to the allottees of the Offering. Full payment for allocated shares must be made in cash no later than the settlement date on 27 May 2022. If full payment is not made in a timely manner, allocated shares may be allotted and transferred to another party. The initial allottee of shares in the Offering may be liable for the difference if the price of such transfer is less than the Offering Price.

The offering to the general public in Sweden

Notice of allocation and payment for customers of Nordnet

Clients who have applied through Nordnet's web service will receive information about allotment by the allotted number of shares being booked against payment of funds in the specific account, which is expected to occur on or about 09:00 CEST 24 May 2022. For clients of Nordnet, liquidity for allocated shares will be drawn at the latest on the settlement date on 27 May 2022. Note that funds for payment of allotted shares shall be available from 23:59 on 23 May 2022 up to and including the settlement date on 27 May 2022.

The offering to institutional investors

Institutional investors are expected to receive notification of allocation from the Joint Bookrunners in a specific order around 24 May 2022, whereupon contract notes will be distributed. Full payment for allocated shares shall be made in cash as instructed in the settlement note and against delivery of allocated shares by 27 May 2022. If full payment is not made within the prescribed time, allocated shares may be transferred to another person. Should the sale price in such a transfer be less than the Offering Price, the person who originally received the allotment of such shares may be liable for the difference.

Employees within 4C Strategies

Employees of 4C Strategies may be considered separately during the allocation. Any priority allocation to employees, if made, will be for shares with a value of up to SEK 30,000 per employee.

Registration and recognition of allotted and paid shares

Registration of allotted and paid shares with Euroclear Sweden AB ("**Euroclear Sweden**") is, for both institutional investors and the general public in Sweden, expected to take place on or about 27 May 2022, after which Euroclear Sweden will distribute notices stating the number of shares in the Company that have been registered in the receiver's securities account. Notification to shareholders whose holdings are nominee-registered will take place in accordance with the practices of the respective nominee.

Registration of the new share issue with the Swedish companies Registration Office

The new share issue in the Offering is estimated to be registered with the Swedish Companies Registration Office on 25 May 2022. The date is preliminary and may be subject to change.

Listing on Nasdaq First North Premier Growth Market

The board of directors of the Company has decided to apply for the listing of the Company's shares on Nasdaq First North Premier Growth Market, which is a registered growth market for small and medium-sized enterprises in accordance with MiFID II. On 9 May 2022, Nasdaq Stockholm AB decided that the Company meets Nasdaq First North Premier Growth Market's listing requirements. Nasdaq Stockholm will approve an application for admission of the Company's shares to trading on the Nasdaq First North Premier Growth Market subject to certain conditions, including that the Company submits such an application and that the distribution requirement for its shares is met. The expected date of commencement of trading is 24 May 2022. In addition, the Offering is subject to certain conditions. Given that trading on Nasdaq First North Premier Growth Market will commence before these conditions have been satisfied, trading in the Company's shares on Nasdaq First North Premier Growth Market until the settlement date on 27 May 2022 will be conditional on completion of the Offering. If the Offering is not completed, any shares delivered will be returned and any payments will be returned. Trading taking place on 24 May 2022 is expected to occur with delivery and settlement on 27 May 2022. For further information, see "*Terms and conditions for completion of the Offering*" and "*Important information about the sale of allotted shares*". The short name (ticker) on the Nasdaq First North Premier Growth Market for the Company's shares will be 4C.

Stabilisation

For information on stabilisation in connection with the Offering, please refer to the section "*Legal considerations and supplementary information - Stabilisation measures*".

Announcement of the outcome of the Offering

The final outcome of the Offering will be announced through a press release on or about 24 May 2022. The press release will be available on the Company's web page investors.4cstrategies.com.

Right to dividend

The shares carry a right to dividend for the first time on the record date for dividend occurring immediately after the completion of the Offering. Decisions regarding the distribution of dividend are proposed by the board of directors and resolved by the general meeting. Dividend payments are administered by Euroclear Sweden or, for nominee-registered shareholdings, in accordance with the procedures of the individual nominee. Entitlement to dividends shall accrue to persons registered as owners in the share register maintained by Euroclear Sweden on the record date determined by the general meeting. For information see also section "Share capital and ownership structure – Dividend policy".

Terms and conditions for completion of the Offering

The Offering is conditional upon that the Company, the Principal Owners, certain Selling Shareholders and the Joint Bookrunners enters into a placing agreement (the "**Placing Agreement**"), which is expected to take place on or around 23 May 2022. The Offering is further conditional upon the interest in the Offering as determined by the Joint Bookrunners being sufficiently high for trading in the shares, certain conditions in the Placement Agreement being satisfied and the Placement Agreement not being terminated. The Placing Agreement provides that the Joint Bookrunners obligations to procure purchasers for the shares covered by the Offering are conditional upon, among other things, the accuracy of the warranties given by the Company and the absence of events that have such a material adverse effect on the Company that it is inappropriate to proceed with the Offering. Joint Bookrunners may, subject to certain conditions, terminate the Placing Agreement until the settlement date on 27 May 2022 if any material adverse events occur, if the warranties provided by the Company to Joint Bookrunners prove to be incorrect or if any of the other conditions under the Placing Agreement are not fulfilled. If the Placing Agreement is terminated, the Offering will be terminated. In such event, neither delivery of nor payment for shares will be made under the Offering. Pursuant to the Placing Agreement, the Company will, subject to certain conditions, undertake to indemnify the Joint Bookrunners for certain claims. For more information on the Placing Agreement, please see section "Legal considerations and supplementary information - Placing Agreement".

Important information about the sale of allotted shares

Notifications about allotment of shares is expected to be distributed on or about 24 May 2022. After payment for the allocated shares have been processed by the Joint Bookrunners, the duly paid shares will be transferred to the securities depository account or the securities account specified by the acquirer. The time required for the transfer of payment and the transfer of paid shares to the acquirers of shares in the Company means that these acquirers will not have the acquired shares available in the designated securities account or securities depository account until 27 May 2022 at the earliest. Trading in

4C Strategies' shares on the Nasdaq First North Premier Growth Market is expected to commence on 24 May 2022. Please note that the fact that shares are not available in the acquirer's securities depository account or securities account may mean that the acquirer will not be able to sell these shares on the Nasdaq First North Premier Growth Market from the date on which trading in the shares commences, but only when the shares are available in the securities depository account or securities account.

Miscellaneous information regarding the Offering

Information to investors

The fact that ABGSC and Berenberg are the Joint Bookrunners does not necessarily imply that the respective bank considers the applicant in the Offering (the "**Investor**") as a client of the bank. The Investor will only be considered a client of the bank for the purposes of the relevant investment if the bank has advised the Investor on the investment or has otherwise contacted the Investor individually regarding the investment or if the Investor has applied through the bank's branch office. The consequence of the respective bank not viewing an Investor of the Offering as a client is that the rules regarding protection of investors under the Swedish Securities Markets Act (Sw. lagen (2007:528) om värdepappersmarknaden) will not be applied to the investment. This means, among other things, that neither so-called client categorisation nor so-called suitability assessment will take place in relation to the investment. The Investor is thus solely responsible for having sufficient experience and knowledge to understand the risks involved with the investment.

Information about the processing of personal data – Joint Bookrunners

Anyone acquiring shares in the Offering will provide information to Joint Bookrunners. Personal data will be processed in data systems to the extent required to provide services and administer customer arrangements. Personal data obtained from sources other than the customer may also be processed. Personal data may also be processed in the data systems of companies or organisations with which the Joint Bookrunners cooperates. Information pertaining to the treatment of personal data is provided by Joint Bookrunners, which also accept requests for the correction of personal data. Address details may be obtained by Joint Bookrunners through an automatic procedure executed by Euroclear Sweden.

Information about the processing of personal data – Nordnet

In connection with acquiring shares in the Offering through Nordnet's online service personal data may be submitted to Nordnet. Personal Data submitted to Nordnet will be processed and stored in data systems to the extent required to provide services and administer customer arrangements. Personal data obtained from other than the customer in question may also be processed. The personal data may also be processed in the data systems of companies or organisations with which Nordnet cooperates. All relevant personal data will be deleted when the customer relationship ends, in accordance with applicable law. Information on processing of personal data is provided by Nordnet, which also accepts requests for correction of personal data. For further information on how Nordnet processes and stores personal data, please contact Nordnet's customer service, email: info@nordnet.se.

Information to distributors

With reference to the product governance requirements in: (a) EU Directive 2014/65/EU on markets in financial instruments, MiFID II, (b) Articles 9 and 10 in the Commission Delegated Directive 2017/593/EU of 7 April 2016 supplementing MiFID II, and (c) Chapter 5 of the SFSA's regulations regarding investment services and activities, FFS 2017:2, (together the **"Product governance requirements of MiFID II"**), and without liability for damages that may otherwise rest with a "producer" in accordance with the Product governance requirements of MiFID II, shares in 4C Group have been subject to a product approval process, where the target market for the shares in the Company are (i) non-professional investors and (ii) investors who fulfil the requirements of a professional investor and eligible counterparty, each a **"Target market"** pursuant to MiFID II. Notwithstanding the Target market assessment the distributors shall note that: the value of the shares in 4C Strategies may decrease and it is not guaranteed that an investor will get whole or a part of the invested amount in return; shares in 4C Strategies does not offer a guaranteed income or a capital protection; and an investment in shares in 4C Strategies is only suitable for an investor who does not need a guaranteed income or a capital protection who (alone or together with a suitable financial or other advisor) are capable of evaluating the benefits and the risks with such an investment and who has sufficient financial means to bear such losses that may arise therefore. The Target market assessment does not affect the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering. The Target market assessment shall not be considered as (a) a suitability assessment pursuant to MiFID II; or (b) a recommendation to any investor or group of investors to invest in, acquire, or take any other action regarding shares in 4C Strategies. Each individual distributor is responsible for their own Target market assessment in respect of the shares in 4C Strategies and determining appropriate distribution channels.

Market overview

This section contains information about the Company's markets, including information regarding addressable market, market growth and market size, and the Company's market position relative to competitors. Unless otherwise indicated, the information in this section is based on the Company's collective analysis and knowledge of the Company's markets and an external market study with market information from the international strategy consulting firm Arthur D. Little ("ADL") dated 22 December 2021 (the "**Market Study**"). The Market Study has been commissioned by the Company for a fee. The Company believes that the assumptions stated as the basis for the Market Study are reasonable and that the information contained in the Market Study is reasonable in its entirety.

Information provided by third parties has been accurately reproduced and, to the best of the Company's knowledge and belief, no facts have been omitted from the information published by these third parties that would render the reproduced information inaccurate or misleading. The Company has, however, not independently verified the accuracy or completeness of any third party information and the Company can therefore not guarantee its accuracy or completeness.

Market and industry information contains estimates regarding future market developments and other forward-looking information. Forward-looking information is not a guarantee of future results or development, and actual results could differ materially from those expressed in the forward-looking information. For a detailed discussion of the risks associated with forward-looking information, see the section entitled "Important information to investors - Forward-looking statements".

Introduction

Overview

4C Strategies was founded in 2000 and is a leading global provider of software solutions and expert services for organisational readiness, training, and crisis management with a unique¹ offering on the market. Through its Exonaut® software platform, 4C Strategies offers a complete platform for building organisational readiness. Exonaut® enables effective, secure and seamless management of incidents, crises, risks and compliance assurance. Exonaut® also supports the sustainment and continuity of operations affected by disruptions and crises and provides a software solution for both military and civilian customers in training management and capability development. In addition to Exonaut®, the Company also provides software-related services and expert services. The Company provides its solutions primarily to customers in mission critical environments such as defence forces, public organisations, and companies in the corporate sector that have a need of managing risks and training for sudden and critical events. 4C Strategies has a global presence and, as of 31 December 2021, had 153 customers with users in over 100 countries.

Overall market size and growth

4C Strategies operates in the global market for organisational readiness and training management, preparing and empowering organisations through the Exonaut® software platform and expert services. The analysis of the market was made before the crisis in Ukraine and excludes the increased investments made by defence forces, public organisations and companies in organisational readiness and training management to deal with the global uncertainty caused by the crisis in Ukraine. In addition to the Ukraine crisis, demand is based on the fact that organisations face multiple challenges during times of change, which can affect their ability to ensure operational resilience and business continuity. These organisations' challenges consist of increasing volatility, uncertainty, complexity and ambiguity ("**VUCA**")² which need to be addressed to ensure continued operations. By addressing these challenges early on, organisations can achieve several competitive advantages such as cost savings, maintenance of critical processes, reduced uncertainty and ensured compliance. With 4C Strategies' offering, organisations can respond to such challenges and crises proactively rather than reactively.

The overall market is driven by structural trends consisting of rising VUCA, increasing regulatory requirements, digitalisation, new technologies and the need for cost savings.³ These trends have strengthened the demand for solutions related to crisis management, which have been further reinforced during the COVID-19 pandemic as an increased understanding of, and need to be well prepared has been accentuated. Rising VUCA is the most important trend and is increasing at an accelerating rate in several areas with major implications for nations and businesses. This rapid pace of change is making it difficult for organisations to manage operational risks while the market is becoming less forgiving of mistakes and problems that arise. At a structural level, VUCA has increased in the context of global events in recent years, illustrated primarily by five different factors: climate change, pandemics, cyber threats, delays or disruptions in the supply chain, and terrorism. In response to increasing VUCA, governments are focusing on strengthening regulatory requirements, leading to greater demands on the capabilities and compliance of defence forces, public organisations and private companies, which are therefore forced to develop appropriate solutions, processes and systems.

4C Strategies' total addressable market ("**TAM**") consists of the three verticals of defence sector, public sector and corporate sector. Together, these verticals were estimated to be worth SEK 190 billion in 2021, of which the corporate sector accounted for 88%, the public sector for 8% and the defence sector for 4%. From a geographic perspective, the US accounts for 33%, Europe 29%, Asia-Pacific ("**APAC**") 27% and the rest of the world 11%. The compound annual growth rate ("**CAGR**") of the total addressable market is expected to be 15% between 2021 and 2025, with the defence sector expected to grow by 5-10%, the public sector by 13% and the corporate sector by 15%.⁴

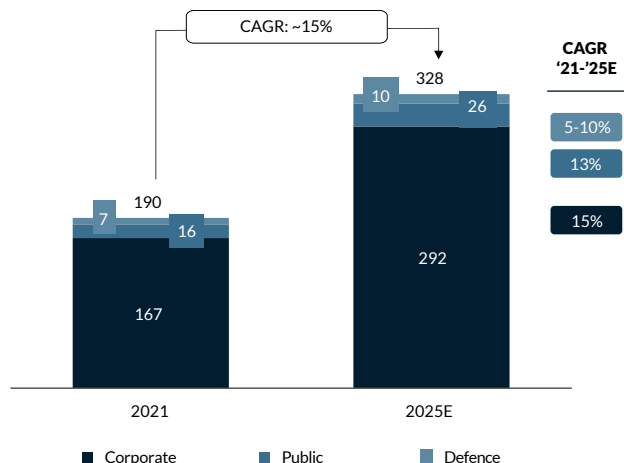
1) Source: The Market Study. Defined as having the broadest offering of comparable companies in the market for organisational readiness and training in the defence, public and corporate sectors.

2) VUCA (volatility, uncertainty, complexity and ambiguity) is a term used to describe a number of challenges that individuals, groups and organisations need to address. The acronym stands for "Volatility, Uncertainty, Complexity and Ambiguity".

3) Source: The Market Study

4) Source: The Market Study

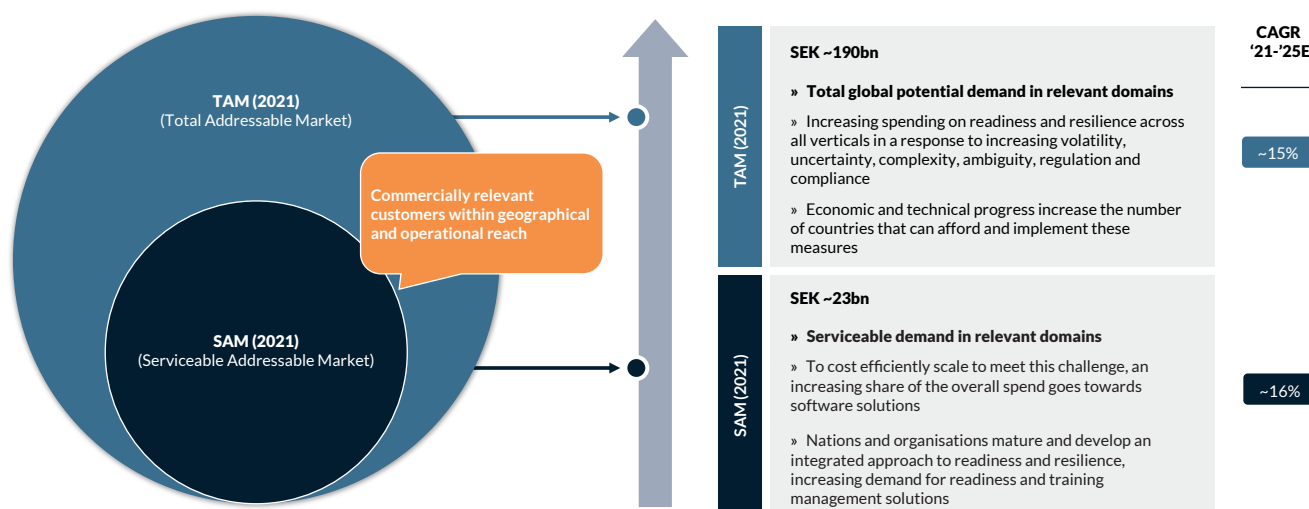
Total addressable market, SEK million



4C Strategies' relevant verticals

Through the Company's offering of software, software-related services and expert services related to the management of operational resilience, risk and compliance, training and critical events, 4C Strategies addresses the three verticals of defence sector, public sector and corporate sector. The commercially relevant customers within the geographically accessible markets constitute 4C Strategies' serviceable addressable market ("SAM") and are estimated to be worth SEK 23.4 billion in 2021.¹

Serviceable addressable market

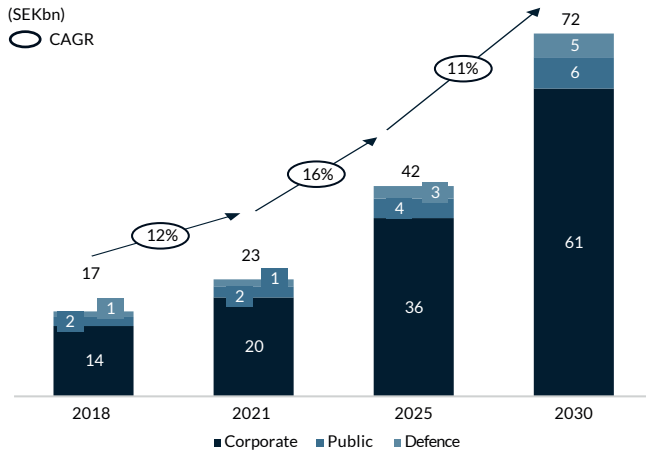


4C Strategies' serviceable addressable market (SAM) represents approximately 12% of the total addressable market (TAM) and had a CAGR of 12% during the period 2018-2021. The overall growth between 2021 and 2025 is expected to reach 16% annually, split between the defence sector (16%), public sector (14%) and corporate sector (16%). Growth is then expected to reach 11% between 2025-2030, generating an estimated market valuation of SEK 72.3 billion in 2030. Geographically, the US and Europe represent nearly 100% of the Company's serviceable addressable market, while the corporate sector is by far the largest vertical at 84%, reflecting the ratio of the total addressable market.²

1) Source: The Market Study

2) Source: The Market Study

Serviceable addressable market by vertical



Market position

The competitive landscape in the market for organisational readiness and training management is highly fragmented, with 4C Strategies being the only company operating simultaneously in the defence, public and corporate sectors. In addition, 4C Strategies is the only player with a full range of solutions in software, software-related services, and expert services. It therefore has no direct competitor active in all these verticals. In light of this, the Company considers the competitive landscape fragmented and differing for each the vertical.

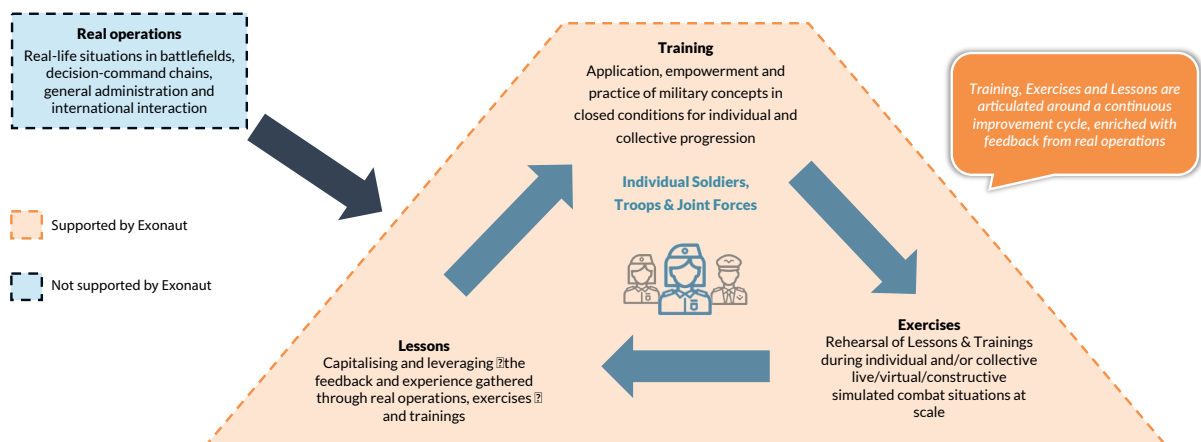
4C Strategies is well established in the defence sector where the Exonaut® software platform, through reputable customers such as the US Army, NATO and the British Army, is becoming the international industry standard. As a result, 4C Strategies has established a strong position in the defence industry with a market share in the serviceable addressable market (SAM) of over 10%.¹ In the public and corporate sectors, 4C Strategies holds a market-leading position² in the Nordic region with an extensive client list and Sweden as its primary market. In the European market, the Company has an established position, with the UK being the largest market, with large global customers, particularly in the financial sector. In the US, the Company is characterised more as a "challenger", but the Company believes that it is well on its way to establishing itself through increased cooperation with the US Army, as well as through recently won contracts with leading telecom companies. The aggregate market share across geographies in the public sector is approximately 2.3%, while the share in the corporate sector is approximately 0.2%.³

Defence sector

Overview

In the defence sector, 4C Strategies provides software and software-related services related to training management. The offering is provided in the context of training, exercises and analysis to coordinate and develop individual soldiers or units but does not support military operations in live situations.

Overview of relevant parts of the market that can be addressed by Exonaut®



Source: The Market Study

1) Source: The Market Study

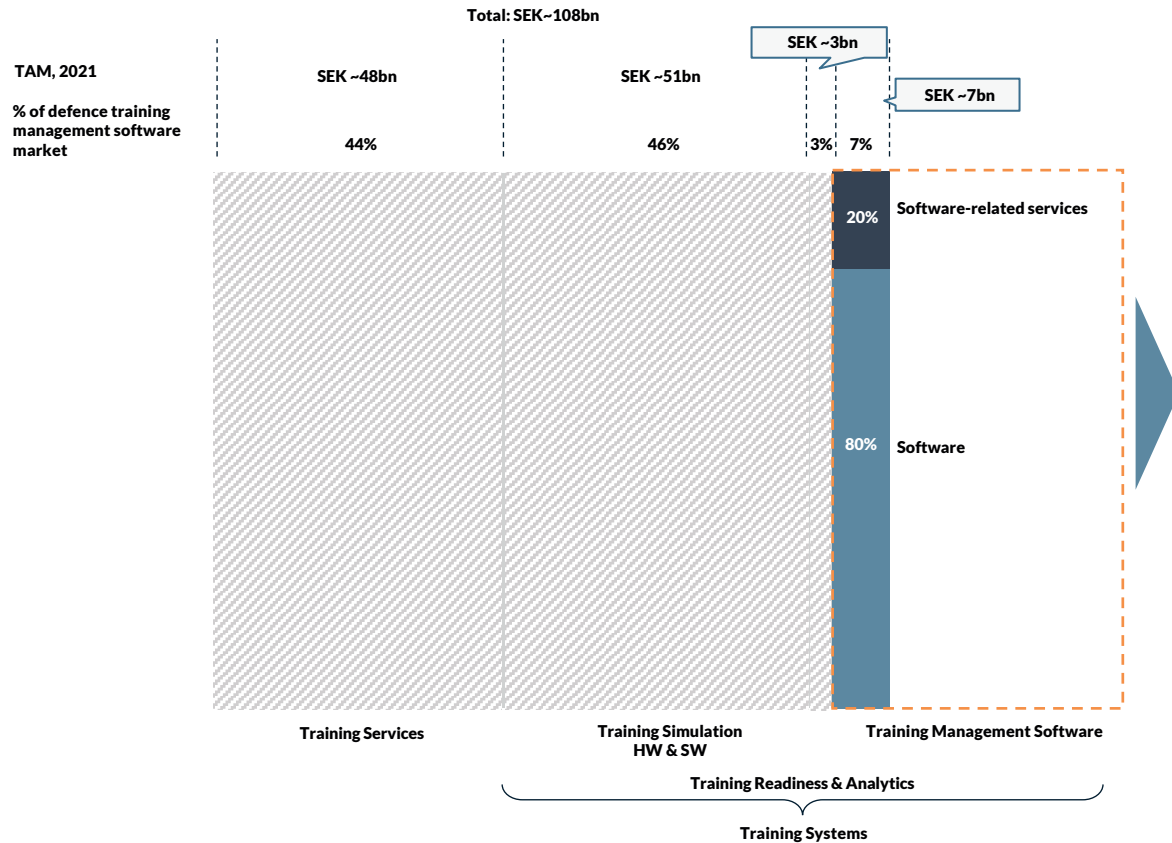
2) Source: The Market Study

3) Source: The Market Study

The overall training management software market consists of the three sub-segments training services, training simulation hardware & software, and training management software. The latter two constitute training systems for training readiness & analytics. The total market in 2021 was estimated to be worth approximately SEK

108 billion.¹ 4C Strategies operates in the training management software sub-segment, which accounted for 7% of the total market in 2021, corresponding to approximately SEK 7 billion.² This segment consisted of 80% software, whilst 20% consisted of software-related services.³

The total market for training management in the defence sector



Source: The Market Study

Serviceable addressable market and trends

The serviceable addressable market for 4C Strategies comprises only commercially relevant customers in Europe, the US, Oceania, Singapore, South Korea, Canada, Israel, and the GCC⁴ countries. This serviceable addressable market represents approximately 20% of the total addressable market in training management, which in turn represented approximately SEK 1.4 billion in 2021. Of this, the US accounted for approximately 79% (SEK 1.1 billion) of the market, while Europe accounted for approximately 14% (SEK 0.2 billion), and the remainder of the Asia-Pacific⁵ and rest of the world⁶ markets each accounted for SEK 0.1 billion. The market for training management software is expected to reach SEK 2.6 billion by 2025, growing at a CAGR of 16% between 2021 and 2025. The adoption rate of this software was relatively low in 2021,⁷ where the countries with the

lowest adoption rate are still using analogue solutions, while software solutions are in a preliminary testing stage. However, adoption rates are expected to increase exponentially in 2021-2025 with countries such as Sweden, the US and the UK achieving adoption rates of around 50-60%. The exponential increase in adoption rates is due to initiatives taken by several NATO countries to implement targeted efforts and achieve higher levels of software adoption.⁸

1) Source: The Market Study

2) Source: The Market Study

3) Source: The Market Study

4) Eng. Gulf Cooperation Council (GCC) excluding Saudi Arabia.

5) Covers only Oceania (Australia & New Zealand), Singapore and South Korea.

6) Covers only GCC countries excluding Saudi Arabia, as well as Israel and Canada.

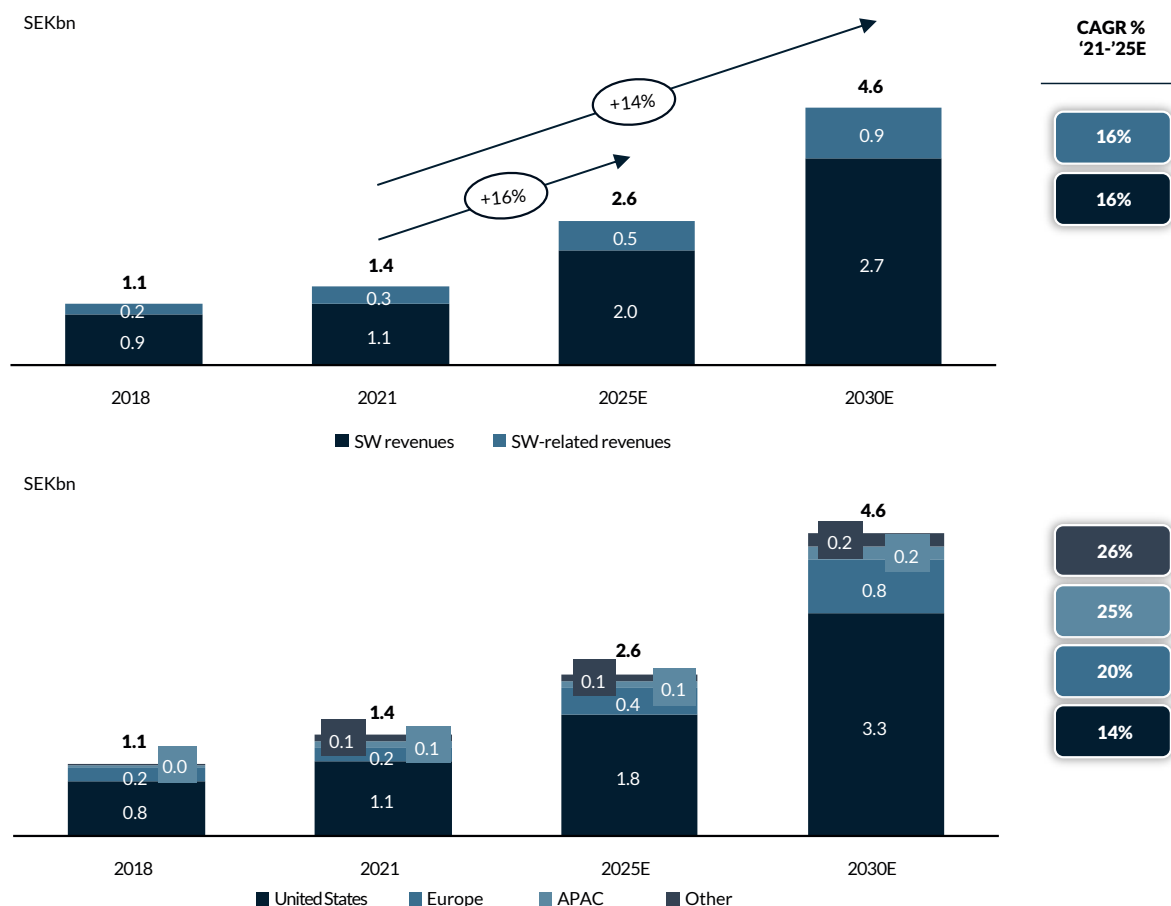
7) Source: The Market Study

8) Source: The Market Study

In addition to increasing adoption of training management, the growth of the serviceable addressable market is expected to be driven by the following trends:

- » **Increased spending by defence forces:** Spending by defence forces on training management software is expected to increase, which is estimated to be driven in part by increased spending in the US as large contracts are budgeted by the US Department of Defense in 2020-2021 (more than SEK 25 billion per year).¹
- » **Increased use of training management software:** Defence forces are gradually moving from using "Excel & paper" to implementing integrated software solutions with increased emphasis on the individual level, generating large amounts of data.²
- » **Increased level of geopolitical conflict:** Geopolitical conflicts are causing countries to maintain readiness for increased capabilities, which, in turn, is expected to drive demand for virtual technologies that can replace and complement field-based exercises.
- » **Technology shift and adoption of rapidly deployed solutions:** The technology shift driven by global technology companies is enabling new ways to build and scale training apps. In addition, the willingness to use rapidly deployed solutions is increasing, which has opened up the market for training management software to new types of players.
- » **COVID-19:** As a result of the COVID-19 pandemic, there has been a strong focus on cost efficiency through digitalisation, while physical collective training has been affected and made more difficult. This has resulted in an increased focus on alternative virtual and digital training services to maintain readiness levels in a safe cost-effective manner.

Serviceable addressable market by revenue stream and geography



Source: The Market Study

1) Source: The Market Study

2) Source: The Market Study

Value chain

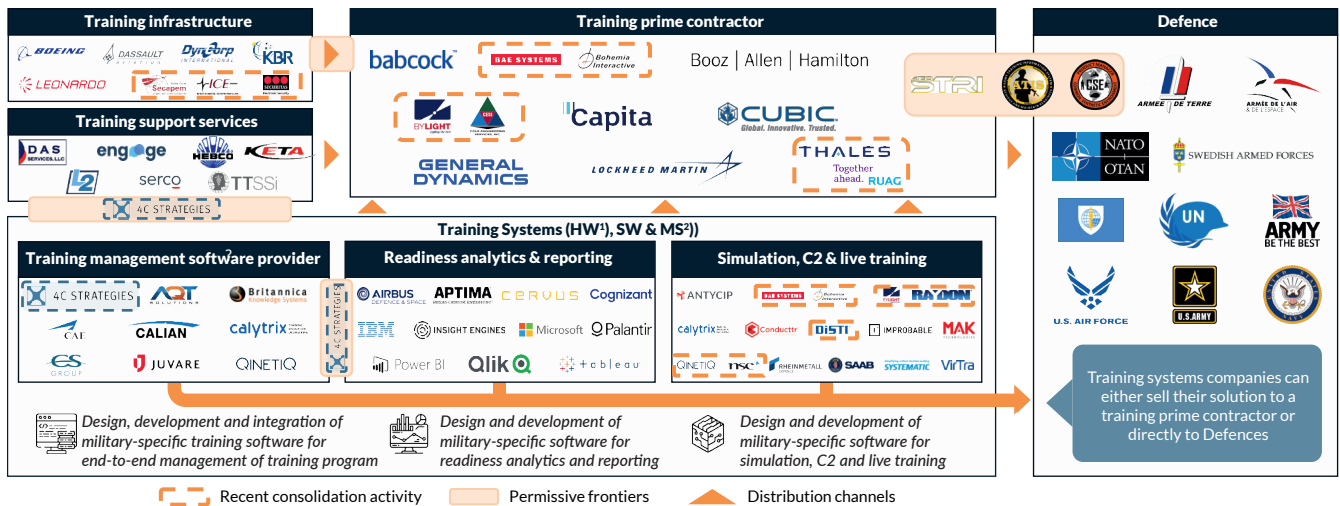
In the defence sector value chain, 4C Strategies exists alongside other training system providers. The training systems group consists of the areas of training management software, readiness analytics & reporting, and simulation, C2 & live training and is offered through software, hardware and related services. These systems can be purchased directly by defence forces, making the players operating in these categories direct suppliers. The systems can be offered as stand-alone solutions, with established players in each category having their own offerings. 4C Strategies offers both training management software and readiness analytics & reporting as integrated solutions in its offering.

Defence forces may also choose to purchase training services from prime contractors, which are companies that combine different

types of training services from partners to build a complete offering. In addition to training systems, prime contractors also put together training infrastructure and training support services, which consist of networking solutions and support services. As 4C Strategies offers solutions in both training systems and training support services, it becomes a natural partner for the prime contractors in the procurement of major contracts and in identifying relevant partners.

Given the dynamics of the value chain where the end customer can choose to purchase training services either directly from system providers or from prime contractors, who in turn put together a variety of training services, 4C Strategies has an attractive position. The Company is able to target its offering to several players in the value chain at the same time, which strengthens 4C Strategies' position as a provider of training services.

Overview of the value chain in which 4C Strategies operates in the defence sector



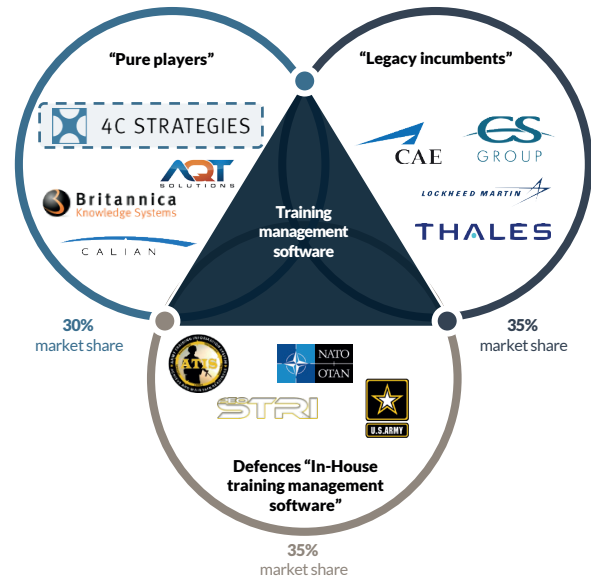
Source: The Market Study

Competitive landscape

There are many major players that cover a large part of the training and simulation spectrum, but do not specialise in training management software. The competitive landscape for training management software consists of few niche players like 4C Strategies, with the result being that 4C Strategies rarely has an active competitor, but instead normally competes against the continued use of "Excel and paper" by defence forces. The niche players, including 4C Strategies, are estimated to have a market share of 30%, of which 4C Strategies accounts for more than 10% of the serviceable addressable market. In addition to these, the Company also competes with legacy incumbents and defence forces in-house solutions, each of which has a market share of approximately 35%. Among the niche players, 4C Strategies holds competitive advantages in terms of a broader offering and greater investment in research and development. There is also a high degree of interoperability between NATO countries, which means that 4C Strategies' good reputation within NATO creates an opportunity to serve as a standard tool in NATO, and therefore NATO countries' military exercises. Furthermore, the Company is considered to be in a strong position vis-à-vis legacy incumbents, which often lack independent technical systems for crisis management. The fact that 4C Strategies can also offer rapidly deployable commercial-off-the-shelf ("COTS")¹ software also gives it an edge over the in-house solutions of defence forces.²

There is some competition in the market at the entry level, but as crisis management software is associated with high switching costs, competition for resale is very low³, which is a contributing factor to 4C Strategies' low customer churn rate of around 1.8%. In addition to high switching costs, the market is characterised by high bargaining power both upstream and downstream and high barriers to entry. The barriers to entry are considered to be mainly due to high development costs, requirements to comply with international standards for military training⁴, high reliability and cyber and information security software requirements, the importance of a good reputation, and preferences for local players. This puts existing players in a strong position and acts as a barrier to entry for new players wishing to enter the market.

Overview of 4C Strategies' competitive landscape in the defence sector



Source: The Market Study

1) Commercial off-the-shelf (COTS) is a term for software or hardware that can be purchased or licensed from an open market as opposed to proprietary or custom software or hardware.

2) Source: The Market Study

3) Source: The Market Study

4) For example, NATO standards.

Public and corporate sector

Overview

In the public and corporate sectors, the market for organisational readiness and training management consists of three broad areas:

1. Integrated risk management, which includes governance, risk and compliance management
2. Critical events management
3. Business continuity management

4C Strategies is positioned at the intersection of these three areas by providing software, software-related services, and expert services related to the management of operational resilience, risk and compliance, training and critical events, which together are expressed as organisational readiness management and training. The Company addresses some of these cross-cutting markets, as illustrated in the figure below. In summary, these areas primarily address training, education, and risk management of various types of challenges and events that organisations may face.

Parts of the public and corporate sector market that 4C Strategies addresses



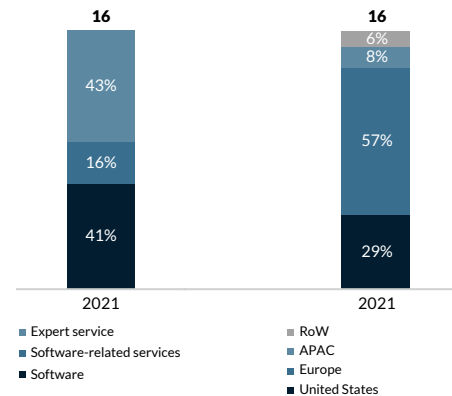
Source: The Market Study

The total addressable market for operational resilience, risk and compliance, training, and critical events management in the public sector amounted to SEK 16 billion in 2021, split between software (41%), software-related services (16%), and expert services (43%). Geographically, the total addressable market includes the US (29%), Europe (57%), APAC (8%), and rest of the world (6%). The corresponding figures for the corporate sector amounted to SEK 167.0 billion, broken down into software (50%), software-related services (18%), and expert services (31%). The geographical breakdown for the total addressable market includes the US (32%), Europe (27%), APAC (30%) and rest of the world (12%).¹

Global total addressable market in the public and corporate sectors

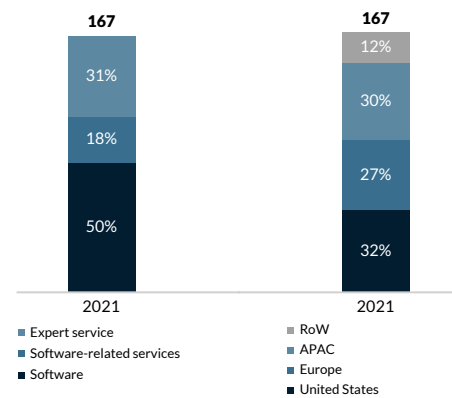
Global TAM, public vertical

(SEKbn)



Global TAM, corporate vertical

(SEKbn)



Source: The Market Study

1) Source: The Market Study

Serviceable addressable market and trends

The serviceable addressable market of 4C Strategies represents approximately 15% of the total addressable market of the public sector, and approximately 12% of the total addressable market of the corporate sector. The value of these markets amounted to approximately SEK 2.3 billion and SEK 19.7 billion, respectively, in 2021. The US represented approximately 48% of the serviceable addressable market for the public sector and 55% of the serviceable addressable market for the corporate sector, while Europe represented 52% for the public sector and 45% for the corporate sector.¹

The serviceable addressable market for the public sector is expected to grow from SEK 2.3 billion to SEK 3.9 billion from 2021 to 2025, representing a CAGR of 14%.² For the corporate sector, the corresponding CAGR is expected to be 16%, equivalent to SEK 35.5 billion by 2025.³ The following trends are expected to underpin the estimated growth:

- » **Regulation and compliance:** Governments' increased focus on VUCA is leading to greater demands for compliance from public and corporate sector organisations, which must therefore develop effective and secure processes and systems.
- » **Operational resilience & business continuity:** Shift in focus from crisis prevention to working in an integrated, systematic and structured way on risk, business continuity and crisis management to build a resilient organisation.⁴ This coherent work has become a high priority and topical issue at management levels, including through existing and announced regulations.

- » **Cooperation and coordination:** Public authorities are increasingly engaging in international cooperation to establish optimal action plans and facilitate the creation of standards, as well as to collaborate on risk and resilience issues with actors in the same value chain.⁵
- » **Digitisation and cybersecurity:** Increased digitisation of society has a dual impact. On the one hand, it creates the infrastructure that enables the introduction and deployment of software platforms, but it also leads to an increasing need to manage cybersecurity both strategically and operationally.
- » **Hybrid solutions:** Hybrid solutions such as Software as a Services (SaaS) and cloud-based solutions are increasing⁶ and making it easier for most public and corporate sector customers to embrace these solutions. It also lowers customer acquisition costs and increases recurring revenues for providers.

In the public and corporate sectors, organisations are adopting more comprehensive and proactive crisis management protocols, where COVID-19 has been a driving force for organisations to take steps to develop their crisis management processes. Furthermore, the ongoing change in the IT landscape is leading to increased risks in cybersecurity and requires a greater degree of proactive measures to manage crises. In the public sector, initiatives have also been taken to create comprehensive strategies that strengthen joint crisis management. This has taken place both vertically, through collaboration between different functional bodies, and horizontally, through collaboration between societal players, which requires well-developed and integrated crisis management solutions.

1) Source: The Market Study

2) Source: The Market Study

3) Source: The Market Study

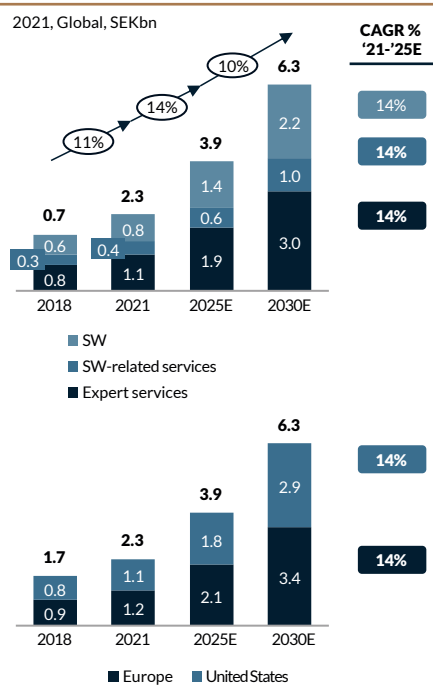
4) Source: The Market Study

5) Source: The Market Study

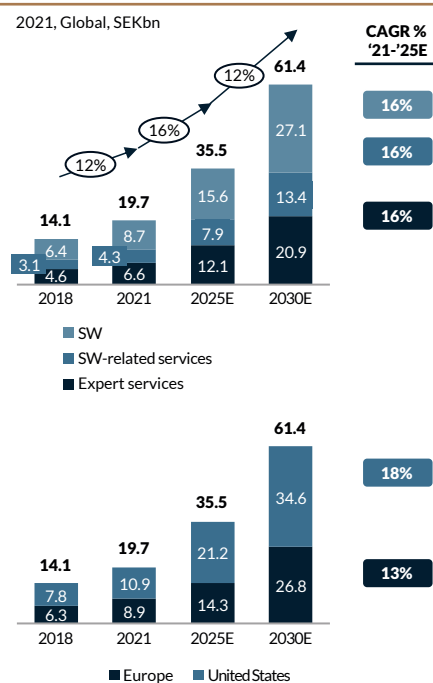
6) Source: The Market Study

Serviceable addressable market in the public and corporate sector

Public SAM



Corporate SAM



Source: The Market Study

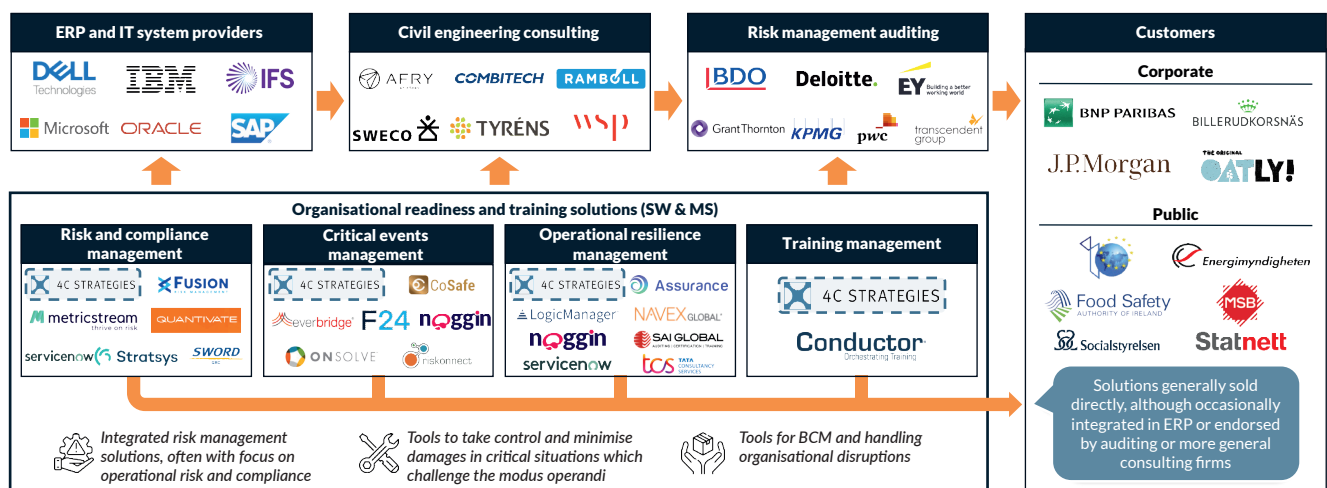
Value chain

In the public and corporate sector value chains, 4C Strategies exists alongside other organisational readiness and training providers. Organisational readiness and training consists of operational resilience, risk and compliance, training, and critical events management, where 4C Strategies is the only player with an established position in all four areas¹. The systems are predominantly delivered directly to public and corporate sector customers but can also be combined with risk management auditing and civil engineering consulting companies or integrated with ERP and IT systems in individual procurements. Companies in risk management auditing, ERP and IT systems and civil engineering consulting offer a different type of risk management than 4C Strategies, with a greater focus on hardware and financial risk that mainly affects individual parts of organisations. These vendors are traditionally the only providers of risk management for the public

and corporate sectors, but organisational readiness and training has started to take market share as demand for specialised software and expert services to deal with new requirements increases.²

The public and corporate sector value chain differs from that of the defence sector in that 4C Strategies has a more independent role where there are no prime contractors handling major contracts and procurements.³ As a result, 4C Strategies occupies an attractive position in the public and corporate sector with a unique⁴ offering that can be easily integrated to customers, few direct competitors and the ability to directly approach the majority of all customers with a holistic offering. Another difference from the defence sector is that 4C Strategies also offers expert services to the public and corporate sectors.

Overview of the value chain in which 4C Strategies operates in the public and corporate sectors



Source: The Market Study

1) Source: The Market Study

2) Source: The Market Study

3) Source: The Market Study

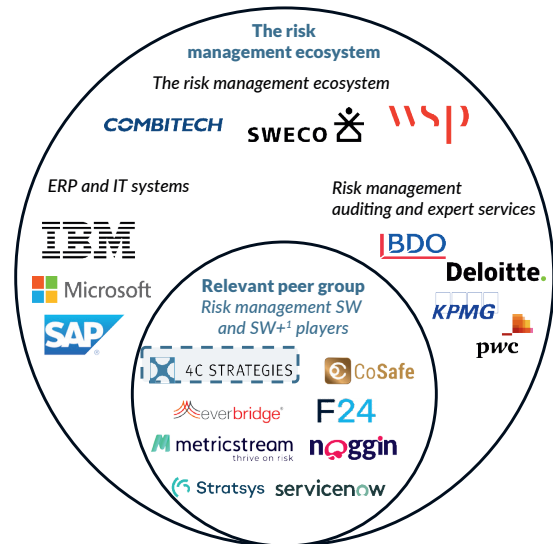
4) Source: The Market Study. Defined as having the broadest offering of comparable companies in the defence, public and corporate sector market for organisational readiness and training in the Company's serviceable addressable market, see sections "Market overview - Defence sector - Serviceable addressable market and trends" and "Market overview - Public and corporate sector - Serviceable addressable market and trends".

Competitive landscape

In 4C Strategies' serviceable addressable market for both the public and corporate sectors, there are few competitors that provide a complete offering of software, software-related services and expert services.¹ In addition to the few that do, there are competing companies that provide only software platforms and those that provide only expert services. However, such limited offerings possess economies of scale but also imply lower value creation, switching costs and customer loyalty. 4C Strategies possesses the broadest offering among competitors across the two verticals, where software and software-related services are at an emerging stage with a limited number of specialised suppliers.²

The market is characterised by demanding barriers to entry due to expertise requirements, high development costs and local presence requirements, where the demand for references from the defence sector creates significant competitive advantages. Furthermore, the customised software gives rise to high switching costs for customers, especially as the offering is increasingly integrated into organisations' existing business software and becomes an essential part of crisis and incident management, ensuring business continuity in the organisation.³

Overview of 4C Strategies' competitive landscape in the public and corporate sectors



Source: The Market Study

1) Source: The Market Study

2) Source: The Market Study

3) Source: The Market Study

Business description

Overview

4C Strategies was founded in 2000 and is a leading global provider of software solutions and expert services for organisational readiness, training, and crisis management with a unique¹ offering on the market. Through its Exonaut® software platform, 4C Strategies offers a complete platform for building organisational readiness. Exonaut® enables effective, secure and seamless management of incidents, crises, risks and compliance assurance. Exonaut® also supports the sustainment and continuity of operations affected by disruptions and crises and provides a software solution for both military and civilian customers in training management and capability development. In addition to Exonaut®, the Company also provides software-related services and expert services. The Company provides its solutions primarily to customers in mission-critical environments such as defence forces, public organisations, and companies in the corporate sector that have a need of managing risks and training for sudden and critical events. Common among 4C Strategies' customers is the need for high security. The Company's Exonaut® software platform is accredited by NATO on the Secret Level and Cyber Essentials Plus², among others, which creates a high level of credibility for the Company's software solutions. 4C Strategies has a global presence with headquarters in Stockholm, users in over 100 countries and seven offices globally in Stockholm, Malmö, London, Lillehammer, Warminster, Orlando and Washington D.C. During the financial year 2021, 70% of net sales were generated outside the Nordics.

4C Strategies' offering is based on the proprietary Exonaut software platform that has been developed by the Company for more than 20 years. This software can be easily integrated as a commercial off-the-shelf ("COTS")³, and specifically tailored to customers' complex environments, processes and needs. Exonaut® consists of modules that provide organisations with tools to effectively manage and respond to unexpected events. The software enables training and coordination of personnel, as well as planning and identification of critical processes and risks. The software also provides access to in-depth analysis of various moments in order to provide customers with essential tools for exercises and improvements. 4C Strategies' Exonaut® software platform enables the integration of advanced technologies such as artificial intelligence and machine learning, offering both a pre-configurable and customisable system to deliver a seamless user experience. Through its modern architecture, the platform is designed to handle millions of users, large amounts of data, uptime without service interruptions and high scalability. The platform is available on local servers, as a cloud-based service or as a hybrid option.

In recent years, 4C Strategies has expanded into new regions and new customer groups. This expansion has resulted in increased growth, with the Company's net sales increasing from SEK 178,605 thousand in 2019 to SEK 261,238 thousand in 2021, corresponding to a CAGR of 20.9%. This growth has been largely driven by a higher share of software revenues, which represented 46.5% of total net sales in 2019 and 61.1% in 2021. Due to 4C Strategies' scalable business model, the adjusted EBIT margin has increased from 5.0% to 19.0% over the period 2019 to 2021. 4C Strategies' assessment is that the ongoing digitisation trend, i.e. the shift from analogue solutions to software, combined with global trends such as increasing volatility, uncertainty, complexity and ambiguity ("VUCA")⁴, is expected to drive growth both in the market and for the Company.

History

4C Strategies was founded in Lund, Sweden in 2000 and has since established itself as a global provider with a comprehensive offering of software and expert services for mission-critical environments. The Company's history is characterised by four phases: inception (2000-2005), expansion to the UK (2007-2015), expansion to the US (2016-2018) and software acceleration (2019-2021). Below are the main milestones of the Company since its foundation.

2000-2009 – 4C Strategies is founded in Lund by Andreas Hedskog as a software company with supplemental expert services. The first versions of Exonaut® are launched as a training and exercise tool for defence forces. 4C Strategies opens a new head office in Stockholm in 2005 and a new software development office in Malmö in 2009. During this period, the Company establishes partnerships with organisations such as the Swedish Civil Contingencies Agency, the British Army and the Swedish Armed Forces.

2010-2015 – After making an impact in the market, 4C Strategies extends the software of the Exonaut® platform. Expert services remain the largest revenue stream through various partnerships, both within and outside the defence sector. Offices in London open in 2010 and then in Warminster in 2014 to support projects with the British Army. New customers during this period include Copenhagen Airport, SBAB and NATO.

2016-2018 – 4C Strategies shifts to a clear software focus combined with software-related services, which in this period for the first time together account for a larger share of revenue than expert services. The Company raises capital through an investment from Priveq in 2016 to further accelerate growth, and an office is opened in Washington D.C. in 2016. New customers in this period include Tele2, the US Army and the EEAS.

2019-2021 – 4C Strategies is building a strong reputation globally, and Exonaut® has become a proven and established software platform that will account for the majority of the Company's revenues in 2021. Further acceleration will come with the launch of "Exonaut Next Generation" in 2021 and a new office in Orlando in 2019 to support projects with the US Army. 4C Strategies has established a diversified and well-balanced customer base that includes customers in all verticals. The Company has also established an Exonaut® partnership with the US Army in 2021 to establish a foundation for an enhanced training management software. During this period, the Company's net sales increases from SEK 178,605 thousand in 2019 to SEK 261,238 thousand in 2021, corresponding to a CAGR of 20.9%.

Vision

4C Strategies' vision is to always be the preferred provider of solutions to build and maintain organisational readiness.

1) Source: The Market Study. Defined as having the broadest offering of comparable companies in the market for organisational readiness and training in the defence, public and corporate sectors.

2) Cyber Essentials is a certification scheme designed to show that an organisation has a minimum level of protection in cyber security through annual assessments to maintain certification.

3) Commercial off-the-shelf (COTS) is a term for software or hardware that can be purchased or licensed from an open market as opposed to proprietary or custom software or hardware.

4) VUCA (is a term used to describe a number of challenges that individuals, groups and organisations need to address. The acronym stands for "Volatility, Uncertainty, Complexity and Ambiguity".

Business concept

4C Strategies' business concept is to combine the Company's Exonaut® software platform with expert services to deliver integrated and customised solutions in mission-critical environments, with the intention of creating lasting value for customers.

Financial targets and dividend policy

Financial targets

The board of directors of 4C Strategies has set financial targets ahead of 4C Strategies' listing on Nasdaq First North Premier Growth Market that are linked to 4C Strategies' growth strategy. These are set out below.

- » 4C Strategies aims to exceed an average annual FX adjusted organic net sales growth rate¹ of 20% over the medium term.
- » 4C Strategies aims to reach software revenue in relation to net sales exceeding 70% over the medium term.
- » 4C Strategies aims to reach an adjusted EBIT margin² exceeding 20% in the medium term.

Following the completion of the Offering, the Company will increase its investments in the business, which will have a minor negative impact on the adjusted EBIT margin in 2022.

Dividend policy

The board of directors intends to reinvest the cash flow generated by the Company in growth initiatives, and does therefore not intend to propose a dividend in the short or medium term.

4C Strategies' financial targets and dividend policy set out above constitute forward-looking information. The financial targets are based on a number of estimates and assumptions related to, among other things, the development of the Company's industry, business, results and financial position and are subject to risks and uncertainties, see the section "Risk factors" and "Important information to investors - Forward-looking statements".

Strengths and competitive advantages

First-mover advantage in a fast-growing, non-cyclical market underpinned by favourable trends

4C Strategies was founded in 2000 with the aim of digitising and streamlining the planning, execution, and evaluation of military exercises, which were previously handled by analogue methods such as Excel and paper. The Company has established itself as a strong player in the defence sector thanks to its comprehensive offering of software for organisational readiness and training, and today assists defence forces such as NATO, the British Army and the US Army. In parallel, 4C Strategies has developed its offer towards the public and corporate sectors and has rapidly expanded towards this customer base thanks to the Company's comprehensive offering and position in the defence sector which has created strong credibility and reliability.

4C Strategies operates in the global and fast-growing market for organisational readiness and training, targeting defence forces and organisations in mission-critical environments in the public and corporate sectors. The market for organisational readiness and training is undergoing a structural change driven by global trends such as increased VUCA. These global trends are increasing in multiple areas with widespread impact on nations and businesses, including climate change, epidemics, supply chain disruptions, cyber threats and terrorism. Demands on organisations and businesses from governments are constantly increasing in the form of new regulations, adding to the complexity of regulatory compliance. With an ever-changing environment, the need for organisations to be prepared for and able to manage unforeseen events has increased. This has benefited 4C Strategies as the provider with the most comprehensive offering of software solutions and expert services for organisational readiness, training, and crisis management³.

The organisational readiness and training market in the Company's addressable market is expected to grow at a CAGR of approximately 16% during the period 2021-2025. Digitisation and the introduction of new technologies have further accelerated the structural change in the market, enabling companies like 4C Strategies to continue to benefit from the ongoing market shift.

The Company believes that 4C Strategies has the capabilities needed and is positioned to take advantage of anticipated market growth and accelerate organisations' ability to effectively prepare for and manage unexpected events.

¹ For the definition of the key performance measure, see section "Selected historical financial information - The Groups key performance measures".

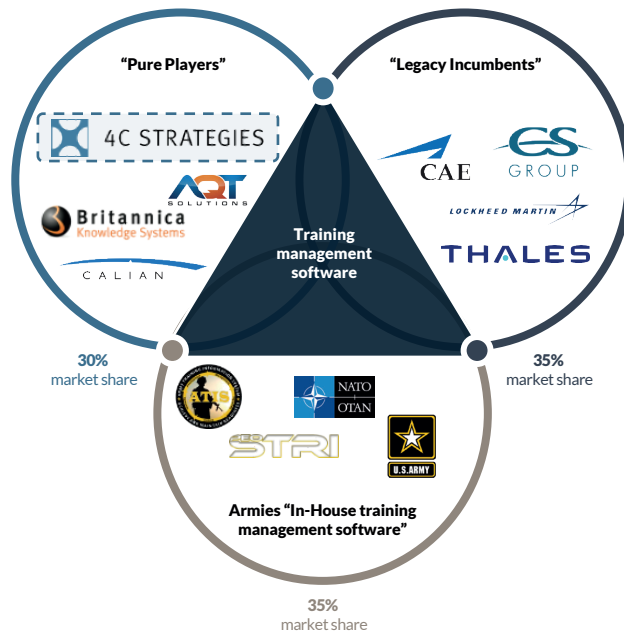
² For the definition of the key performance measure, see section "Selected historical financial information - The Groups key performance measures".

³ Source: The Market Study

Strong position in the Defence industry...

Competitive advantage

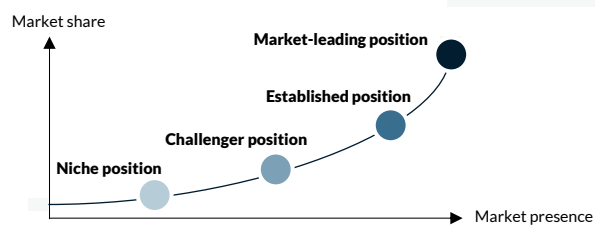
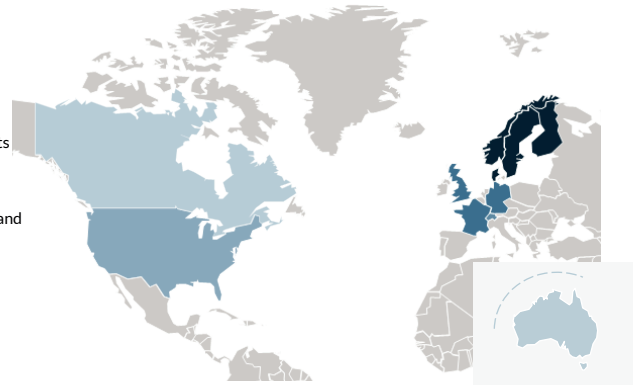
- ✓ Technology agnostic solutions
- ✓ Deeper breadth of offering
- ✓ Stronger R&D investments
- ✓ Commercial off-the-shelf solutions



...with growing presence among Public & Corporate customers

Competitive advantage

- ✓ Strong credibility stemming from track-record of Defence clients
- ✓ Long experience from Corporate accounts
- ✓ Presence in key markets
- ✓ Industry leader in operational resilience and crisis management



Providing integrated solutions for mission-critical environments, entailing high stickiness and significant barriers to entry

4C Strategies' software solutions are deeply integrated with customers' processes, resulting in a high level of customer loyalty and stickiness. The Company tailors modular solutions from its Exonaut® platform specifically to the client's business, needs and preferences and offers complementary expert services. This is often done in collaboration with, and also partly funded by, the same customer. The fact that the customer also invests in the software solution and in training on its functionality, results in high software replacement costs. Switching not only involves a costly and complex process, but there is also the risk that the integration of the replacement solution will fail and mission-critical processes will be adversely affected. Given that only a few players, such as 4C Strategies, can offer an easily integratable COTS solution with high security that can be adapted as needed, this reduces any incentive to replace the working end-to-end solution. This is demonstrated by the Company's low customer churn rate of 1.8% in 2021.¹

In addition to high replacement costs, 4C Strategies' market is characterised by significant barriers to entry. This is a result of the significant investment in terms of time, capital and expertise required to develop the software. In addition, in mission-critical environments, such as for the defence sector, the public sector, and mission-critical companies in the corporate sector, high demands are placed on software security. Furthermore, the importance of, and demand for, experience and reputation contribute to the difficulty for new entrants to establish themselves. With 20 years of experience, the Company has built long-standing relationships and credibility among customers as a trusted partner. Moreover, 4C Strategies has a platform that maintains the highest standards of security, creating significant competitive advantages.

Well-invested, scalable, and highly secure software platform

At the core of 4C Strategies' offering is the Exonaut® software platform, which has been developed and enhanced for over 20 years. The Company places great focus on continuously developing the platform to ensure that 4C Strategies continues to have an attractive platform and as of 31 December 2021 has approximately 70 full-time employees within its development team. The software can be easily integrated as a COTS solution, as well as adapted to customers' complex environments, processes and needs through various modules. This has enabled 4C Strategies to rapidly expand across multiple domains with a comprehensive and scalable offering for customers with and without customisation needs. For customers who have a customisation need for the platform, 4C Strategies can develop custom software solutions specifically for that customer. This development cost is partially funded by the customer while the Company retains the rights to the software. This enables 4C Strategies to resell customer-funded development to new and existing customers and grow further. Given that the Company operates in mission-critical environments, the importance of security is paramount. To ensure that the security of the platform is maintained, it is tested annually by third parties and at the same time continuously verified at the highest level (Secret Level) by NATO. In 2021, 4C Strategies launched an updated version of the platform called "Exonaut Next Generation" which is even more scalable than previous versions and can, for example, handle approximately two million users per customer.

Well-invested, scalable and highly secure software platform



Heavily invested platform

- ✓ Developed over 20 years with 70 employees working within R&D
- ✓ R&D spend amounted to approximately 20% of net sales in 2021, excluding external consultants



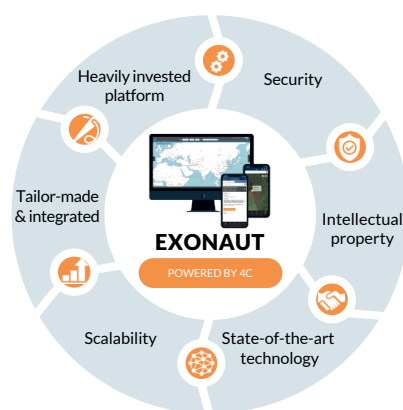
Tailor-made and highly integrated solutions

- ✓ Tailor-made and modular solutions based on multiple different software modules to suit specific customers
- ✓ Available as on premise, SaaS/cloud-based, or hybrid option



Achieved scalability

- ✓ Achieved scalability by enabling rapid onboarding of complex client processes



Thoroughly secure platform

- ✓ Proven software security with NATO accreditation
- ✓ Annual penetration test carried out by third party to uphold security requirements



Maintaining rights to IP

- ✓ Co-developed and co-financed by clients to achieve optimal interface; 4C maintains rights to IP
- ✓ The co-developed IP can be used in other projects, increasing value and efficiency



State-of-the-art technology

- ✓ State-of-the-art technology used to achieve a configurable platform approach, available to approximately 2m users per customer

>20 years
of development

~70 FTEs
working within R&D¹

~20%
of net sales in R&D spend in 2021

100%
of IP maintained by 4C

~2m users
customer requirement

Exonaut Next Generation — new platform launched in 2021

1) Refers to churn related to software revenue in 2021.

Global delivery of offering for high-profile and highly demanding customers in a broad range of industries

The Company's global customer base consists of high-profile players in their respective sectors. With over 20 years of experience in software development and a customer base consisting of major defence forces such as the Swedish Armed Forces, the US Army, and the British Army, global public organisations such as NATO and the European Union, as well as major corporations such as SEB, JP Morgan, and Shell, 4C Strategies has a very high level of credibility and trustworthiness. As evidence of its strong global position, in 2021 the Company has 38% of sales in North America and 30% and 31% in the Nordics and Europe and the rest of the world, respectively. As of 31 December 2021, 4C Strategies had a customer base of 153 customers with users in over 100 countries. The need for the Company's offering and its functionality is demonstrated by 4C Strategies' customer satisfaction with more than 90% of all customers stating that they would recommend the Company¹.

Software offering able to solve a broad range of complex challenges with significant cross- and upselling potential

4C Strategies has the most comprehensive offering in the verticals in which it operates. In the public and corporate sectors, the Company offers software, software-related services and expert services and is the only player whose offerings cover all areas of the organisational readiness and training market. This comprehensive offering enables synergies between 4C Strategies and its customers as the software can be easily tailored and integrated with customers' existing systems. In the defence sector, the Company is the only player to offer the entire training process for all relevant solutions and can integrate Exonaut® with all types of systems, supporting cost-effective training and sustainment of readiness.

The Company is growing its existing customer base through cross- and upselling. Sales are usually made by initially selling parts of the software offering to the customer. Consequently, through the modular software platform, 4C Strategies can sell and attach additional modules to customise the platform to the customer's specific needs. Furthermore, the Company is developing Exonaut®, together with, and partially funded by, customers in a business arrangement whereby the Company retains the rights to the software, enabling additional sales to both existing and new customers. Furthermore, the software typically requires support and maintenance services for optimal use of the platform, which creates additional business opportunities for 4C Strategies. The Company's deep knowledge in organisational readiness and training also enables the Company's experts to provide expert services to customers on a management-level as needed.

Scalable business model with attractive financial profile

The organic expansion 4C Strategies has undergone has resulted in good results. Over the past three years, the Company has experienced strong net sales growth with positive cash flow. The Company's scalable business model allows for strong growth, as implied by the organic growth between 2019-2021 of 20.9%. Over the same period, there was a strong increase in adjusted operating income (EBIT), which grew at a CAGR of 135.0% between 2019-2021, while adjusted

EBIT margin increased from 5.0% in 2019 to 19.0% in 2021. In the emerging and, from a competitive perspective, low-intensity market in which 4C Strategies operates, growth is expected to continue to be driven by the shift to software solutions that digitisation brings.

Well-established platform in place supporting future organic growth strategy

4C Strategies has good prospects for continued long-term organic growth and has identified several clear opportunities to drive growth. Software growth can be accelerated by, for example, adding software modules and focusing on increased cross and upselling to drive revenue from both existing and new customers. 4C Strategies can also continue expansion in the corporate sector, focusing on companies in infrastructure, banking, insurance and telecoms, among others, as the trend of increasing VUCA forces companies in mission-critical environments to invest in prevention and mitigation measures. A further opportunity for growth exists in the defence sector as the market landscape has few established players with a similar comprehensive offering as 4C Strategies provides. The defence sector is also undergoing a clear digitisation trend, driving the shift from analogue methods to digital solutions. The geographic footprint can be expanded through customer expansion in new countries as well as by opening offices in new geographies in order to strengthen local presence.

Management team with industry expertise and experience with proven track-record

4C Strategies' management team consists of highly qualified individuals with extensive experience and expertise in relevant fields. The experienced management team, led by CEO Magnus Bergqvist since 2011, has contributed to the increase in net sales from SEK 178,605 thousand in 2019 to SEK 261,238 thousand in 2021, corresponding to a CAGR growth of 20.9%. The management team has successfully achieved a conversion of the revenue streams from mainly expert services to 61.1% software in 2021. 4C Strategies believes that the executive team's industry knowledge and leadership skills, coupled with an integrity-driven and enriching culture, give the Company a competitive advantage and will enable continued successful and strong growth that includes positioning 4C Strategies as the obvious choice for organisational readiness and training globally.

Strategy

In order to achieve 4C Strategies' financial goals of profitable growth and to maintain its position as a leading software provider in the field of organisational readiness, training and crisis management², the Company has formulated an ambitious growth strategy that focuses on four main pillars:

1. Accelerate organic software growth
2. Expand further into the corporate sector
3. Continue to expand across the defence sector
4. Expand the geographical footprint

1) Source: Customer survey from 30 September 2021 with 41 customers interviewed rating the likelihood that they would recommend 4C Strategies on the following scale: "No", "Not likely", "Likely", "Very likely". >90% answered "Likely" or "Very likely".

2) Source: The Market Study

Accelerate organic software growth

Historically, 4C Strategies has had strong organic net sales growth and growth in software. Between 2019 and 2021, the Company's software revenue grew at a CAGR of 38.6%, going from representing 46.5% of total revenue in 2019 to 61.1% in 2021. 4C Strategies plans to continue to benefit from the ongoing digitisation trend in the Company's existing markets as the shift to digital solutions is expected to continue. By investing in more software developers, increasing marketing and sales activity, and focusing on cross- and upselling, 4C Strategies seeks to capitalise on underlying market trends and further increase software revenue.

The software platform is at the core of 4C Strategies' customer offering and the Company has an internal development team that continuously evolves the platform by adding new functionality. In recent years, the Company has added several features that have been highly valued by 4C Strategies' customers. In 2021, the Company launched the updated version "Exonaut Next Generation", which is a modernisation of the previous Exonaut® platform with new functionalities and benefits. The new version of Exonaut® offers a configurable platform that delivers a seamless user experience with the ability to integrate artificial intelligence and machine learning as well as more powerful data analytics and automation. 4C Strategies believes that going forward, there will be potential to further develop the platform with features that will strengthen the Company's competitiveness and drive future software growth as well as further improve customer satisfaction levels.

Expand further into the corporate sector

The growing trend of VUCA in the corporate sector has forced companies in mission-critical environments to invest in prevention and mitigation measures. This benefits 4C Strategies, which is one of the few established players with an equally comprehensive offering in the corporate sector market¹. 4C Strategies, through its long history of providing a well-developed software platform with security of the highest industry standard for defence and mission-critical environments, has established credibility and trust with organisations. 4C Strategies believes that it will continue to grow in the corporate sector, primarily through a focus on sales, where 4C Strategies actively approaches and acquires new customers, as opposed to the previous approach that had the Company merely waiting inactively for customers to approach it. 4C Strategies also plans to win corporate sector customers through partnerships with, for example, Gartner, which will help create greater awareness and reliability of the Company's offering. Initially, 4C Strategies intends to target sectors with mission-critical functions where operational disruptions have a major impact on society at large, such as infrastructure, banking, insurance and telecommunications.

The corporate sector represents approximately 88% of 4C Strategies' total addressable market and was estimated to reach SEK 167 billion in 2021. The serviceable addressable market was estimated in the same year at SEK 19.7 billion and is expected to grow at a CAGR of 16% through 2025. The strong growth is occurring due to increased uncertainty, which is causing corporate customers to demand 4C Strategies' offerings to help them manage unforeseen events to a greater degree. 4C Strategies plans to leverage its strong market position and continue its expansion in this rapidly growing market.

Continue to expand across the defence sector

The defence sector has seen solid growth in recent years and is expected to accelerate in the future. The serviceable addressable market, estimated at SEK 1.4 billion in 2021, is expected to grow to SEK 2.6 billion in 2025, representing a CAGR of 16%. The expected growth is mainly driven by a general shift from analogue solutions and collective focus for defence exercises to a more detailed approach where software is an important piece of the puzzle. This, combined with greater allocations for software in defence budgets and rising political conflicts, which give rise to higher levels of readiness, create great potential for growth in the sector. By focusing on developing the functionality of the software platform with more modules, 4C Strategies can use its strong reputation in the army to expand into the Marines, Air Force and joint operations, thereby increasing cross- and upselling within the defence sector. 4C Strategies also plans to partner with multinational suppliers in the defence sector, providing 4C Strategies a more attractive and comprehensive offering and the ability to deliver in larger projects and procurements.

Expand the geographical footprint

The global trend towards digitalisation is leading most regions to switch to software solutions for both organisational readiness and training. Since the Company was founded, 4C Strategies has experienced very good growth as it has expanded geographically, first in Europe and later into the US. With a scalable and adaptable business model and software platform, 4C Strategies is well positioned to expand geographically across all verticals in which it operates. 4C Strategies currently has users in over 100 countries and has identified strategic areas to expand into in order to gain a local presence close to key customers. Countries such as Belgium and Australia are considered key areas for the Company's geographic expansion, but in the long term, other NATO partners and allied countries may also be relevant expansion regions. Belgium is a strategically important country as it provides access to European Union organisations, as well as being adjacent to France which the Company considers to be an important growth area. 4C Strategies has a good track record with major customers in Australia and believes that a local office will generate opportunities to use its reputation to increase the client base and additional sales to existing customers. 4C Strategies' geographic expansion strategy is to strategically establish offices in more countries to get closer to key customers, reinforce the Company's brand awareness and credibility, and establish a local sales team to attract a broader local customer base.

Business model

4C Strategies is the player with the broadest offering among direct competitors² globally in the organisational readiness and training market. On the customer side, defence forces, government agencies and private organisations are looking for access to an effective software platform to manage risk and improve their critical processes, while the software-related services and expert services act as natural complements in order to achieve higher organisational readiness.

1) Source: The Market Study

2) Source: The Market Study

Exonaut®

4C Strategies' proprietary software platform, Exonaut®, has a wide range of functionalities tailored to customers' specific needs. The platform can be used both as a COTS solution, with pre-configured solutions, which is easy to integrate and scalable across multiple customers, as well as expandable with custom modules for specific customer needs. Exonaut® also maintains the highest security standards, as evidenced by the platform's accreditation by NATO on the Secret Level and other reputable security standards such as Cyber Essentials Plus. The modules cover the primary areas: risk and compliance management, critical events, operational resilience and training management, which in turn are made up of various sub-modules and functions.

4C Strategies' software offering is based on the Exonaut® platform and is available to customers in all verticals and sectors. In the defence sector, Exonaut® is primarily aimed at streamlining and optimising defence exercises conducted by NATO members, allies and partners, which is done in the framework of the training management module, but the other modules are also available to defence forces. For the public and corporate sectors, the platform aims to enable organisations to anticipate, manage and respond to unexpected events, crises and structural changes, which is done in the framework of all modules.

Defence

Software solutions are primarily offered to defence forces within the module training management, but the other modules can also be offered if needed. The module is categorised into the four sub-modules training evaluation, assurance & readiness management, military exercise management, lessons management and experimentation management, which are listed below and which in turn include underlying functions.

Training evaluation, assurance & readiness management

The training evaluation, assurance & readiness management sub-module comprises the three functions deterrence reporting, interoperability and commanders' training tool. Deterrence reporting provides tools to measure, track and make visible deterrence activities. The interoperability function has planning and design capabilities and is used to measure and track multi-entity interoperability between multiple units. The Commanders' training tool is primarily used by exercise commanders and enables the planning, preparation, execution, assessment and analysis of military exercises. It visualises training strengths and weaknesses and uses artificial intelligence and machine learning to generate training recommendations. Thus, ensuring that training is conducted optimally, based on data such as training risks and training performance.

Military exercise management

Military exercise management is a sub-module consisting of three functions. One of these is planning and programming, a web-based management system that increases efficiency in planning and scheduling exercises. It enables distributed work via a common user interface with simple, integrated tools for different views and advanced filtering of what is displayed depending on the rights of the user. The other functions of the sub-module are, like planning and programming, training management systems, of which individual training management are handled at individual level while collective training management are applied at group level. The former creates a consolidated view of objectives, standards, data and information sets for trainers, trainees, as well as organisations and can handle

both internal and external validation of processes. Collective training management creates economies of scale and flexibility through efficient management of events and incidents, as well as support for integrations with other systems. The two functions bring further benefits such as increased efficiency in planning and scheduling and enabling evidence-based decision-making.

Lessons management

The lessons management sub-module consists of a function by the same name. The function is used for web-based, and flexible lessons management led by commanders. It is an integrated system that allows the user to observe, visualise and analyse trainings. The function is a comprehensive overall solution and is compatible with NATO's current corresponding lessons management.

Experimentation management

Experimentation management is a function, which shares its name with the sub-module. The function represents an integrated management system that optimises trials and experiments. It provides software for the planning, design and execution of both simple and complex experiments and studies. The function captures both objective and subjective data and can generate observations and reports, as well as streamlining the planning and scheduling process through evidence and data directly linked to purpose, hypothesis and objectives.

Public and corporate sector

In the public and corporate sectors, software solutions are offered under all modules, which are, in turn, categorised into their respective sub-modules. These sub-modules are listed below with their respective underlying functionalities.

Risk and compliance management

The risk and compliance management module consists of three functions that prevent and counteract the risks posed by the specific activity. The project risk management and enterprise risk management functions identify, manage and control project-based and business-based risks. They automate workflow and replace inconsistent manual processes. They structure the domain and manage risk by harmonising risk processes with registers and criteria models. Furthermore, the functions perform risk assessments to determine inherent and residual risk and simplify data collection from multiple sources. The third function under the module is compliance management, which enables standardised compliance processes, collaboration in planning, scheduling, risk assessment and similar activities. Activities can be linked to objectives, maintenance of standards and KPIs and can then be evaluated, visualised and broken down into different graphical views in real time.

Critical events management

The crisis management, common operational picture and command and control functions together form the critical events management module and aim to mobilise crisis management. The function has a user interface that creates a common view when crises occur and facilitates communication and implementation of crisis plans. Furthermore, the sub-module provides supporting features such as maps, lists, GPS tracking and geo-fencing, which can be useful in case of crisis. The feature also allows the user to analyse data in real time via various graphical views of metrics, trends and crisis-related information. The module's second function, common operational picture, links perceptions and status images from different organisations on an

intra-organisational basis. The third function is command and control which digitises emergency reporting, tracks assets with GIS mapping and maintains a common operational picture through dynamic multi-layered maps and robust integration capability with external map servers and data streams. The feature enables coordination of all crisis management activities, teams and resources with a single tool.

Operational resilience management

The operational resilience management module offers three underlying functions, business continuity management, incident management and cyber resilience. Business continuity management identifies internal and external resources on which organisations depend. Based on this, the function can perform risk analysis and identify strengths and weaknesses, which can then be used to inform the development of business continuity plans for the organisation concerned. Incident management notifies stakeholders when incidents occur through a well-designed interface. Through a consolidated overview and other tools, the function contributes to a common enterprise-wide view of the incidents that occur. The final function of the module is cyber resilience, which identifies which parts of the business are most important to the organisation through impact categories. On this basis, the function aims to ensure satisfactory impact tolerance for the organisation and identify weaknesses and development opportunities. With cyber resilience, the user can also monitor the status of ongoing countermeasure projects and export reports for stakeholders.

Training management

Training management consist of two functions, training management and capability development, which aim to improve and develop organisations. Training management is mainly used to design, conduct and monitor training, and to identify the skills learned by practitioners. Capability management is used to develop existing and new skills both at individual and team level in specific areas.

Software-related services

Software-related services include services directly related to Exonaut®. The category consists of two services: implementation and managed services. The software-related services are complementary to, and to some extent necessary for the use of, Exonaut® and can therefore be applied to all customers.

Implementation

4C Strategies provides the actual implementation of Exonaut®, which includes installation and configuration, integration and customisation, as well as migration and digitisation. The offering covers customisation and integration of software routines into business workflows and is adjusted according to the size of the project.

Managed services¹

Managed services are of a recurring nature as a result of a continuous customer need for the service, which includes improvement of existing functions, optimisation and fault management. In addition, online customer support is offered with physical on-site support available. On-site support consists of, for example, assistance with training design, fulfilment and analysis. The support is based on 4C Strategies' technical expertise and long experience.

Expert services

4C Strategies' expert services offering is delivered both with and without the Company's Exonaut® software platform and is primarily targeted at the public and corporate sectors. Expert services consist of advisory in the four overarching areas covered by Exonaut®'s modules but is offered on a stand-alone basis.

Expert services on risk, continuity, incident and crisis management are provided for different areas of the software offering, while exercises and cyber and information security management are available as solutions across all parts of the same offering.

Risk management

Risk management focuses on the risks related to the activities of a company or public organisation. Risk management includes risk management programmes, risk and vulnerability assessment and risk controls. Expert services is linked to the Exonaut® platform's risk and compliance management and, together with the module, constitutes the comprehensive risk management solution.

Business continuity management

Expert services for business continuity management offers business and IT continuity programmes as well as support for analysis and business continuity planning. In addition, 4C Strategies provides expert services for testing and reviewing strategies for business continuity management.

Incident and crisis management

With incident and crisis management, the private company or public organisation concerned is assisted with action planning and implementation in the event of an unexpected mission-critical event. Expert services include programmes, plan development and review, and incident investigation and root cause analysis.

Exercises

Readiness exercises offers tabletop, gaming and simulated exercises as well as capability maturity models and benchmarking analyses. This also includes training programs for operational resilience and is applicable to all of the above listed areas for Exonaut®.

Cyber and information security

As with exercises, expert services for cyber and information security is applicable to complement various elements of Exonaut®'s software offering. The offering include protective security, IT dependency analysis, and compliance review and monitoring.

1) Managed Services is a term used to describe a service that maintains a number of processes and functions in order to improve operations and reduce costs in a business.

Customers

4C Strategies provides software, software-related services and expert services to 153 customers with users in over 100 countries. Customers are categorised into the defence sector, public sector and corporate sector verticals with defence accounting for the majority of revenues (71%) in 2021 while the public and corporate sectors accounted for 17% and 12% of net sales, respectively. Overall, the Company's offerings are applied in mission-critical environments for defence forces, public organisations and high-profile and demanding private companies. The average contract size for recurring software revenue across the verticals as of 31 December 2021 was SEK 2.8 million and the customer churn rate in the same year was 1.8%.¹

Defence forces

With the Swedish Armed Forces as its first customer, the Company has expanded geographically in the defence sector and now has customers such as the US Army and the British Army. Common to the Company's customers in the defence sector are that they are members, allies or partners of NATO. For its defence customers, 4C Strategies is replacing former manual military training procedures with modern digitalised solutions.

Public sector

In the public sector, the Company targets public organisations that generally operate in mission-critical environments. Customers include municipal and regional entities, as well as national and international agencies. Examples of customers in the public sector are the Swedish Civil Protection Agency, the National Board of Health and Welfare and the EEAS.

Corporate sector

In the corporate sector, 4C Strategies targets all types of large companies that have a need to manage risks and critical processes, particularly in mission-critical environments. These customers are found in various industries and include, for example, Oatly, SBAB and J.P. Morgan.

Sales

4C Strategies' revenue model consists of a software and expert services offering. The software-based offering consists partly of Exonaut®, but also of software-related services where revenues differ. The software is sold through two types of licences: time-based licences and perpetual licences, the former being the most common type. Time-based licenses are contractual with an average contract length of 30 months and are prepaid on an annual basis. During the term of the contract, the revenues are considered recurring and upon expiration, a new negotiation between the Company and the customer takes place with a view toward renewing the contract. Perpetual licenses, unlike time-based licenses, run indefinitely and have a one-off fee paid upfront and are mainly aimed at customers in the defence sector who, for security reasons, do not have the legal support to sign time-based contracts.

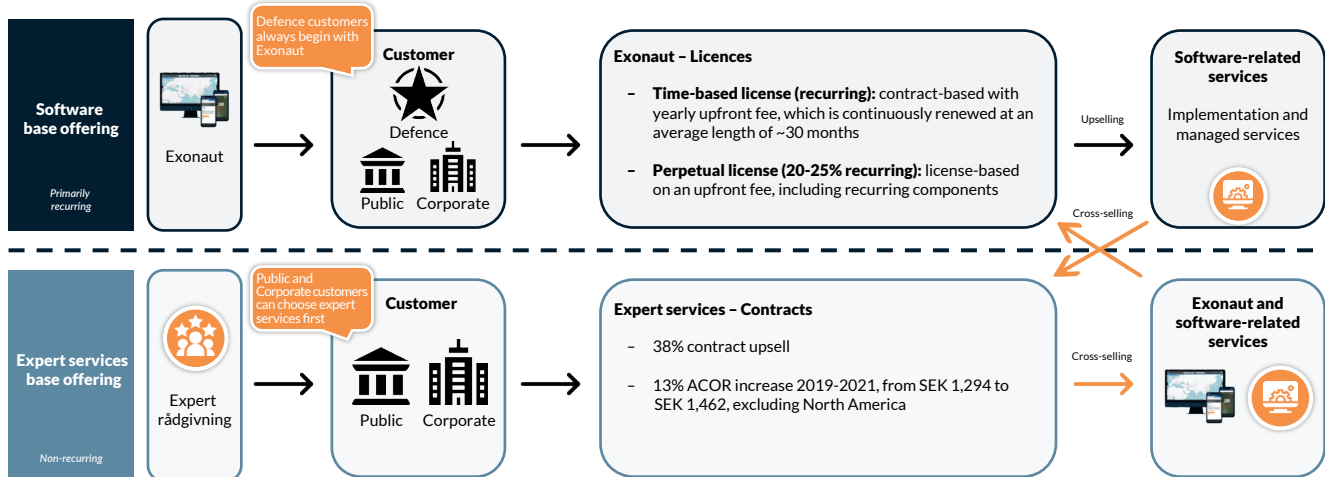
Optimal use of Exonaut® requires software-related services, which primarily consist of implementation and managed services. The implementation service consists of a one-off fee for the installation and implementation of the software, while the managed services are of an ongoing nature and concerns annual maintenance and updates of the software. The managed service are paid on an ongoing annual basis for the duration of the contract, which averages around 24 months.

Apart from the software-based offering, expert services are available to complement the services of customers with specific advisory needs in different areas.

Customers can choose to take advantage of 4C Strategies' offering by either starting with the software, the expert services or a combination of both. If the customer starts with Exonaut®, there is potential for increased sales through either upselling to software-related services, or cross-selling to expert services. If the customer instead starts with expert services only, there is potential for increased sales through cross-selling to the software offering. Defence forces always start with the software offering as the expert services offering is mainly targeted at the public and corporate sector. Additional sales from expert services to Exonaut® amounted to 38% in 2021, which then creates new potential for additional sales to software-related services.

¹) Refers to the churn related to software revenue in 2021.

Overview of 4C's revenue model – Customers usually start with one base offering, but can purchase both directly



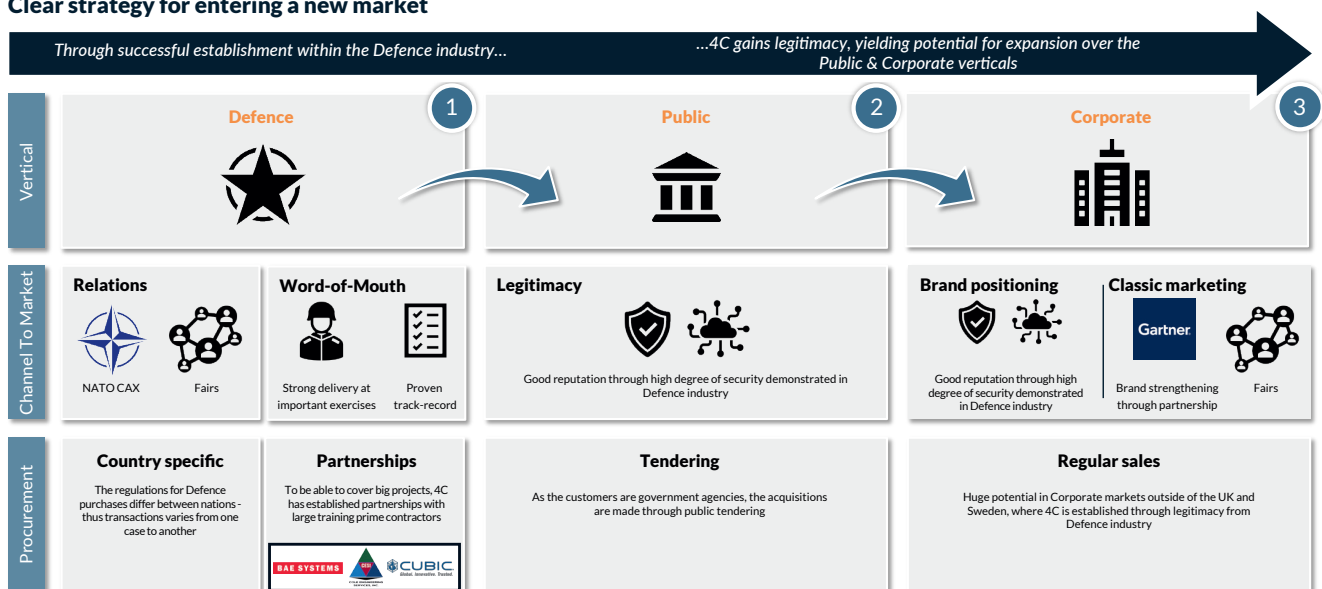
4C Strategies' sales organisation is divided by region, with sales teams in the US, the Nordics and Europe and the rest of the world responsible for their respective regions. The Company had approximately 37 FTEs in sales and marketing as of 31 December 2021.

The Company has a clear strategy when entering a new market, which is based on prioritising defence customers first. 4C Strategies has a long history of working with defence forces with a broad network and can use its high reputation, combined with active marketing, brand training and participation in defence trade fairs, to attract new defence customers. As the Company builds customer relationships with selected defence forces, 4C Strategies gains legitimacy in the region and can leverage this, together with its established reputation and strong track record, to attract public and corporate sector

customers. At this stage, the Company can begin active marketing to these customers, primarily through participation in trade shows and networking via partnerships with consulting firms. At this stage, 4C Strategies already has an established position with a strong reputation and legitimacy, which streamlines and accelerates active marketing.

A clear example of this strategy can be illustrated by 4C Strategies' expansion in the US, where the expansion was initiated by a contract with the US Army. After processing and building a strong customer relationship, the Company began to receive incoming inquiries from potential customers in the public and corporate sectors as it clearly established itself and generated legitimacy.

Clear strategy for entering a new market

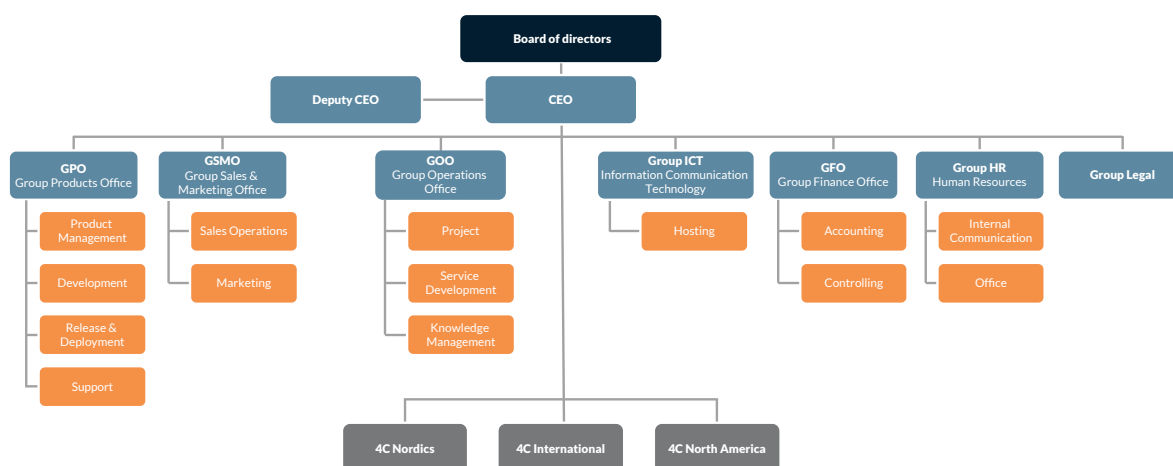


Research and development activities

4C Strategies' Exonaut® software platform has been in development for over 20 years with approximately 70 full-time employees allocated to research and development as of 31 December 2021. Research and development costs amount to approximately 20% of revenue and are partially funded by customers with whom it has co-developed the software. Co-development improves the software based on customer needs and optimises the integration between the platform and the customer's business. 4C Strategies retains the intellectual property rights to the customer-funded specific software solutions, allowing it to resell the solutions and achieve scalability. The software is designed to be adaptable to each specific customer and maintain security in line with NATO and ISO standards, among others. Through continuous improvement, Exonaut® now achieves scalability and availability for approximately two million users per customer.

During the early phase of the Company, between the years 2000 and 2012, the programs "Training and exercise manager", "Scenario Information Manager", "Risk & Incident Manager", "Compliance & Performance Manager", "Tactical data editor" and "Desktop observer" were developed. Between the years 2014 and 2016, "IOS & Android Observer (OBS) & Integrated Product Suite", "Readiness Management Portal" and "Business Continuity Manager" were developed. Following this investment phase, the Company is now in the expansion phase and has since 2019 launched the platform versions "Next Gen Prototyping" in 2019, "Next Gen Training Domain Platform" in 2021 and "Next Gen Resilience Domain Platform" in 2022. "Exonaut Next Generation" enables integration with advanced technologies such as artificial intelligence, machine learning and business intelligence tools as well as a seamless user experience through a unified configurable solution. The release also features increased accessibility and enhanced workflow, data analytics and automation capabilities. In addition, "Exonaut Next Generation" offers new user-centric approach and is easier to update than its predecessors. Exonaut® is developed and maintained with the help of market leaders in the respective fields of data development and maintenance.

Organisation



As of 31 December 2021, 4C Strategies had 179 full-time equivalents (FTEs) across seven offices in Stockholm, Malmö, Lillehammer, London, Warminster, Washington D.C. and Orlando. In 2021, on average, 23% were women and 77% were men. In 2021, 31 new FTEs were hired, of which 19% were women and 81% were men. The members of 4C Strategies' management team are consistently experienced in the sectors in which the Company operates. The Company's board of directors, which consists of three women and three men, has extensive experience in business-relevant sectors.

4C Strategies' employees are essential to the continued success of the Company and enable further development of the Company's software and organisation. 4C Strategies has a flat and open organisation that fosters entrepreneurial thinking, individual development and

encourages employees to influence the development of the software solutions. The Company has an informal approach, focusing on entrepreneurship, employee satisfaction and work with deeper meaning that empowers people to defend the democratic civil society. Helping people make the right decisions in vulnerable, high-stakes situations leads to motivation and strong incentives for employees, enabling 4C Strategies to reap successes and celebrate them with the staff. The Company also focuses on internal promotions to reward staff development and has a strong focus on high potential employees through structured development programmes. This has led to an average score of 4.2/5 in terms of staff who would recommend others to work at 4C Strategies, as well as an attractive Employer Index score of 83/100, which can be compared to an industry average of between 72 and 75 out of 100.¹

1) Source: Origo employee survey

Environment and sustainability

Sustainability strategy

4C Strategies' vision is to combine the power of digital innovation with industry expertise to build a stronger and more resilient society. Organisations face new and evolving challenges in an uncertain and unpredictable world, in which war, climate change and cyber attacks are real threats that need to be countered by building operational resilience and crisis management capabilities. The Company helps manage these threats by supporting governments, institutions, and businesses to build organisational resilience, uphold critical processes and ensure compliance. 4C Strategies' work mitigates the consequences of critical events, giving the Company a critical role in preserving a sustainable society.

4C Strategies aims to maintain a good balance between business, environmental and social sustainability. This is considered crucial to meet current needs, without jeopardising the needs of future generations. To emphasise and formalise the governance and integration of environmental sustainability into its strategy and operations, the Company has adopted environmental protection and travel policies to mitigate the carbon footprint. These policies manage work-related travels, server environment and the Company's offices, and encourages all suppliers to meet the same environmental standards that the Company adheres to.

The Company has a restrictive approach to sales outside the Company's prioritised markets and has chosen to only do business with countries that have entered declared partnerships or alliances with the EU or NATO. The Company does not do business with countries that have been imposed by sanctions, even if these sanctions omit regulatory restrictions on sales.

4C Strategies recognises that its business activities have direct and indirect environmental and social impacts, which the Company believes it has an obligation to manage to the best of its abilities. Therefore, since 2005, 4C Strategies has 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. The ambition of the initiative is to contribute to overall positive changes in the world, while simultaneously strengthen 4C Strategies' position as a sustainable and forward-looking company.

4C Strategies' work towards the UN Sustainable Development Goals

As a part of 4C Strategies' ESG work, the Company has identified several areas in which the Company is able to contribute to the United Nations' (the "UN") sustainability goals. These areas are goal 11 ("Sustainable cities and communities"), goal 8 ("Decent work and economic growth"), goal 3 ("Good health and well-being"), goal 5 ("Gender equality"), as well as goal 13 ("Climate action"). The Company contributes to these goals in several ways. Examples of the Company's specific initiatives per goal are listed below.

1. **Goal 11.** Support organisations to build organisational resilience, uphold critical processes and ensure regulatory compliance.
2. **Goal 8.** Support international institutions, such as UN's funds and programmes, to build organisational readiness, and conduct training for the Company's employees in anti-corruption practices based on ISO 37001.
3. **Goal 3.** Several initiatives implemented to preserve and contribute to the well-being of active military personnel and veterans. 4C Strategies, for example, is a signatory to the "Armed Forces Covenant", an initiative that supports veterans and active members of the UK's military by ensuring they have the same access to government and commercial services and products as any other citizen.
4. **Goal 5.** Sustained focus on gender equality throughout the organisation, which has led to a workplace experience score of 4.4/5 for equal treatment¹. The latest 2020 salary mapping also showed that there were no unequitable differences between men and women².
5. **Goal 13.** 4C Strategies' data centre uses 100% fossil-free electricity and is ISO 14001 certified, while the offices are in an ongoing transition to 100% fossil-free electricity. The Company has also implemented a sustainability and travel policy to minimise climate impact from employee work and travel.

Sustainable society and preservation of democracy

4C Strategies contributes to a sustainable society that upholds democratic principles by helping the Company's customers build operational resilience, maintain critical processes, and ensure regulatory compliance. Examples of how the Company has supported, or is currently supporting, its customers in these respects are illustrated below.

1. Enabling NATO and NATO allied forces to optimally manage, plan and conduct military exercises that fully prepare them to deal with possible conflicts in order to preserve democracy;
2. supporting hospitals to ensure resilience in medical and technological operations, and communications against life-threatening risks;
3. insight sharing with a Princeton University research centre on how democracies can defend elections from disinformation;
4. delivering consistent and coherent national Covid-19 efforts; and
5. supporting exercises, such as Unified Response, the UK's largest ever multi-agency disaster exercise.

1) Employee survey in connection with the 2020 annually review of 4C Strategies' Code of Conduct, which includes an assessment of all 10 UN Global Compact's Principles.

2) Salary mapping of 4C Strategies Swedish employees 2020 in connection with the 2020 annually review of 4C Strategies' Code of Conduct, which includes an assessment of all 10 UN Global Compact's Principles.

Selected historical financial information

Below is selected historical financial information for the Group for the 2021, 2020 and 2019 financial years, as well as interim financial information for the period 1 January – 31 March 2022 with comparative figures for the corresponding period in 2021. The financial information for the 2021, 2020 and 2019 financial years has been derived from the Company's audited consolidated accounts, which has been prepared in accordance with International Financial Reporting Standards as adopted by the EU ("IFRS"), the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 1 (Supplementary Accounting Rules for Groups) and has been audited by the Company's auditor for purposes of the Prospectus in accordance with FAR's recommendation RevR 5 – *Examination of Financial Information in Prospectuses*. The interim financial information for the period 1 January – 31 March 2022, with comparative figures for the corresponding period in 2021, has been prepared in accordance with IAS 34 Interim Financial Reporting and has been reviewed (but not audited) by the Company's auditor in accordance with ISRE 2410 – Review of Interim Financial Information.

The information in this section should be read together with the sections "Operational and financial overview", "Capitalisation, indebtedness and other financial information" and the Company's full historical financial information as of and for the three years that ended on 31 December 2021, 2020 and 2019, as well as the reviewed (but not audited) interim financial information for the period 1 January – 31 March 2022, which are included in full under the section "Historical financial information".

The amounts stated in the tables below have been rounded, while calculations have been performed with a greater number of decimals. As a result of this rounding, the totals in certain tables may appear to be incorrect. No other information in the Prospectus has been audited or reviewed by the Company's auditor, unless otherwise is explicitly stated.

Consolidated income statement

	1 January – 31 March		1 January – 31 December		
	2022	2021	2021	2020	2019
SEK thousand	IAS 34	IAS 34	IFRS	IFRS	IFRS
Net sales	76,034	36,188	261,238	185,293	178,605
Other revenue	491	958	2,510	1,533	923
Total revenue	76,526	37,145	263,748	186,826	179,528
Operating expenses					
Other external costs	-19,098	-7,143	-47,912	-31,431	-43,501
Personnel costs	-52,437	-37,197	-159,114	-131,585	-119,077
Capitalised work for own account	5,976	5,489	17,946	17,374	13,816
Other operating expenses	-134	-180	-1,458	-4,383	-310
Total operating expenses	-65,692	-39,030	-190,538	-150,025	-149,073
Operating income before depreciation/amortisation	10,833	-1,884	73,210	36,802	30,455
Depreciation	-3,612	-3,259	-13,840	-10,995	-8,421
Amortisation	-4,097	-3,361	-12,252	-12,751	-13,052
Operating income	3,124	-8,505	47,118	13,056	8,982
Financial income and expenses	563	-272	2,540	-3,333	-2,255
Income after financial net	3,687	-8,777	49,658	9,723	6,727
Taxes	-872	1,840	-10,669	-2,371	1,182
Net income for the period	2,815	-6,937	38,989	7,352	7,909

Consolidated balance sheet

SEK thousand	31 March		31 December		
	2022 IAS 34	2021 IAS 34	2021 IFRS	2020 IFRS	2019 IFRS
ASSETS					
Intangible assets	45,641	44,456	43,762	42,329	37,710
Tangible assets	2,654	744	2,581	636	616
Right-of-use assets	17,795	27,690	19,783	22,549	23,507
Financial fixed assets	986	587	1,015	582	976
Contract assets	24,232	15,115	13,132	7,253	7,231
Deferred tax asset	931	5,695	1,183	2,838	4,075
Total fixed assets	92,239	94,287	81,456	76,186	74,115
Accounts receivables	41,441	15,016	43,168	20,832	36,888
Tax assets	3,352	2,986	7,113	3,998	3,491
Contract assets	31,611	25,530	39,477	28,652	28,849
Other current receivables	7,755	4,452	6,656	5,729	5,848
Cash and cash equivalents	59,189	8,947	66,026	22,678	12,525
Total current assets	143,348	56,932	162,440	81,889	87,601
Total assets	235,587	151,219	243,895	158,075	161,716
EQUITY AND LIABILITIES					
<i>Equity attributable to the parent company's shareholders</i>	110,522	63,449	107,593	66,557	61,660
Total equity	110,522	63,449	107,593	66,557	61,660
Interest-bearing non-current liabilities	7,055	-	-	-	156
Non-current lease liabilities	7,588	15,964	9,424	12,396	14,162
Deferred tax liability	11,334	9,157	10,947	8,719	7,773
Other non-current liabilities	850	-	850	-	-
Total non-current liabilities	26,826	25,121	21,221	21,115	22,091
Interest-bearing current liabilities	22,847	14,995	30,254	12,208	18,710
Current lease liabilities	9,789	10,484	9,776	10,786	9,711
Accounts payables	6,556	3,160	7,397	2,103	3,732
Tax liabilities	6,608	434	6,386	2,367	-
Contract liabilities	14,655	10,388	24,519	15,886	19,052
Other current liabilities	37,785	23,188	36,749	27,053	26,760
Total current liabilities	98,239	62,649	115,082	70,403	77,965
Total equity and liabilities	235,587	151,219	243,895	158,075	161,716

Consolidated cash flow statement

	1 January – 31 March		1 January – 31 December		
	2022	2021	2021	2020	2019
SEK thousand	IAS 34	IAS 34	IFRS	IFRS	IFRS
Cash flow from the operating activities					
Operating income	3,124	-8,505	47,118	13,056	8,982
Adjustment for non-cash items	7,637	6,055	30,350	23,750	21,473
Interest received	-	532	7,387	2,983	1,548
Interest paid	797	-804	-3,524	-6,316	-3,803
Income tax paid	3,784	591	-3,828	-394	-2,153
Change in operating activities	-20,959	-7,582	-2,016	26,006	14,047
Cash flow from the operating activities	-5,617	-9,714	75,486	59,085	40,094
Cash flow from investing activities					
Acquisition of intangible assets	-6,138	-5,489	-17,946	-17,374	-13,816
Acquisition of tangible assets	-148	-79	-2,248	-577	-346
Acquisition of financial assets	-	-	-	-58	-522
Repayment of deposits	42	40	-356	377	-
Other	-	-	-	-1	-
Cash flow from investing activities	-6,244	-5 528	-20,550	-17,633	-14,684
Cash flow from financing activities					
New share issues	-	297	1,807	47	767
Warrant premiums	-	1,662	297	8	-9
Dividend paid	-	-	-1,393	-1,393	-1,393
Change in liabilities to credit institutions	-	-156	-156	-625	-803
Change in shareholder loans	-	-	-	-	-10,279
Net change of overdraft account	-	2,943	-	-18,085	6,207
Paid leasing fees	-3,354	-3,970	-16,166	-10,199	-7,646
Other	7,055	-1	850	-	-
Cash flow from financing activities	3,701	775	-14,761	-30,247	-13,156
Cash flow for the period	-8,160	-14,468	40,176	11,206	12,254
Change in cash and cash equivalents					
Cash and cash equivalents at the beginning of the period	66,026	22,678	22,678	12,525	388
Exchange rate differences in cash and cash equivalents	1,325	737	3,172	-1,053	-117
Cash and cash equivalents at the end of the period	59,190	8,947	66,026	22,678	12,525

The Group's key performance measures

The Company applies the European Securities and Market Authority's (ESMA) guidelines on alternative performance measures in relation to the Prospectus. The guidelines aim to make alternative performance measures in financial reports more understandable, reliable and comparable and thus promote their usefulness. For the purposes of these guidelines, an alternative performance measures is a financial measure of historical or future performance, financial position, financial performance or cash flows that is not defined or disclosed in the applicable financial reporting framework; IFRS and the Swedish Annual Accounts Act.

The Company believes that the following alternative performance measures, together with performance measures defined under IFRS, facilitate the understanding of the Group's financial trends. The alternative performance measures are also to a great extent used by the Company's management team, investors, securities analysts and other stakeholders as supplementary measures of performance. In addition, such alternative performance measures, as defined by the Company, should not be compared to other similarly titled performance measures used by other companies. This is because the aforementioned performance measures are not always defined in the same way and other companies may calculate them in a different way than the Company. For definitions and the reason for the use of financial performance measures, see below.

The table below shows the Group's selected key performance measures for the 2021, 2020 and 2019 financial years and for the interim period 1 January – 31 March 2022 with comparative figures for the corresponding period in 2021. Unless otherwise stated, the key performance measures have not been audited or reviewed. The abbreviation "N/A" means that the item is "Not Applicable".

SEK thousand (unless otherwise stated)	1 January – 31 March		1 January – 31 December		
	2022	2021	2021	2020	2019
IFRS key performance measures					
Net sales ¹	76,034	36,188	261,238	185,293	178,605
Alternative key performance measures					
Total revenue ¹	76,526	37,145	263,748	186,826	179,528
Net sales growth, %	110.1	-12.7	41.0	3.7	N/A
FX adjusted organic net sales growth, %	97.2	-10.3	44.4	5.1	N/A
Recurring revenue	18,005	22,161	107,937	93,118	71,353
Recurring revenue, as percentage of net sales, %	23.7	61.2	41.3	50.3	40.0
Annual Recurring Revenue (ARR)	97,181	93,216	106,584	93,027	67,282
Capitalised work for own account ¹	5,976	5,489	17,946	17,374	13,816
Items affecting comparability	5,214	-	2,503	-	-
EBITDA	10,833	-1,884	73,210	36,802	30,455
EBITDA margin, %	14.2	-5.2	28.0	19.9	17.1
Adjusted EBITDA	16,047	-1,884	75,713	36,802	30,455
Adjusted EBITDA margin, %	21.1	-5.2	29.0	19.9	17.1
Operating income (EBIT) ¹	3,124	-8,505	47,118	13,056	8,982
EBIT margin, %	4.1	-23.5	18.0	7.0	5.0
Adjusted EBIT	8,338	-8,505	49,621	13,056	8,982
Adjusted EBIT margin, %	11.0	-23.5	19.0	7.0	5.0
Net debt	-11,911	32,496	-16,571	12,713	30,214
Net debt / adjusted EBITDA TTM, x	-0.1	1.0	-0.2	0.3	1.0
Net working capital	18,556	10,816	21,363	11,802	25,532
Net working capital, as percentage of net sales TTM, %	6.2	6.0	8.2	6.4	14.3
Cash conversion ratio, %	72.1	78.0	63.7	90.1	N/A
Operational key performance measures					
Average number of employees (no)	167	134	154	130	124

1) The key performance measure has been audited for the 2021, 2020 and 2019 and reviewed for the period 1 January - 31 March 2022 as well as the comparative period 2021.

Definitions of alternative key performance measures

Key performance measures	Definition	Purpose
Net sales growth, %	Changes in net sales compared to corresponding period previous year.	The measure shows growth in net sales compared to the same period previous year.
FX adjusted organic net sales growth, %	Organic growth adjusted for FX effects.	The measure shows organic growth in net sales adjusted for FX effects.
Recurring revenue	Revenue of recurring nature and relates to revenue from sales of software and software-related services.	The measure gives an indication on how much of the revenues that was recurring during a certain period and is considered important for industry comparison.
Recurring revenue, as percentage of net sales, %	Recurring revenue divided by net sales.	The measure gives an indication on the share of revenue that was recurring.
Annual Recurring Revenue (ARR)	Revenue pursuant to contracts for the next 12 months.	ARR is a measurement on the revenue that is expected to be recurring during the next 12 months or longer.
Capitalised work for own account	Value of work performed for own purposes and capitalised as part of fixed assets.	The measure indicates the value of investment in fixed assets.
Items affecting comparability	Non-recurring items that are not part of the Group's core business.	Used to analyse the Group's performance between periods without items affecting comparability.
EBITDA	Operating income (EBIT) before depreciation and amortisation.	Supplement to the measurement operating income (EBIT) and can be used to assess the operations.
EBITDA margin, %	EBITDA divided by net sales.	The measure gives an indication on earning capacity and to assess the operational activity.
Adjusted EBITDA	Operating income (EBIT) before depreciation and amortisation and adjusted for items affecting comparability.	Aims to show EBITDA between periods without items that affects comparability.
Adjusted EBITDA margin, %	Adjusted EBITDA divided by net sales.	The measure gives an indication on the earning capacity between periods without items affecting comparability.
Operating income (EBIT)	Operating income (EBIT).	The measure is used to analyse the profitability generated by operating activities.
EBIT margin, %	Operating income (EBIT) divided by net sales.	The measure is used to show the profitability of operating activities.
Adjusted EBIT	Operating income (EBIT) adjusted for items affecting comparability.	The measure is used to analyse the profitability of operating activities between periods without items affecting comparability.
Adjusted EBIT margin, %	Adjusted EBIT divided by net sales.	The measure is used to analyse the profitability of operating activities between periods without items affecting comparability.
Net debt	Non-current and current interest-bearing debt less cash and cash equivalents.	The measure is used to assess the Company's possibilities to adhere to financial commitments.
Net debt / adjusted EBITDA TTM, x	Net debt divided by adjusted EBITDA TTM.	The measure shows net debt in relation to operating income (EBIT) before depreciation and amortisation between periods and without items affecting comparability.
Net working capital	Current assets excluding cash and cash equivalents less current debt and excluding interest-bearing items.	The measure is used to analyse the conditions to finance operating activities.
Net working capital, as percentage of net sales TTM, %	Net working capital divided by net sales TTM.	The measure is used to assess how effectively net working capital is used in the business.
Cash conversion ratio, %	Adjusted operating cash flow divided by adjusted EBITDA.	Cash conversion ratio is used as an efficiency measure of the proportion of earnings that is converted into cash and cash equivalents.

Reconciliation tables for alternative key performance measures

Total revenue

SEK thousand	1 January – 31 March		1 January – 31 December		
	2022	2021	2021	2020	2019
Recurring revenue	18,005	22,161	107,937	93,118	71,353
(+) non-recurring revenue	58,521	14,984	155,811	93,708	108,175
Total revenue	76,526	37,145	263,748	186,826	179,528

Net sales growth, % and FX adjusted organic net sales growth, %

SEK thousand	1 January – 31 March		1 January – 31 December		
	2022	2021	2021	2020	2019
Net sales current period	76,034	36,188	261,238	185,293	178,605
(-) Net sales preceding period	36,188	41,472	185,293	178,605	N/A
Change in net sales	39,847	-5,284	75,945	6,688	N/A
(/) Net sales growth, %	110.1	-12.7	41.0	3.7	N/A
(-) FX-exchange effects, growth, %	12.9	-2.5	-3.4	-1.3	N/A
FX adjusted organic net sales growth, %	97.2	-10.3	44.4	5.1	N/A

Recurring revenue and recurring revenue, as percentage of net sales, %

SEK thousand	1 January – 31 March		1 January – 31 December		
	2022	2021	2021	2020	2019
Software	9,985	10,578	65,894	61,166	40,000
(+) Software-related services	8,020	11,584	42,043	31,952	31,353
Recurring revenue	18,005	22,161	107,937	93,118	71,353
(/) Net sales	76,034	36,188	261,238	185,293	178,605
Recurring revenue, as percentage of net sales, %	23.7	61.2	41.3	50.3	40.0

Annual Recurring Revenue (ARR)

SEK thousand	1 January – 31 March		1 January – 31 December		
	2022	2021	2021	2020	2019
Software	60,902	51,269	60,689	51,408	34,425
(+) Software-related services	36,279	41,947	45,895	41,619	32,857
Annual Recurring Revenue (ARR)	97,181	93,216	106,584	93,027	67,282

EBITDA and EBITDA margin, %

SEK thousand	1 January – 31 March		1 January – 31 December		
	2022	2021	2021	2020	2019
Operating income	3,124	-8,505	47,118	13,056	8,982
(-) Depreciation	-3,612	-3,259	-13,840	-10,995	-8,421
(-) Amortisation	-4,097	-3,361	-12,252	-12,751	-13,052
EBITDA	10,833	-1,884	73,210	36,802	30,455
(/) Net sales	76,034	36,188	261,238	185,293	178,605
EBITDA margin, %	14.2	-5.2	28.0	19.9	17.1

Adjusted EBITDA and adjusted EBITDA margin, %

SEK thousand	1 January – 31 March		1 January – 31 December		
	2022	2021	2021	2020	2019
EBITDA	10,833	-1,884	73,210	36,802	30,455
(+) Items affecting comparability	5,214	-	2,503	-	-
Adjusted EBITDA	16,047	-1,884	75,713	36,802	30,455
(/) Net sales	76,034	36,188	261,238	185,293	178,605
Adjusted EBITDA margin, %	21.1	-5.2	29.0	19.9	17.1

EBIT margin, %

SEK thousand	1 January – 31 March		1 January – 31 December		
	2022	2021	2021	2020	2019
Operating income (EBIT)	3,124	-8,505	47,118	13,056	8,982
(/) Net sales	76,034	36,188	261,238	185,293	178,605
EBIT margin, %	4.1	-23.5	18.0	7.0	5.0

Adjusted EBIT and adjusted EBIT margin, %

SEK thousand	1 January – 31 March		1 January – 31 December		
	2022	2021	2021	2020	2019
EBIT	3,124	-8,505	47,118	13,065	8,982
(+) Items affecting comparability	5,214	-	2,503	-	-
Adjusted EBIT	8,338	-8,505	49,621	13,056	8,982
(/) Net sales	76,034	36,188	261,238	185,293	178,605
Adjusted EBIT margin, %	11.0	-23.5	19.0	7.0	5.0

Net debt

SEK thousand	1 January – 31 March		1 January – 31 December		
	2022	2021	2021	2020	2019
Interest-bearing non-current liabilities	14,642	15,964	9,424	12,396	14,318
(+) Interest-bearing current liabilities	32,636	25,479	40,030	22,994	28,421
(-) Cash and cash equivalents	59,189	8,947	66,026	22,678	12,525
Net debt	-11,911	32,496	-16,571	12,713	30,214

Net debt / adjusted EBITDA TTM, x

SEK thousand	1 January – 31 March		1 January – 31 December		
	2022	2021	2021	2020	2019
Net debt	-11,911	32,496	-16,571	12,713	30,214
(/) Adjusted EBITDA TTM	93,644	33,001	75,713	36,802	30,455
Net debt / adjusted EBITDA TTM, x	-0.13	0.98	-0.22	0.35	0.99

Net working capital and net working capital, as percentage of net sales TTM, %

SEK thousand	1 January – 31 March		1 January – 31 December		
	2022	2021	2021	2020	2019
Current assets excl. cash and cash equivalents	84,159	47,985	96,414	59,211	75,076
(-) Current liabilities excl. interest-bearing items	65,603	37,169	75,051	47,409	49,544
Net working capital	18,556	10,816	21,363	11,802	25,532
(/) Net sales	301,085	180,009	261,238	185,293	178,605
Net working capital, as percentage of net sales TTM, %	6.2	6.0	8.2	6.4	14.3

Cash conversion ratio, %

SEK thousand	1 January – 31 March		1 January – 31 December		
	2022	2021	2021	2020	2019
Adjusted EBITDA TTM	93,644	33,001	75,713	36,802	30,455
(-) Changes in net working capital	-7,740	11,101	-9,561	13,730	N/A
(-) Acquisition of intangible assets TTM	-18,433	-18,347	-17,946	-17,374	-13,816
Adjusted operating cash flow	67,472	25,755	48,207	33,157	16,639
(/) Adjusted EBITDA TTM	93,644	33,001	75,713	36,802	30,455
Cash conversion ratio, %	72.1	78.0	63.7	90.1	N/A

Selected historical quarterly financial information

The selected historical quarterly financial information below has been derived from the Group's internal accounting system and has not been audited or reviewed by the Company's auditor.

	2022	2021				2020				2019			
	Unaudited	Unaudited				Unaudited				Unaudited			
SEK thousand (unless otherwise stated)	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	76,034	98,013	62,237	64,801	36,188	48,878	53,374	41,569	41,472	74,441	35,593	40,966	27,605
- Nordics	22,264	26,192	14,263	18,456	20,506	25,904	17,779	24,635	18,894	28,002	17,318	23,177	17,733
- International	15,969	34,234	14,831	17,450	15,142	19,077	27,108	13,499	15,696	30,988	12,530	16,843	7,308
- North America	37,802	37,587	33,142	28,895	540	3,897	8,487	3,435	6,882	15,451	5,746	947	2,564
- Group common items	-	-	-	-	-	-	-	-	-	-	-	-	-
- Software	47,212	65,658	43,817	38,807	11,237	21,847	33,515	13,793	16,978	45,848	15,330	15,290	6,518
- Software-related services	13,920	12,784	9,722	14,696	14,066	14,574	12,967	16,162	14,034	11,871	8,672	11,719	8,958
- Expert services	14,903	19,570	8,698	11,298	10,884	12,457	6,891	11,614	10,459	16,722	11,591	13,958	12,129
- Defence	54,958	68,185	49,634	49,057	18,533	22,129	40,251	20,619	24,611	54,247	18,040	15,856	12,771
- Public	13,113	14,766	7,873	10,645	10,356	13,464	10,528	17,844	12,273	15,487	12,742	18,593	10,446
- Corporate	7,964	15,062	4,730	5,099	7,298	13,285	2,595	3,106	4,588	4,707	4,812	6,517	4,387
Net sales growth, %	110.1	100.5	16.6	55.9	-12.7	-34.3	50.0	1.5	50.2	N/A	N/A	N/A	N/A
FX adjusted organic net sales growth, %	97.2	99.2	19.5	66.5	-10.3	-31.7	52.8	2.1	47.2	N/A	N/A	N/A	N/A
Recurring revenue	18,005	43,078	19,987	22,711	22,161	23,521	33,089	18,131	18,378	24,305	15,201	20,477	11,370
Recurring revenue, as percentage of net sales, %	23.7	44.0	32.1	35.0	61.2	48.1	62.0	43.6	44.3	32.7	42.7	50.0	41.2
Annual recurring revenue (ARR)	97,181	106,584	99,010	94,271	93,216	93,027	83,980	80,806	79,572	67,282	57,683	62,463	58,551
Capitalised work for own account	5,976	3,779	3,804	4,873	5,489	5,082	3,580	4,195	4,517	4,084	3,187	3,240	3,305
Operating expenses	-65,692	-65,489	-41,673	-44,346	-39,030	-40,108	-31,683	-37,689	-40,544	-42,383	-27,754	-41,432	-37,503
Items affecting comparability	5,214	2,503	-	-	-	-	-	-	-	-	-	-	-
EBITDA	10,833	33,138	20,828	21,129	-1,884	8,770	22,033	4,082	1,916	32,886	7,892	-461	-9,862
EBITDA margin, %	14.2	33.8	33.5	32.6	-5.2	17.9	41.3	9.8	4.6	44.2	22.2	-1.1	-35.7
Adjusted EBITDA	16,047	35,640	20,828	21,129	-1,884	8,770	22,033	4,082	1,916	32,886	7,892	-461	-9,862
Adjusted EBITDA margin, %	21.1	36.4	33.5	32.6	-5.2	17.9	41.3	9.8	4.6	44.2	22.2	-1.1	-35.7
Operating income (EBIT)	3,124	27,944	13,124	14,555	-8,505	2,252	16,033	-1,608	-3,622	27,836	3,242	-5,541	-16,555
EBIT margin, %	4.1	28.5	21.1	22.5	-23.5	4.6	30.0	-3.9	-8.7	37.4	9.1	-13.5	-60.0
Adjusted EBIT	8,338	30,446	13,124	14,555	-8,505	2,252	16,033	-1,608	-3,622	27,836	3,242	-5,541	-16,555
Adjusted EBIT margin, %	11.0	31.1	21.1	22.5	-23.5	4.6	30.0	-3.9	-8.7	37.4	9.1	-13.5	-60.0
Net debt	-11,911	-16,571	65,265	48,188	32,496	12,713	40,342	28,006	32,663	30,214	33,737	40,636	32,085
Net debt / adjusted EBITDA TTM, x	-0.1	-0.2	1.3	1.0	1.0	0.3	0.7	0.6	0.8	1.0	N/A	N/A	N/A
Net working capital	18,556	21,363	64,440	36,657	10,816	11,802	27,975	12,033	21,916	25,532	24,079	29,875	25,314

Net sales growth, % and FX adjusted organic net sales growth, %

SEK thousand (unless otherwise stated)	2022 Unaudited		2021 Unaudited			2020 Unaudited				2019 Unaudited			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales current period	76,034	98,013	62,237	64,801	36,188	48,878	53,374	41,569	41,472	74,441	35,593	40,966	27,605
(-) Net sales preceeding period	36,188	48,878	53,374	41,569	41,472	74,441	35,593	40,966	27,605	N/A	N/A	N/A	N/A
Change in net sales	39,847	49,134	8,863	23,232	-5,284	-25,562	17,781	603	13,867	N/A	N/A	N/A	N/A
(/) Net sales growth, %	110.1	100.5	16.6	55.9	-12.7	-34.3	50.0	1.5	50.2	N/A	N/A	N/A	N/A
(-) FX-exchange effects, growth, %	12.9	1.4	-2.9	-10.6	-2.5	-2.6	-2.8	-0.6	3.0	N/A	N/A	N/A	N/A
FX adjusted organic net sales growth, %	97.2	99.2	19.5	66.5	-10.3	-31.7	52.8	2.1	47.2	N/A	N/A	N/A	N/A

Recurring revenue and recurring revenue, as percentage of net sales, %

SEK thousand (unless otherwise stated)	2022 Unaudited		2021 Unaudited			2020 Unaudited				2019 Unaudited			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Software	9,985	31,848	12,329	11,139	10,578	14,522	26,749	10,908	8,987	16,766	8,100	10,766	4,369
(+) Software-related services	8,020	11,230	7,658	11,572	11,584	8,999	6,340	7,222	9,390	7,539	7,101	9,712	7,001
Recurring revenue	18,005	43,078	19,987	22,711	22,161	23,521	33,089	18,131	18,378	24,305	15,201	20,477	11,370
(/) Net sales	76,034	98,013	62,237	64,801	36,188	48,878	53,374	41,569	41,472	74,441	35,593	40,966	27,605
Recurring revenue, as percentage of net sales, %	23.7	44.0	32.1	35.0	61.2	48.1	62.0	43.6	44.3	32.7	42.7	50.0	41.2

Annual recurring revenue (ARR)

SEK thousand (unless otherwise stated)	2022 Unaudited		2021 Unaudited			2020 Unaudited				2019 Unaudited			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Software	60,902	60,689	57,264	53,486	51,269	51,408	43,581	41,205	40,651	34,425	26,848	28,394	25,682
(+) Software-related services	36,279	45,895	41,746	40,785	41,947	41,619	40,399	39,601	38,921	32,857	30,835	34,069	32,869
Annual Recurring Revenue (ARR)	97,181	106,584	99,010	94,271	93,216	93,027	83,980	80,806	79,572	67,282	57,683	62,463	58,551

Reconciliation between EBITDA, EBITDA margin, operating income (EBIT), EBIT margin, adjusted EBITDA, adjusted EBITDA margin, adjusted operating income and adjusted EBIT margin

SEK thousand (unless otherwise stated)	2022 Unaudited		2021 Unaudited			2020 Unaudited				2019 Unaudited			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	76,034	98,013	62,237	64,801	36,188	48,878	53,374	41,569	41,472	74,441	35,593	40,966	27,605
Operating income (EBIT)	3,124	27,944	13,124	14,555	-8,505	2,252	16,033	-1,608	-3,622	27,836	3,242	-5,541	-16,555
EBIT margin, %	4.1	28.5	21.1	22.5	-23.5	4.6	30.0	-3.9	-8.7	37.4	9.1	-13.5	-60.0
(-) Depreciation	-3,612	-3,696	-3,539	-3,346	-3,259	-3,022	-2,715	-2,592	-2,666	-2,574	-1,981	-1,946	-1,920
(-) Amortisation	-4,097	-1,498	-4,165	-3,228	-3,361	-3,497	-3,285	-3,098	-2,872	-2,476	-2,670	-3,133	-4,773
EBITDA	10,833	33,138	20,828	21,129	-1,884	8,770	22,033	4,082	1,916	32,886	7,892	-461	-9,862
EBITDA margin, %	14.2	33.8	33.5	32.6	-5.2	17.9	41.3	9.8	4.6	44.2	22.2	-1.1	-35.7
Items affecting comparability	5,214	2,503	-	-	-	-	-	-	-	-	-	-	-
Adjusted operating income	8,338	30,446	13,124	14,555	-8,505	2,252	16,033	-1,608	-3,622	27,836	3,242	-5,541	-16,555
Adjusted EBIT margin, %	11.0	31.1	21.1	22.5	-23.5	4.6	30.0	-3.9	-8.7	37.4	9.1	-13.5	-60.0
Adjusted EBITDA	16,047	35,640	20,828	21,129	-1,884	8,770	22,033	4,082	1,916	32,886	7,892	-461	-9,862
Adjusted EBITDA margin, %	21.1	36.4	33.5	32.6	-5.2	17.9	41.3	9.8	4.6	44.2	22.2	-1.1	-35.7

Net debt and net debt / adjusted EBITDA TTM, x

SEK thousand (unless otherwise stated)	2022 Unaudited		2021 Unaudited			2020 Unaudited				2019 Unaudited			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Interest-bearing non-current liabilities	14,642	9,424	11,366	13,744	15,964	12,396	14,489	11,409	12,623	14,318	1,248	16,599	12,558
(+) Interest-bearing current liabilities	32,636	40,030	62,499	40,873	25,479	22,994	35,942	22,598	31,683	28,421	34,886	26,028	23,264
(-) Cash and cash equivalents	59,189	66,026	8,600	6,429	8,947	22,678	10,089	6,001	11,643	12,525	2,398	1,992	3,737
Net debt	-11,911	-16,571	65,265	48,188	32,496	12,713	40,342	28,006	32,663	30,214	33,737	40,636	32,085
(/) Adjusted EBITDA, TTM	93,644	75,713	48,843	50,048	33,001	36,802	60,917	46,776	42,233	30,455	N/A	N/A	N/A
Net debt / adjusted EBITDA TTM, x	-0.13	-0.22	1.34	0.96	0.98	0.35	0.66	0.60	0.77	0.99	N/A	N/A	N/A

Net working capital and net working capital, as percentage of net sales TTM, %

SEK thousand (unless otherwise stated)	2022 Unaudited		2021 Unaudited			2020 Unaudited				2019 Unaudited			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Current assets excl. cash and cash equivalents	84,159	96,414	105,682	80,137	47,985	59,211	63,689	54,699	59,329	75,076	64,178	62,001	52,671
(-) Current liabilities excl. interest-bearing items	65,603	75,051	41,242	43,480	37,169	47,409	35,714	42,666	37,413	49,544	40,099	32,125	27,357
Net working capital	18,556	21,363	64,440	36,657	10,816	11,802	27,975	12,033	21,916	25,532	24,079	29,875	25,314
(/) Net sales	301,085	261,238	212,104	203,241	180,009	185,293	210,855	193,075	192,472	178,605	N/A	N/A	N/A
Net working capital, as percentage of net sales TTM, %	6.2	8.2	30.4	18.0	6.0	6.4	13.3	6.2	11.4	14.3	N/A	N/A	N/A

Operational and financial overview

The information below is to be read together with the sections "Selected historical financial information" and "Capitalisation, indebtedness and other financial information" as well as the Company's audited consolidated financial statements as of and for the three years ending 31 December 2021, 2020 and 2019, with accompanying notes, that is presented in the section "Historical financial information", as well as the consolidated unaudited financial interim information for the three-month period that ended 31 March 2022 with comparative figures for the three-month period that ended 31 March 2021, which is included in the section "Historical financial information".

The following section contains forward-looking statements that are subject to certain risks and uncertainties. The Company's actual results could deviate considerably from the expectations of the forward-looking statements as a result of many different factors, including, but not limited to, what is stated in this Prospectus, particularly in the section "Risk factors".

Overview

4C Strategies was founded in 2000 and is a leading global provider of software solutions and expert services for organisational readiness, training, and crisis management with a unique¹ offering on the market. Through its Exonaut® software platform, 4C Strategies offers a complete platform for building organisational readiness. Exonaut® enables effective, secure and seamless management of incidents, crises, risks and compliance assurance. Exonaut® also supports the sustainment and continuity of operations affected by disruptions and crises and provides a software solution for both military and civilian customers in training management and capability development. In addition to Exonaut®, the Company also provides software-related services and expert services. The Company provides its solutions primarily to customers in mission-critical environments such as defence forces, public organisations, and companies in the corporate sector that have a need of managing risks and training for sudden and critical events. Common among 4C Strategies' customers is the need for high security. The Company's Exonaut® software platform is accredited by NATO on the Secret Level and Cyber Essentials Plus, among others, which creates a high level of credibility for the Company's software solutions. 4C Strategies has a global presence with headquarters in Stockholm, users in over 100 countries and seven offices globally in Stockholm, Malmö, London, Lillehammer, Warminster, Orlando and Washington D.C. During the financial year 2021, 70% of net sales were generated outside the Nordics.

In recent years, 4C Strategies has expanded into new regions and new customer groups. This expansion has resulted in increased growth, with the Company's net sales increasing from SEK 178,605 thousand in 2019 to SEK 261,238 thousand in 2021, corresponding to a CAGR of 20.9%. This growth has been largely driven by a higher share of software revenues, which represented 46.5% of total net sales in 2019 and 61.1% in 2021. Due to 4C Strategies' scalable business model, the adjusted EBIT margin has increased from 5.0% to 19.0% over the period 2019 to 2021. 4C Strategies' assessment is that the ongoing digitisation trend, i.e. the shift from analogue solutions to software, combined with global trends such as increasing increasing volatility, uncertainty, complexity and ambiguity ("VUCA")², is expected to drive growth both in the market and for the Company.

Factors affecting the Company's operating income (EBIT)

4C Strategies believes that the Company's results and financial position mainly have been, and are continued to be, affected by the following factors:

- » Growth and trends on the global market for organisational readiness and training
- » Ability to retain customers and increase their activity
- » Ability to expand to new customers, countries and segments
- » Cost base and scalability
- » Procurement and sale of the Company's solutions and services as well as marketing activities
- » The Company's service offering and mix of customers
- » The Company's investments in the software platform and development of new solutions
- » Maintain the Company's credibility
- » Currency effects

For a more detailed description of risks that are associated with 4C Strategies' operations, refer to the section "Risk factors".

1) Source: The Market Study. Defined as having the broadest offering of comparable companies in the market for organisational readiness and training in the defence, public and corporate sectors.
2) VUCA (is a term used to describe a number of challenges that individuals, groups and organisations need to address. The acronym stands for "Volatility, Uncertainty, Complexity and Ambiguity".

Growth and trends on the global market for organisational readiness and training

4C Strategies operates within the global market for organisational readiness and training, and the Company's total addressable market is expected to amount to approximately SEK 190 billion during 2021. The commercially relevant customers within the geographically available markets constitutes 4C Strategies' serviceable addressable market, which was expected to amount to SEK 23 billion in 2021, and constitutes approximately 12% of the total addressable market¹.

The Company operates on a rapidly growing serviceable addressable market which is expected to see a CAGR of approximately 16% between 2021 and 2025. The market consists of three verticals: defence, public and corporate, with a CAGR of 16%, 14% and 16% for each vertical between 2021 and 2025. 4C Strategies has a strong position on the market as being the single player with a full range of solutions in software, software-related services, and expert services for the verticals defence, public and corporate.²

The growth of 4C Strategies' serviceable addressable market is driven by a number of structural trends which has strengthen demand for solutions and services related to crisis management, which was further intensified during the COVID-19 pandemic. The trends mainly consist of increased uncertainty and complexity, more regulatory requirements, as well as accelerating digitisation, constantly with new technologies. For more information, refer to "Market overview – Defence sector – Serviceable addressable market and trends" and "Market overview – Public and corporate sector – Serviceable addressable market and trends".

Ability to retain customers and increase their activity

On a growing global market for organisational readiness and training, 4C Strategies is dependent on the Company's ability to retain and continue to grow with existing customers. As of 31 December 2021, 4C Strategies had a total of 153 customers with users in more than 100 countries within the three verticals defence, public and corporate. This includes some of the largest defence forces, public organisations and private companies globally. Historically, the Company's growth has benefited from strong loyalty among customers, which has led to an increase in revenue per customer, continuous additional sales and long and close customer relations with a low customer churn of 1.8% during 2021. For example, revenue for one customer within the defence sector has since 2014 increased from SEK 15,501 thousand to SEK 58,938 thousand in 2021, owing to cross- and upselling of software solutions and software-related services. Going forward, 4C Strategies will work strategically to retain existing customers and continue to increase cross- and upselling of the Company's solutions and services. This is done through a constantly enhanced software platform with functions that can be adapted to the customers' and sectors' specific challenges, as well as supplementary software-related services and expert services. However, customer loyalty and revenue per customer can for various reasons decrease in the future, for example if 4C Strategies is not able to meet its customers' requirements in a competitive way. If the Company does not rapidly react to such a development, this can lead to 4C Strategies' position in the market weakening and that its operating income (EBIT) and financial position is adversely affected.

Ability to expand to new customers, countries and segments

Besides retaining existing customers and increase revenue per customer, 4C Strategies' operating income (EBIT) and financial position is affected by its ability to attract new customers and expand to new countries and segments. 4C Strategies has identified growth opportunities in expanding the customer base within all three verticals (defence, public and corporate). The Company believes that the greatest potential for expansion is within the corporate sector. This is because the corporate sector relatively is the largest one. Additionally, 4C Strategies has only penetrated a small portion of the corporate sector. The Company sees an opportunity to use its strong reputation with existing customers within all three verticals in order to keep growing and gain new market shares in, inter alia, the infrastructure, banking, insurance and telecom sectors, where the demand for mission-critical software, expert services and other solutions in organisational readiness and training is critical. Historically, the Company has been successful in using its good reputation to attract new customers and this also constitutes a strategy going forward. Consequently, 4C Strategies has been able to identify and evaluate possibilities to launch new software modules and software-related services in order to broaden the Company's offering for purposes of attracting new customers. Also, the potential of geographical expansion has been identified as a way to attract new customers.

Cost base and scalability

4C Strategies has a resistant, well-invested and scalable software platform that can handle complex processes. With only one well-developed platform that can be tailored based on different modules to handle specific customer needs, 4C Strategies can minimise the degree of involvement, which means high scalability. New customers can swiftly and easily integrate 4C Strategies' software platform, both on-premise and through a hybrid solution. The Company's customers can use the software platform without support from 4C Strategies' staff, even though customer adaptation, optimisation and further development are available as add-on services. The centralised software platform requires no significant extra operating costs as a consequence of an increasing customer base, which further reinforces the scalability and margin potential while the Company at the same time grows organically.

During 2020 and 2021, 4C Strategies' total operating costs amounted to SEK 150,025 thousand and SEK 190,538 thousand, respectively. A great majority of the total operating costs are fixed and mainly consist of personnel costs. The personnel costs increased from SEK 131,585 thousand in 2020 to SEK 159,114 thousand in 2021. As a percentage of net sales, it corresponded to 71.0% in 2020 and decreased to 60.9% in 2021. 4C Strategies operating margin is affected by the mix of sale of software, software-related services and expert services. The mix between the various services affects profitability due to differences in scalability, where a greater share of software revenue leads to a higher operating margin. This is mainly due to that most operating costs for the software are fixed, with only limited additional operating costs. Further, 4C Strategies has the potential to increase software sales to existing customers, which further strengthens the scalability of the Company's business model and operating income (EBIT). Loss of customers or decreasing revenues per customer can however have an adverse impact on 4C Strategies' profitability.

1) Source: The Market Study

2) Source: The Market Study

Procurement and sale of the Company's solutions and services as well as marketing activities

4C Strategies' ability to win procurements and sell the Company's offering is an important part to secure 4C Strategies' growth. As sales to the defence sector and public organisations mainly are made through long procurement processes, sales are to a great extent dependent on the timing and existence of significant procurements. This is a result of that many customers' purchasing is budget-controlled, which means that sales and the procurement processes are dependent on the customers' budget processes. Generally, procurements are also large, which can have an impact on 4C Strategies' net sales and operating income (EBIT). Sales tend to be strongest during the fourth quarter, but can vary from year to year, as customers in the public sector in particular try to match their budgets for solutions and services during the year.

Marketing activities are an important part of winning contracts and increasing sales. The marketing activities take place mainly at trade fairs and through similar activities where 4C Strategies can demonstrate its products and services. Consequently, sales can be adversely affected if the possibilities to participate at trade fairs and at similar activities decreases.

The Company's service offering and mix of customers

4C Strategies' revenue model consists of an offering based on software-related services and an offering of expert services. The offering of software-related services is sold mainly through time-based licenses where revenue is recurring. Expert services are a form of advisory service that are sold through contracts. The offering of software-related services is based on a centralised software platform which do not require any significant extra operating costs due to increasing sales, which creates a high scalability in contrast to expert services which requires more involvement. A greater share of software sales compared to expert services can therefore be expected to contribute to increased profitability for 4C Strategies as the Company grows organically. Various types of customers also have an impact on the results, as the contracts and licenses for the defence sector generally are greater than for the public and corporate sector.

The Company's investments in the software platform and development of new solutions

4C Strategies has made significant investments in the development of its software platform, solutions and services. Software development has been, and will continue to be, important in order for 4C Strategies to be able to meet existing and future customers' requirements of new and enhanced solutions, while the Company's position in the market and its competitive edge is maintained. In order to keep developing the Company's software platform, 4C Strategies needs to invest in research and development. Investments in intangible assets amounted to SEK 13,816 thousand, SEK 17,374 thousand and SEK 17,946 thousand during 2019, 2020 and 2021, respectively. 4C Strategies capitalise its software development, which affects the Company's reported operating income (EBIT) and long-term value vis-à-vis customers. Software development financed by 4C Strategies' customers and which are tailored for a specific customer is not capitalised, and is instead invoiced directly to the customer.

Maintain the Company's credibility

4C Strategies operates in mission-critical environments where the Company's credibility is of the utmost importance. The Company is the supplier with the most comprehensive range of solutions and services on the market. This full range offering, which is security classified by NATO on the Secret Level and Cyber Essentials Plus standard, is one of 4C Strategies main factors for success and is critical for the Company's ability to continue to be relevant for its customers. In order to maintain credibility and to take advantage of demand, 4C Strategies must continue to offer a full range offering of solutions and services with the highest safety standards and quality. Maintaining 4C Strategies' credibility affects the Company's customer relationships and thereby also its ability to attract new customers on new markets and retain existing customers.

Currency effects

The Company has its headquarters in Sweden but has an international customer base and global presence. As a consequence of the Group's global customer base, revenue is generated in foreign currencies and the Company is therefore exposed to changes in exchange rates compared to the Company's reporting currency, which is SEK. The most important currencies besides SEK are USD, EUR and GBP. The Company's result is therefore affected by changes in these currencies in relation to SEK.

Most of 4C Strategies' revenue is generated in SEK, GBP and USD. This is because Sweden, UK and USA represent the largest regions for the Company in terms of net sales, meaning that a significant part of invoicing is made in any of these three currencies.

Important line items in the income statement

Net sales

4C Strategies' net sales is mainly generated through sales of software, software-related services and expert services. The sale of the software consists of the platform Exonaut® which is sold through time-based licenses and perpetual licenses with accompanying service and support agreements. Software-related services consist for example of implementation and Managed Services¹, which are carried out based on approved invoices or fixed-price contracts. Expert services consist of non-recurring revenue where the services are purchased based on contracts with payment through approved invoices or through annual fixed-price contracts.

Other revenue

Other revenue consists of exchange rate profits on operating receivables and other items that cannot be defined in any other income category, for example rounding.

Other external costs

Other external costs consist of costs for central administration, excluding costs related to personnel, rents for premises, consumables, IT costs, travel related costs, consultancy costs and other office costs.

Personnel costs

Personnel costs consist of salaries to employees, including pensions and social security contributions as well as other personnel-related costs.

¹) Managed Services is a term for a service that maintains a number of processes and functions in order to improve operations and reduce costs in a business.

Capitalised work for own account

Capitalised work for own account relates to software development.

Other operating expenses

Other operating expenses consist of exchange rate losses on operating liabilities and other non-material items.

EBITDA

EBITDA, profit before depreciation, financial items and tax on profit/loss for the period.

Depreciation

Depreciation on tangible assets such as leasing, inventories and equipment.

Amortisation

Amortisation of intangible assets such as software, licenses, and financial lease agreements.

Operating income (EBIT)

Operating income (EBIT) before net interest income and tax on profit/loss for the period.

Financial income and expenses

Financial income and expenses comprise financial income and costs. Financial income consists of interest income. Financial costs consist of interest costs and financial charges as well as the fair value of profit or loss on cash and cash equivalents.

Taxes

Taxes comprise tax on the profit/loss for the period and accrued tax on reversals of temporary differences. Tax is reported in the income statement except when the tax is attributable to items that are reported in other comprehensive income or directly against equity.

Comparison between the interim periods 1 January 31 March 2022 and 2021

The table below shows 4C Strategies' result in SEK thousand as well as the annual growth and percentage change between the two periods.

SEK thousand	1 January 2022 – 31 March 2022	Change		1 January 2021 – 31 March 2021
	2022	SEK thousand	Percent (%)	2021
Net sales	76,034	39,847	110.1	36,188
Other revenue	491	-466	-48.7	958
Total revenue	76,526	39,380	106.0	37,145
Other external costs	-19,098	-11,955	167.4	-7,143
Personnel costs	-52,437	-15,240	41.0	-37,197
Capitalised work for own account	5,976	487	8.9	5,489
Other operating expenses	-134	45	-25.3	-180
Total operating expenses	-65,692	-26,663	68.3	-39,030
Operating income before depreciation/amortisation	10,833	12,718	N/A	-1,884
Depreciation	-3,612	-352	10.8	-3,259
Amortisation	-4,097	-736	21.9	-3,361
Operating income	3,124	11,630	N/A	-8,505
Financial income and expenses	563	835	N/A	-272
Income after financial net	3,687	12,465	N/A	-8,777
Taxes	-872	-2,712	N/A	1,840
Net income for the period	2,815	9,752	N/A	-6,937

Net sales

Net sales increased by SEK 39,847 thousand, or 110.1%, from SEK 36,188 thousand during the three-month period that ended 31 March 2021 to SEK 76,034 thousand during the three-month period that ended 31 March 2022. The Company has had a high growth within software revenue, which increased with 320.1%, from SEK 11,237 thousand during the three-month period that ended 31 March 2021 to SEK 47,212 thousand during the three-month period that ended 31 March 2022. Sales in North America increased by SEK 37,261 thousand, or 6,896.4%, from SEK 540 thousand during the three-month period that ended 31 March 2021 to SEK 37,802 thousand during the three-month period that ended 31 March 2022. Sales in the Nordics increased by SEK 1,758 thousand or 8.6%, from SEK 20,506 thousand during the three-month period that ended 31 March 2021 to SEK 22,264 thousand during the three-month period that ended 31 March 2022. Furthermore, International sales increased by SEK 827 thousand or 5.5%, from SEK 15,142 thousand during the three-month period that ended 31 March 2021 to SEK 15,969 thousand during the three-month period that ended 31 March 2022.

Other revenue

Other revenue decreased by SEK 466 thousand, or 48.7%, from SEK 958 thousand during the three-month period that ended 31 March 2021 to SEK 491 thousand during the three-month period that ended 31 March 2022.

Other external costs

Other external costs increased by SEK 11,955 thousand, or 167.4%, from SEK 7,143 thousand during the three-month period that ended 31 March 2021 to SEK 19,098 thousand during the three-month period that ended 31 March 2022 and was mainly related to increased costs for external services.

Personnel costs

Personnel costs increased by SEK 15,240 thousand, or 41.0%, from SEK 37,197 thousand during the three-month period that ended 31 March 2021 to SEK 52,437 thousand during the three-month period that ended 31 March 2022. Between the first quarters of 2021 and 2022, the average number of full time equivalents (FTE) increased from 134 to 167. At the same time, personnel costs decreased as a percentage of net sales during the first quarter of 2022 by 33.8 percentage points compared to the corresponding period in 2021 and amounted to 69.0%.

Capitalised work for own account

Capitalised work for own account increased by SEK 487 thousand, or 8.9%, from SEK 5,489 thousand during the three-month period that ended 31 March 2021 to SEK 5,976 thousand during the three-month period that ended 31 March 2022.

EBITDA

EBITDA increased by SEK 12,718 thousand from SEK -1,884 thousand during the three-month period that ended 31 March 2021 to SEK 10,833 thousand during the three-month period that ended 31 March 2022. The EBITDA margin increased from -5.2% during the three-month period that ended 31 March 2021 to 14.2% during the three-month period that ended 31 March 2022, which corresponds to an increase of 19.5 percentage points.

Depreciation

Depreciation of tangible assets increased by SEK 352 thousand or 10.8%, from SEK 3,259 thousand during the three-month period that ended 31 March 2021 to SEK 3,612 thousand during the three-month period that ended 31 March 2022. Depreciation as a percentage of net sales during the three-month period that ended 31 March 2022 amounted to 4.8%, which corresponds to a decrease by 3.9 percentage points compared to the corresponding period in 2021.

Amortisation

Amortisation of intangible assets increased by SEK 736 thousand or 21.9 %, from SEK 3,361 thousand during the three-month period that ended 31 March 2021 to SEK 4,097 thousand during the three-month period that ended 31 March 2022. Amortisation as a percentage of net sales during the three-month period that ended 31 March 2022 amounted to 5.4%, which corresponds to a decrease by 3.9 percentage points compared to the corresponding period in 2021.

Operating income (EBIT)

Operating income (EBIT) increased by SEK 11,630 thousand from SEK -8,505 thousand during the three-month period that ended 31 March 2021 to SEK 3,124 thousand during the three-month period that ended 31 March 2022. The EBIT margin increased from 23.5% during the three-month period that ended 31 March 2021 to 4.1% during the three-month period that ended 31 March 2022, which corresponds to an increase of 28 percentage points.

Financial income and expenses

Financial income and expenses increased by SEK 835 thousand from SEK -272 thousand during the three-month period that ended 31 March 2021 to SEK 563 thousand during the three-month period that ended 31 March 2022.

Taxes

Taxes increased by SEK 2,712 thousand, from SEK -1,840 thousand during the three-month period that ended 31 March 2021 to SEK 872 thousand during the three-month period that ended 31 March 2022.

Net income for the period

As a result of what is stated above, net income for the period increased by SEK 9,752 thousand, from SEK -6,937 thousand during the three-month period that ended 31 March 2021 to SEK 2,815 thousand during the three-month period that ended 31 March 2022.

Comparison between the 2021 and 2020 financial years

The table below shows 4C Strategies' result in SEK thousand as well as the annual growth and percentage change between the two periods.

SEK thousand	1 January 2021 – 31 December 2021	Change		1 January 2020 – 31 December 2020
	2021	SEK thousand	Percent %	2020
Net sales	261,238	75,945	41.0	185,293
Other revenue	2,510	977	63.7	1,533
Total revenue	263,748	76,922	41.2	186,826
Other external costs	-47,912	-16,481	52.4	-31,431
Personnel costs	-159,114	-27,529	20.9	-131,585
Capitalised work for own account	17,946	571	3.3	17,374
Other operating expenses	-1,458	2,925	-66.7	-4,383
Total operating expenses	-190,538	-40,513	27.0	-150,025
Operating income before depreciation/amortisation	73,210	36,409	98.9	36,802
Depreciation	-13,840	-2,845	25.9	-10,995
Amortisation	-12,252	499	-3.9	-12,751
Operating income	47,118	34,062	260.9	13,056
Financial income and expenses	2,540	5,873	N/A	-3,333
Income after financial net	49,658	39,935	410.7	9,723
Taxes	-10,669	-8,299	350.0	-2,371
Net income for the period	38,989	31,636	430.3	7,352

Net sales

Net sales increased by SEK 75,945 thousand or 41.0%, from SEK 185,293 thousand during the financial that ended 31 December 2020 to SEK 261,238 thousand during the financial that ended 31 December 2021. The Company has had a high growth of software revenue, which increased by 85.2%, from SEK 86,134 thousand in 2020 to SEK 159,520 thousand in 2021. The Company also benefited from an increasing share of sales to a number of important and strategic customers. Sales in North America increased by SEK 77,463 thousand or 341.2%, from SEK 22,702 thousand in 2020 to SEK 100,165 thousand in 2021 and was driven by new contracts and cooperation with the US Army. Sales in the Nordics decreased by SEK 7,795 thousand or 8.9%, from SEK 87,211 thousand in 2020 to SEK 79,416 thousand in 2021. Furthermore, International sales increased by SEK 6,277 thousand or 8.3%, from SEK 75,380 thousand in 2020 to SEK 81,657 thousand in 2021.

Other revenue

Other revenue increased by SEK 977 thousand or 63.7%, from SEK 1,533 thousand during the financial year that ended 31 December 2020 to SEK 2,510 thousand during the financial year that ended 31 December 2021.

Other external costs

Other external costs increased by SEK 16,481 thousand or 52.4%, from SEK 31,431 thousand during the financial year that ended 31 December 2020 to SEK 47,912 thousand during the financial year that ended 31 December 2021 and was mainly related to costs for external services attributable to growth and changed in relation to net sales. During 2021, 4C Strategies has also moved to bigger premises, and invested in its IT infrastructure and work equipment as the number of employees have increased, which is reflected in other external costs.

Personnel costs

Personnel costs increased by SEK 27,529 thousand or 20.9%, from SEK 131,585 thousand during the financial year that ended 31 December 2020 to SEK 159,114 thousand during the financial year that ended 31 December 2021. The increase was mainly attributable to the hiring of more developers and sales personnel globally. Between 2020 and 2021, the average number of full time equivalents (FTE) increased from 130 to 154. At the same time, personnel costs as a percentage of net sales during 2021 decreased by 10.1 percentage points compared to the corresponding period in 2020 and amounted to 60.9%. The decrease shows 4C Strategies' scalability and that higher sales volumes have resulted in limited additional costs.

Capitalised work for own account

Capitalised work for own account increased by SEK 571 thousand or 3.3%, from SEK 17,374 thousand during the financial year that ended 31 December 2020 to SEK 17,946 thousand during the financial year that ended 31 December 2021.

Other operating expenses

Other operating expenses decreased by SEK 2,925 thousand or 66.7%, from SEK 4,383 thousand during the financial year that ended 31 December 2020 to SEK 1,458 thousand during the financial year that ended 31 December 2021.

EBITDA

EBITDA increased by SEK 36,409 thousand or 98.9%, from SEK 36,802 thousand during the financial year that ended 31 December 2020 to SEK 73,210 thousand during the financial year that ended 31 December 2021. The EBITDA margin increased from 19.9% during the financial year that ended 31 December 2020 to 28.0% during the financial year that ended 31 December 2021, which corresponds to an increase of 8.1 percentage points. Items affecting comparability of non-recurring nature amounted to SEK 2,503 thousand during 2021. Consequently, the adjusted EBITDA increased by SEK 38,911 thousand, from SEK 36,802 thousand during the financial year that ended 31 December 2020 to SEK 75,713 thousand during the financial year that ended 31 December 2021. The increase was mainly due to continued scalability and utilisation of 4C Strategies' software platform. The adjusted EBITDA margin increased from 19.9% during the financial year that ended 31 December 2020 to 29.0% during the financial year that ended 31 December 2021, which corresponds to an increase of 9.1 percentage points compared to the corresponding period in 2020.

Depreciation

Depreciation of tangible assets increased by SEK 2,845 thousand or 25.9%, from SEK 10,995 thousand during the financial year that ended 31 December 2020 to SEK 13,840 thousand during the financial year that ended 31 December 2021. Depreciation as a percentage of net sales during the financial year that ended 31 December 2021 amounted to 5.3%, which corresponds to a decrease of 0.6 percentage points compared to the corresponding period in 2020.

Amortisation

Amortisation of intangible assets decreased by SEK 499 thousand or 3.9%, from SEK 12,751 thousand during the financial year that ended 31 December 2020 to SEK 12,252 thousand during the financial year that ended 31 December 2021. Amortisation as a percentage of net sales during the financial year that ended 31 December 2021 amounted to 4.7%, which corresponds to a decrease of 2.2 percentage points compared to the corresponding period in 2020.

Operating income (EBIT)

Operating income (EBIT) increased by SEK 34,062 thousand or 260.9%, from SEK 13,056 thousand during the financial year that ended 31 December 2020 to SEK 47,118 thousand during the financial year that ended 31 December 2021. The EBIT margin increased from 7.0% during the financial year that ended 31 December 2020 to 18.0% during the financial year that ended 31 December 2021, which corresponds to an increase of 11.0 percentage points. Items affecting comparability of non-recurring nature amounted to SEK 2,503 thousand in 2021. Consequently, the adjusted EBIT increased by SEK 36,565 thousand, from SEK 13,056 thousand during the financial year that ended 31 December 2020 to SEK 49,621 thousand during the financial year that ended 31 December 2021. The adjusted EBIT margin increased from 7.0% during the financial year that ended 31 December 2020 to 19.0% during the financial year that ended 31 December 2021, which corresponds to an increase of 12.0 percentage points compared to the corresponding period in 2020.

Financial income and expenses

Financial income and expenses increased by SEK 5,873 thousand, from SEK -3,333 thousand during the financial year that ended 31 December 2020 to SEK 2,540 thousand during the financial year that ended 31 December 2021.

Taxes

Taxes increased by SEK 8,299 thousand, from SEK 2,371 thousand during the financial year that ended 31 December 2020 to SEK 10,669 thousand during the financial year that ended 31 December 2021.

Net income for the period

As a result of what is stated above, net income for the period increased by SEK 31,636 thousand, from SEK 7,352 thousand during the financial year that ended 31 December 2020 to SEK 38,989 thousand during the financial year that ended 31 December 2021.

Comparison between the 2020 and 2019 financial years

The table below shows 4C Strategies' result in SEK thousand as well as the annual growth and percentage change between the two periods.

SEK thousand	1 January 2020 - 31 December 2020	Change		1 January 2019 - 31 December 2019
	2020	SEK thousand	Percent %	2019
Net sales	185,293	6,688	3.7	178,605
Other revenue	1,533	611	66.2	923
Total revenue	186,826	7,299	4.1	179,528
Other external costs	-31,431	12,070	-27.7	-43,501
Personnel costs	-131,585	-12,508	10.5	-119,077
Capitalised work for own account	17,374	3,558	25.8	13,816
Other operating expenses	-4,383	-4,073	1,312.0	-310
Total operating expenses	-150,025	-952	0.6	-149,073
Operating income before depreciation/amortisation	36,802	6,347	20.8	30,455
Depreciation	-10,995	-2,574	30.6	-8,421
Amortisation	-12,751	301	-2.3	-13,052
Operating income	13,056	4,074	45.4	8,982
Financial income and expenses	-3,333	-1,078	47.8	-2,255
Income after financial net	9,723	2,996	44.5	6,727
Taxes	-2,371	-3,553	N/A	1,182
Net income for the period	7,352	-556	-7.0	7,909

Net sales

Net sales increased by SEK 6,688 thousand or 3.7%, from SEK 178,605 thousand during the financial year that ended 31 December 2019 to SEK 185,293 thousand during the financial year that ended 31 December 2020. The increase was mainly due to increased sales of software and software-related services to new and existing customers. Sales in North America decreased by SEK 2,005 thousand or 8.1%, from SEK 24,707 thousand in 2019 to SEK 22,702 thousand in 2020. Sales in the Nordics increased by SEK 982 thousand or 1.1%, from SEK 86,230 thousand in 2019 to SEK 87,211 thousand in 2020. Furthermore, International sales increased by SEK 7,711 thousand or 11.4%, from SEK 67,669 thousand in 2019 to SEK 75,380 thousand in 2020.

Other revenue

Other revenue increased by SEK 611 thousand or 66.2%, from SEK 923 thousand during the financial year that ended 31 December 2019 to SEK 1,533 thousand during the financial year that ended 31 December 2020.

Other external costs

Other external costs decreased by SEK 12,070 thousand or 27.7%, from SEK 43,501 thousand during the financial year that ended 31 December 2019 to SEK 31,431 thousand during the financial year that ended 31 December 2020. The decrease is attributable to effects from the COVID-19 pandemic, which led to a decrease in costs related to travel and events.

Personnel costs

Personnel costs increased by SEK 12,508 thousand or 10.5%, from SEK 119,077 thousand during the financial year that ended 31 December 2019 to SEK 131,585 thousand during the financial year that ended 31 December 2020. The increase was mainly due to an increased workforce. Between 2019 and 2020, the average number of full time equivalents (FTE) increased from 124 to 130. At the same time, personnel costs as a percentage of net sales in 2020 increased by 4.3 percentage points compared to the corresponding period in 2019 and amounted to 71%.

Capitalised work for own account

Capitalised work for own account increased by SEK 3,558 thousand or 25.8%, from SEK 13,816 thousand during the financial year that ended 31 December 2019 to SEK 17,374 thousand during the financial year that ended 31 December 2020.

Other operating expenses

Other operating expenses increased by SEK 4,073 thousand or 1,312.0%, from SEK 310 thousand during the financial year that ended 31 December 2019 to SEK 4,383 thousand during the financial year that ended 31 December 2020.

EBITDA

EBITDA increased by SEK 6,347 thousand or 20.8%, from SEK 30,455 thousand during the financial year that ended 31 December 2019 to SEK 36,802 thousand during the financial year that ended 31 December 2020. The EBITDA margin increased from 17.1% during the financial year that ended 31 December 2019 to 19.9% during the financial year that ended 31 December 2020, which corresponds to an increase of 2.8 percentage points. During 2020 and 2019, there was no items affecting comparability of non-recurring nature.

Depreciation

Depreciation of tangible assets increased by SEK 2,574 thousand or 30.6%, from SEK 8,421 thousand during the financial year that ended 31 December 2019 to SEK 10,995 thousand during the financial year that ended 31 December 2020. Depreciation as a percentage of net sales during the financial year that ended 31 December 2020 amounted to 5.9%, which corresponds to an increase of 1.2 percentage points compared to the corresponding period in 2019.

Amortisation

Amortisation of intangible assets decreased by SEK 301 thousand or 2.3%, from SEK 13,052 thousand during the financial year that ended 31 December 2019 to SEK 12,751 thousand during the financial year that ended 31 December 2020. Amortisation as a percentage of net sales during the financial year that ended 31 December 2020 amounted to 6.9%, which corresponds to a decrease of 0.4 percentage points compared to the corresponding period in 2019.

Operating income (EBIT)

Operating income (EBIT) increased by SEK 4,074 thousand or 45.4%, from SEK 8,982 thousand during the financial year that ended 31 December 2019 to SEK 13,056 thousand during the financial year that ended 31 December 2020. The EBIT margin increased from 5.0% during the financial year that ended 31 December 2019 to 7.0% during the financial year that ended 31 December 2020, which corresponds to an increase of 2.0 percentage points.

Financial income and expenses

Financial income and expenses decreased by SEK 1,078 thousand, from SEK -2,255 thousand during the financial year that ended 31 December 2019 to SEK -3,333 thousand during the financial year that ended 31 December 2020.

Taxes

Taxes increased by 3,553 thousand, from SEK -1,182 thousand during the financial year that ended 31 December 2019 to SEK 2,371 thousand during the financial year that ended 31 December 2020.

Net income for the period

As a result of what is stated above, net income for the period decreased by SEK 556 thousand, from SEK 7,909 thousand during the financial year that ended 31 December 2019 to SEK 7,352 thousand during the financial year that ended 31 December 2020.

Liquidity and financial position

The table below shows the main features of 4C Strategies' cash flows from operating activities, investing activities and financing activities for the 2021, 2020 and 2019 financial years, as well as the three-month period that ended 31 March 2022 and 2021, respectively.

SEK thousand	1 January – 31 March		1 January – 31 December		
	2022	2021	2021	2020	2019
Cash flow from operating activities	-5,617	-9,713	75,486	59,085	40,094
Cash flow from investing activities	-6,244	-5,528	-20,550	-17,633	-14,684
Cash flow from financing activities	3,701	775	-14,761	-30,247	-13,156
Cash flow for the period	-8,160	-14,467	40,176	11,206	12,254
Cash and cash equivalents at the end of the period	59,190	8,947	66,026	22,678	12,525

Cash flow from operating activities

4C Strategies' cash flow from operating activities increased by SEK 4,096 thousand or 42.2%, from SEK -9,713 thousand during the three-month period that ended 31 March 2021 to SEK -5,617 thousand during the three-month period that ended 31 March 2022. The increase was mainly due to an increase in operating profit (EBIT).

The Company's cash flow from operating activities increased by SEK 16,401 thousand or 27.8%, from SEK 59,085 thousand during the financial year that ended 31 December 2020 to SEK 75,486 thousand during the financial year that ended 31 December 2021. The increase was mainly attributable to higher operating income (EBIT) but was also affected by a higher net working capital.

The Company's cash flow from operating activities increased by SEK 18,991 thousand or 47.4%, from SEK 40,094 thousand during the financial year that ended 31 December 2019 to SEK 59,085 thousand during the financial year that ended 31 December 2020. The increase was mainly attributable to a lower net working capital.

Cash flow from investing activities

4C Strategies' cash flow from investing activities decreased by SEK 716 thousand, from SEK -5,528 thousand during the three-month period that ended 31 March 2021 to SEK -6,244 thousand during the three-month period that ended 31 March 2022.

The Company's cash flow from investing activities decreased by SEK 2,917 thousand or 16.5%, from SEK -17,633 thousand during the financial year that ended 31 December 2020 to SEK -20,550 thousand during the financial year that ended 31 December 2021. The investments were mainly attributable to continuous development of 4C Strategies' software.

The Company's cash flow from investing activities decreased by SEK 2,949 thousand or 20.1%, from SEK -14,684 thousand during the financial year that ended 31 December 2019 to SEK -17,633 thousand during the financial year that ended 31 December 2020. The investments were mainly attributable to continuous development of 4C Strategies' software.

Cash flow from financing activities

4C Strategies' cash flow from financing activities increased by SEK 2,926 thousand, from SEK 775 thousand during the three-month period that ended 31 March 2021 to SEK 3,701 thousand during the three-month period that ended 31 March 2022.

The Company's cash flow from financing activities increased by SEK 15,486 thousand or 51.2%, from SEK -30,247 thousand during the financial year that ended 31 December 2020 to SEK -14,761 thousand during the financial year that ended 31 December 2021. The cash flows were mainly attributable to an increasing amount of lease payments.

The Company's cash flow from financing activities decreased by SEK 17,091 thousand, from SEK -13,156 thousand during the financial year that ended 31 December 2019 to SEK -30,247 thousand during the financial year that ended 31 December 2020. The decrease in cash flow was mainly attributable to repayment of a check credit.

Indebtedness

4C Strategies' indebtedness at the time of the listing will mainly consist of a credit facility with Swedbank, current interest-bearing liabilities and non-current and current leasing liabilities. Current interest-bearing liabilities consist of a deferment to the Swedish Tax Authority. The credit facility with Swedbank is, as of the date of the Prospectus, not utilised and has a limit of SEK 37,500 thousand in total. As of 31 March 2022, 4C Strategies had a net debt of SEK -11,911 thousand. The table below shows 4C Strategies' indebtedness during the financial years that ended 31 December 2021, 2020 and 2019, as well as for the three-month period that ended 31 March 2022 with comparative figures for the corresponding period in 2021.

SEK thousand	1 January – 31 March		1 January – 31 December		
	2022	2021	2021	2020	2019
Non-current interest-bearing liabilities	7,055	-	-	-	156
Leasing liabilities – non-current	7,588	15,964	9,424	12,396	14,162
Current interest-bearing liabilities	22,847	14,995	30,254	12,208	18,710
Leasing liabilities – current	9,789	10,484	9,776	10,786	9,711
Total interest-bearing liabilities	47,278	41,443	49,454	35,391	42,739
Cash and cash equivalents	59,189	8,947	66,026	22,678	12,525
Net debt	-11,911	32,496	-16,571	12,713	30,214

Off-balance sheet items

As of 31 March 2022, 4C Strategies had no off-balance sheet items according to the definition in IFRS.

Liquidity

As of 31 March 2022, the Company had available liquidity amounting to SEK 59,189 thousand. The liquidity consist of bank balances.

Investments

Historical investments

The table below shows cash flows in 4C Strategies' investment activities during the financial years that ended 31 December 2021, 2020 and 2019, as well as for the three-month period that ended 31 March 2022 with comparative figures for the corresponding period in 2021.

SEK thousand	1 January – 31 March		1 January – 31 December		
	2022	2021	2021	2020	2019
Acquisition of intangible assets	-6,138	-5,489	-17,946	-17,374	-13,816
Acquisition of tangible assets	-148	-79	-2,248	-577	-346
Other investment activities	42	40	-356	319	-522
Cash flow from investing activities	-6,244	-5,528	-20,550	-17,633	-14,684

4C Strategies' ordinary investments mainly relates to investments in intangible assets. The Company continuously invests in research and development of its technology, and its intangible assets mainly consist of capitalised development costs for the software platform. Acquisition of tangible assets are mainly related to investments in IT equipment, inventory and other similar investments which are related to a larger organisation. The cash flow from investing activities during the financial year that ended 31 December 2021 amounted to SEK -20,550 thousand compared to SEK -17,633 thousand during the corresponding period in 2020. 4C Strategies has the intention to keep investing in the software platform and assess that the share of research and development investments that will be capitalised will be in line with what has been done historically.

Ongoing investments

4C Strategies has continuous investments that are mainly in line with, or slightly above, the historical investments for software development. The investments are normally financed through operating activities.

In addition to the investments in the business that the Company intends to make with the proceeds from the Offering, and which are described in the section "*Background and rationale*", the Company has no significant ongoing investments and has not made any firm commitments regarding such investments.

Significant changes in the Group's financial result after 31 March 2022 up until the date of the Prospectus

There has been no significant changes in the Group's financial result after 31 March 2022 up until the date of the Prospectus.

Capitalisation, indebtedness and other financial information

The tables in this section show the Company's capital structure and indebtedness at group level as of 31 March 2022. Refer to the section "Share capital and ownership structure" for further information about the Company's share capital and shares. The information presented in this section should be read together with the section "Operational and financial overview" and the Company's historical financial information, with accompanying notes, stated in the section "Historical financial information".

Capital structure

As of 31 March 2022, the Company's capitalisation amounted to SEK 110,522 thousand, of which the Company's share capital amounted to SEK 544 thousand. As of 31 March 2022, the Company's total

financial indebtedness amounted to SEK -11,910 thousand. The following tables include both current and non-current interest-bearing liabilities.

The tables below show the Company's capitalisation and net indebtedness according to the following:

- » On an actual basis as of 31 March 2022 with data taken from the Group's Consolidated Balance Statement; and
- » On an adjusted basis as shown in the column "Following the Offering" to demonstrate an increase in the Company's share capital of SEK 50,000 through the issuance of 2,857,142 shares in connection with the Offering. Changes following the Offering are presented assuming that the Offering is completed and the Overallotment Option is exercised in full.

Statement of capitalisation

SEK thousand	31 March 2022	Adjustments	Following the Offering
Current debt			
Guaranteed	-	-	-
Secured	-	-	-
Unguaranteed/unsecured	98,239	-	98,239
Total current debt (including current portion of non-current debt)	98,239	-	98,239
Non-current debt			
Guaranteed	-	-	-
Secured	-	-	-
Unguaranteed/unsecured	26,827	-	26,827
Total non-current debt (excluding current portion of non-current debt)	26,827	-	26,827
Equity			
Share capital	544	50	594
Legal reserve	54,858	96,450 ¹	151,308
Other reserves	1,316	-	1,316
Retained earnings	53,804	-	53,804
Total capitalisation	110,522	96,500	207,022

1) The Company's costs related to the Offering amount to approximately SEK 16.5 million, of which SEK 8.5 million have been charged against earnings up until 31 March 2022.

Statement of indebtedness

SEK thousand	31 March 2022	Adjustments	Following the Offering
A – Cash	59,189	96,500	155,689
B – Cash equivalents	-	-	-
C – Other current financial assets	-	-	-
D – Liquidity (A + B + C)	59,189	96,500	155,689
E – Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	32,636	-	32,636
F – Current portion of non-current financial debt	-	-	-
G – Current financial indebtedness (E + F)	32,636	-	32,636
H – Net current financial indebtedness (G - D)	-26,553	-96,500	-123,053
I – Non-current financial debt (excluding current portion and debt instruments)	14,643	-	14,643
J – Debt instruments	-	-	-
K – Non-current trade and other payables	-	-	-
L – Non-current financial indebtedness (I + J + K)	14,643	-	14,643
M – Total financial indebtedness (H + L)	-11,910	-96,500	-108,410

The information on the Company's capitalisation and indebtedness on an adjusted basis constitutes forward-looking statements, which are intended to describe a hypothetical situation and are provided solely for illustrative purposes. Forward-looking statements are no guarantee for future results or trends, and actual results could differ materially from those expressed directly or indirectly in the forward-looking statements as a result of a number of factors, including those described in the section "Risk factors".

Indirect and contingent indebtedness

The Company had, as of 31 March 2022, no indirect or contingent indebtedness.

Statement regarding working capital

As of the date of the Prospectus, the Company believes that its existing working capital (i.e. the working capital before the completion of the Offering) is sufficient to meet the Company's current needs during the coming 12-month period. In this context, working capital refers to the Company's possibility of obtaining access to cash and other available liquid recourses in order to meet its liabilities as they fall due.

Financing

The Company has existing credit facilities with Swedbank amounting to SEK 37.5 million. The credit facilities are, as of the date of the Prospectus, not utilized and has mainly been obtained to be able to cover any sudden and unexpected cash flow deficits.

Trends

Other than as described in the sections "Market overview – Defence forces – Serviceable addressable market and trends" and "Market overview – Public and corporate sector – Serviceable addressable market and trends", the Company's assessment is that, as of the date of the Prospectus, there are no other known trends related to production, sales, inventory, costs and selling prices during the period from the end of the financial year 2021 to the date of the Prospectus. Furthermore, as of the date of the Prospectus, the Company is not aware of any other trends, uncertainties, requirements, commitments or other events that are reasonably likely to have a significant impact on the Company's prospects for the current financial year.

Significant changes in the Group's financial position after 31 March 2022 up to and including the date of the Prospectus

Significant changes in the Group's financial position after 31 March 2022 up to and including the date of the Prospectus.

Board of directors, senior executives and auditor

Board of directors

As of the date of the Prospectus, the board of directors of the Company consists of 6 members, including the chair of the board, who have been elected for the period until the 2023 annual general meeting. According to the articles of association of the Company, the board of directors shall consist of not less than 3 and not more than 9 members. All directors and officers can be reached at the Company's address in the "Addresses" section.

Name	Position	Member since	Independence in relation to	
			The company and its management	Major shareholders
Andreas Hedskog	Chair of the board	2011	No	No
Mats Hjerpe	Director	2016	Yes	No
David Lidbetter	Director	2012	Yes	Yes
Louise Bagewitz	Director	2022	Yes	Yes
Lena Ridström	Director	2022	Yes	Yes
Christine Rankin	Director	2022	Yes	Yes



Andreas Hedskog (born 1974)
Chair of the board

Education: MA from the University of Cambridge and OPM from Harvard Business School. Reserve Officer Mj, Swedish Defence College.

Background: Andreas Hedskog is the founder of the Company and was CEO of the Company for eleven years, before becoming chair of the board in 2011.

Current assignment: Chair of the board of Hedskog Equity AB. Board Member of HAEVE AB, Newbury Pharmaceuticals AB, Säkerhets- och försvarsföretagen, SnigelDesign AB and Stiftelsen Scur. Deputy director of Bold Communication Sweden AB.

Previous positions (last five years): Director of Southside Padel AB.

Holdings in the Company (including related parties): As of the date of the Prospectus, Andreas Hedskog owns, indirectly through companies, 5,560,540 shares and no warrants.



Mats Hjerpe (born 1974)
Director

Education: Master's degree in Business and Economics from Stockholm University.

Background: Mats Hjerpe is a Partner and Investment Manager at Priveq Investment and holds a number of Board positions in Priveq's portfolio companies. Mats joined Priveq in 2003 and prior to that was at Aragon Fondkomposition.

Current positions: Director of Caybon Holding AB, Caybon LP AB, Caybon International AB, QleanAir AB, QleanAir Scandinavia AB, Hedskog Equity AB, Priveq Holding V AB, Smoke Free Systems Finance AB, YPO Service AB, Aquilonis AB and Aquilonis Invest AB. Deputy director of Priveq Advisory AB, Priveq Investment V(A) AB and Priveq Investment V(B) AB. Non-management signatory of Priveq Investment VI (A) AB, Priveq Investment VI (B) AB and Priveq Advisory VI AB.

Previous positions (last five years): Director of CSAM Health AS and CSAM Group AS.

Holdings in the Company (including related parties): As of the date of the Prospectus, Mats Hjerpe does not own any shares or warrants. Mats is the representative of the shareholders Priveq Investment V(A) AB and Priveq Investment V(B) AB who, as of the date of the Prospectus, together own 14,386,660 shares in the Company.

**David Lidbetter (born 1963)**

Director

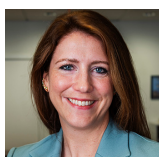
Education: Senior Leadership and Board Director programmes at Henley Business School and London Business School.

Background: David Lidbetter has a 25 year Executive career holding senior leadership roles within the Support Services sector. He previously worked for G4S in Regional CEO and Global Divisional roles building a wealth of knowledge and expertise within Security, Logistics, Risk Management and Outsourcing. He was Chairman, and Director, on numerous JV and subsidiary Boards across EMEA. Since leaving Executive duties he has operated as a NED, consultant and industry expert advising many of Europe's leading Private Equity funds and PE led businesses.

Current assignment: Owner and director of Illumina Ltd.

Previous positions (last five years): -

Holdings in the Company (including related parties): As of the date of the Prospectus, David Lidbetter owns 14,000 shares and a total of 3,500 warrants of which 1,750 warrants are in relation to the incentive program 2017/2023 and 1,750 warrants in relation to the incentive program 2021/2026.

**Louise Bagewitz (born 1981)**

Director

Education: Master of Business Administration from Stockholm School of Economics and Certificate of Management Excellence from Harvard Business School in Boston.

Background: Louise Bagewitz was previously CEO of Fortnox Finans AB, part of the Fortnox Group, which is supervised by the Swedish Financial Supervisory Authority. Prior to that, Louise was acting CEO and President of IST Group, an educational tech SaaS company, and IT Director at Nobia.

Current positions: Group CEO of Crowd Collective, an IT consulting business within the AW Group; Executive Director of Crowd Collective Group AB and Crowd Collective Holding AB. Director of Capcito Finance AB, Capcito Lending 2 AB and Capcito Systems AB.

Previous positions (last five years): CEO Fortnox Finans AB. Director of JaRocka Roll Studios AB. CEO of IST Group AB. Chair of the Board of IST Sverige AB, Sigfridshäll i Växjö AB and Lärandets Hus AB. Deputy director of Schoolido AB.

Holdings in the Company (including related parties): As of the date of the Prospectus, Louise Bagewitz does not own any shares or warrants.

**Lena Ridström (born 1965)**

Director

Education: Master in Business Administration from Linköping University.

Background: Lena Ridström is CEO of Columbus Sweden AB, an IT consulting company in the development, implementation and maintenance of digital business solutions with more than 1,600 employees globally. Lena also has experience of senior management and board positions in other IT-focused companies such as Good Solutions, IMI Group and Pagero.

Current assignment: CEO of Columbus Sweden AB. Director of Industri-Matematik International AB, Industri-Matematik Holding AB, Industri-Matematik Intressenter AB, Good Solutions Sweden AB, Primevision AB, Primevision Consulting AB and Oriola Oyj. Deputy director of Consult Eva Söderlund Stockholm AB.

Previous positions (last five years): Director of SealFX AB, Primelog Holding AB, Primelog Intressenter AB, Primelog Services AB, Primelog Software AB, ARRIGO Logistics Consultants Aktiebolag, Financial Industrial (FIND) Consulting AB. Deputy director of Termino C 6079 AB and Termino C 2988 AB.

Holdings in the Company (including related parties): As of the date of the Prospectus, Lena Ridström does not own any shares or warrants.

**Christine Rankin (born 1964)**

Director

Education: Bachelor's degree in Business Administration and Economics from Stockholm University.

Background: Christine Rankin was formerly a Chartered Accountant and Partner at PwC where she worked from 1988-2014 and mainly worked with listed companies. Christine Rankin has also held senior positions at Serneke and Cherry AB (CFO), among others. Christine Rankin has previous experience as a director and member of the audit committee in listed companies, such as Coinshares International Ltd and Adventure Box Technology AB (publ).

Current positions: Director, chair of the audit committee and member of the remuneration committee of Coinshares International Ltd. Director and member of the audit committee and remuneration committee of Orexo AB (publ).

Previous positions (last five years): Chair of the board of Zeunity AB. Director of Adventure Box Technology AB (publ) and CFO of Cherry AB. Director of Veoneer Sweden AB, Adventrum AB, Come On Stockholm AB, Cherry Spelglädje AB, Cherry Casino Syd AB and Svenska Klubbspel AB. Director and chair of the audit committee of Technopolis plc. Corporate Controller Veoneer Inc and CEO and director of Veoneer AB. Deputy director of Arriver AB.

Holdings in the Company (including related parties): As at the date of the Prospectus, Christine Rankin does not hold any shares or warrants.

Senior executives

Name	Position	Employed since	Year of commencement in position
Magnus Bergqvist	CEO	2011	2011
Anders Nordgren	CFO	2019	2019
Klas Lindström	Vice President	2000	2019
Martin Rusner	Chief Product Officer	2013	2021
Jonas Jonsson	Managing Director, International	2015	2017
Mikael Grape	Managing Director, Nordic	2011	2019
Michael Coss	Managing Director, North America	2016	2016
Mikael Edqvist	Senior VP Sales, North America	2000	2016
Maria Larsson	Chief Human Resources Officer	2020	2020



Magnus Bergqvist (born 1970)
CEO

Education: Studies in economics at the Stockholm School of Economics and Uppsala University.

Background: Magnus Bergqvist has been working in IT management and software consulting since the 90's and has been CEO of the Company since 2011. Prior to joining the Company, Magnus was Vice President at SAP Nordic & Baltics.

Current positions: Director of Ekil Konsult AB and Ekil Invest Värmdö AB.

Previous positions (last five years): -

Holdings in the Company (including related parties): As of the date of the Prospectus, Magnus Bergqvist owns, indirectly through a company, 1,031,460 shares and no warrants.



Anders Nordgren (born 1981)
CFO

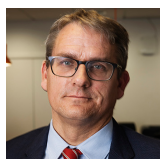
Education: Master's degree in Business and Economics from Uppsala University.

Background: Anders Nordgren started his career as an auditor at PwC, after which he held various positions within the finance function at Tradedoubler. Anders joined the Company as CFO in 2019 and was previously CFO at iStone AB.

Current assignment: Deputy director of FMP Maison AB.

Previous positions (last five years): Chair of the board of iStone AddconIT Aktiebolag. Director of Colada Produkt AB, Columbus Sweden AB, itelligence Sapience AB, iStone Dynamics Sverige AB, iStone CtrlPublishing AB, iStone Concrevi AB, iStone Rego AB, iStone Xplore AB, iStone Magic Agency AB, iStone Saplication AB, iStone Excorio AB, iStone Application Maintenance & Operation AB, iStone China AB, iStone North America AB, iStone Access AB and iStone E-business AB. Executive position (CFO) at iStone AB.

Holdings in the Company (including related parties): As of the date of the Prospectus, Anders Nordgren owns 21,000 shares and a total of 5,250 warrants of which 3,500 warrants are in relation to the incentive program 2017/2023 and 1,750 warrants in relation to the incentive program 2021/2026.



Klas Lindström (born 1975)
Deputy CEO

Education: Bachelor's degree in political science from Uppsala University. Courses in Business Administration at the Stockholm School of

Economics. Completed the Owners/Presidents/Managers course at Harvard Business School. Intelligence officer in the reserve.

Background: Klas Lindström has held a number of parallel positions within the Group, member of the Board of Directors, Chief Sales Officer, Managing Director for the Nordic segment. Klas Lindström has more than 20 years of experience in risk and crisis management internationally and in Sweden. He has broad expertise in strategic development and planning for the management of defence forces and societal critical functions. In addition to his line role within the Company, Klas Lindström has assisted authorities and companies with operational crisis management in connection with terrorist attacks, weather disruptions, cyber attacks, disease outbreaks, etc.

Current positions: Director of Sapere Aude Handelsbolag and La Pluie de rose AB. Deputy director of Mikael Edqvist AB.

Previous positions (last five years): Director of OBSIT Communication AB.

Holdings in the Company (including related parties): As of the date of the Prospectus, Klas Lindström owns 4,218,800 shares and no warrants.



Martin Rusner (born 1985)
Chief Product Officer

Education: Bachelor's degree in political science with a focus on crisis management and master's degree in political science and security policy.

Military training within the Armed Forces in areas such as tactics, leadership, strategy, defence technology, etc.

Background: Martin Rusner has been employed within the Group since 2013 and assumed his current position as Chief Product Officer in 2021 after various management positions in the Group. Martin has extensive experience of the military environment through his employment in the Swedish Armed Forces, education at the Swedish Defence University and assignments for other armed forces within the framework of his employment in the Group.

Current assignment: Deputy board member of Austria Travel Sweden AB and Reserve officer in the Swedish Armed Forces.

Previous positions (last five years): Director of the Reserve Officers' Society in Svealand and reserve officer in the Swedish Armed Forces.

Holdings in the Company (including related parties): As of the date of the Prospectus, Martin Rusner owns 21,000 shares and a total of 5,250 warrants of which 1,750 warrants are in relation to the incentive program 2017/2023, 1,750 warrants in relation to the incentive program 2019/2024 and 1,750 warrants in relation to the incentive program 2021/2026.



Jonas Jonsson (born 1985)
Managing Director, 4C International

Education: Master of Law studies from Lund University and Reserve Officer in the Navy, Swedish Armed Forces.

Background: Jonas Jonsson has worked in the Group in various positions since 2013. Previous positions have included Head of Legal, Senior Consultant and Director of Sales. He has extensive experience in software implementation from customers around the world, and has worked on most of the Group's strategic software deals as a commercial and legal advisor. He was appointed as Managing Director for the International segment in 2017, responsible for the Groups international expansion, and in 2019 also became fully responsible for the operations in the UK.

Current positions: -

Previous positions (last five years): -

Holdings in the Company (including related parties): As of the date of the Prospectus, Jonas Jonsson owns 56,000 shares and a total of 14,000 warrants of which 1,750 warrants are in relation to the incentive program 2017/2023, 3,500 warrants in relation to the incentive program 2019/2024 and 8,750 warrants in relation to the incentive program 2021/2026.



Mikael Grape (born 1982)
Managing Director, Nordics

Education: Master's degree in political science from Uppsala University.

Background: Mikael Grape has worked at the Group in various positions since 2011. Previous positions have included Senior Consultant and Head of Business Development. He was appointed as Managing Director for the Nordic segment in 2019, with responsibility for operations in the Nordic region. He also has experience as an analyst in the Swedish Armed Forces, including assignments to the defence attaché offices in Belgrade and Sarajevo.

Current assignment: Director of Hässlingby Gård AB. Deputy director of Catharina Bildt AB.

Previous positions (last five years): -

Holdings in the Company (including related parties): As of the date of the Prospectus, Mikael Grape owns, indirectly through a company, 56,000 shares and a total of 14,000 warrants of which 1,750 warrants are in relation to the incentive program 2017/2023, 3,500 warrants in relation to the incentive program 2019/2024 and 8,750 warrants in relation to the incentive program 2021/2026.



Michael Coss (born 1959)
Managing Director, North America

Education: Master of Public Administration from Harvard University and Master of Social Science (MSSc) from Syracuse University.

Background: Michael Coss is responsible for the Group's operations and growth in the North American market. He was previously involved in General Dynamics' expansion into military simulation and training. He is an infantry officer with extensive experience in special operations, light infantry and armed forces in global security positions, including service with the U.S. Joint Chiefs of Staff.

Current positions: -

Previous positions (last five years): -

Holdings in the Company (including related parties): As of the date of the Prospectus, Michael Coss owns 42,000 shares and a total of 10,500 warrants of which 1,750 warrants are in relation to the incentive program 2017/2023, 3,500 warrants in relation to the incentive program 2019/2024 and 5,250 warrants in relation to the incentive program 2021/2026.



Maria Larsson (born 1976)
Chief Human Resources Officer

Education: Sociology with orientation towards work, Organization and Human Resource Management, at Uppsala University.

Background: Maria Larsson has 18 years of experience working in HR and management roles and has previously been HR Director at Visma and HR manager at Sirius IT. In her previous positions, Maria has also had business area responsibility at Visma Consulting, among others.

Current positions: -

Previous positions (last five years): Business Area Manager at Agero AB and Senior Manager HR Nordics at Dassault Systèmes AB.

Holdings in the Company (including related parties): As of the date of the Prospectus, Maria Larsson does not own any shares or warrants.



Mikael Edqvist (born 1978)
Senior VP Sales, North America

Education: Master in Mechanical Engineering Studies, courses in logistics at Lund University and Energy security studies at Uppsala University.

Background: Mikael Edqvist has extensive experience in the development of software and training systems for defence forces. Mikael Edqvist has more than 20 years of experience in selling software and solutions internationally and has led the Company's ventures in the UK and US and worked extensively with the Company's international customers since the Company's formation.

Current assignment: Chair of the board of Mikael Edqvist AB.

Previous positions (last five years): -

Holdings in the Company (including related parties): As of the date of the Prospectus, Mikael Edqvist owns 3,294,140 shares and no warrants.

Other information about the board of directors and senior executives

There are no family ties between any directors or senior executives. None of the Company's directors or officers has any private interests that may conflict with the interests of the Company. However, as noted above, a number of directors and executive officers have financial interests in the Company through shareholdings and/or holdings of warrants. None of the directors or senior executives has been elected or appointed as a result of a special agreement with major shareholders, customers, suppliers or other parties.

None of the directors or executive officers of the Company has in the last five years (i) been convicted in fraud-related cases, (ii) been declared bankrupt or been a director or executive officer of a company that has been declared bankrupt or filed for compulsory liquidation, or (iii) been a director or executive officer of a company that has been declared bankrupt or filed for compulsory liquidation, or (iv) been a director or executive officer of a company that has been declared bankrupt or filed for compulsory liquidation, (iii) been connected to, or sanctioned for, a criminal offence by a regulatory or supervisory authority (including recognised professional bodies); or (iv) been prohibited by a court from being a member of the administrative, management or supervisory bodies of a company or from exercising managerial or executive functions in a company.

Auditor

Ernst & Young Aktiebolag is the Company's auditor with Peter Gunnarsson as auditor in charge. Peter Gunnarsson has been the Company's auditor since the extra general meeting on 28 September 2021. Martin Henriksson of Ernst & Young Aktiebolag was the principal auditor of the Company for the remainder of the period covered by the historical financial information in the Prospectus. Peter Gunnarsson and Martin Henriksson are chartered public accountants and members of FAR (Institute of the Accountancy Profession in Sweden). Ernst & Young Aktiebolag's address is Box 7850, 103 99 Stockholm, Sweden.

Corporate governance

The Company is a Swedish public limited company. Prior to its listing on Nasdaq First North Premier Growth Market, the corporate governance of the Company was based on Swedish law and internal rules and regulations. After the listing on Nasdaq First North Premier Growth Market, the Company will also apply the Swedish Corporate Governance Code (the "Code"). Companies applying the Code are not required to comply with all the rules of the Code but have the possibility to choose alternative solutions that the Company considers more suitable for the Company and its business, provided that any such deviations are disclosed and the alternative solution is described and the reasons for it explained in the corporate governance report (the "comply or explain principle"). The Company will prepare its first Corporate Governance Report for the 2023 annual general meeting. As of the date of the Prospectus, the Company does not expect to report any deviations from the Code in the Corporate Governance Report for the current financial year.

General meetings

According to the Swedish Companies Act, the general meeting is the Company's highest decision-making body. At the annual general meeting, shareholders exercise their voting rights on key issues, such as the adoption of the profit and loss account and balance sheet, the appropriation of the Company's profits, the discharge of the members of the board of directors and the CEO, the election of directors and auditors and the remuneration of the board of directors and the auditors.

In addition to the annual general meeting, the Company may convene an extra general meeting. In accordance with the Company's articles of association, notices of the annual general meeting and extra general meeting will be issued and will deal with matters relating to amendments to the articles of association no earlier than six weeks and no later than four weeks before the meeting. Notices of other extra general meetings are issued no earlier than six weeks and no later than two weeks before the meeting. Notice of the general meeting shall be given by advertisement in the Swedish Official Gazette (Sw. *Post- och Inrikes Tidningar*) and by making the notice available on the Company's website. At the same time as the notice is given, the Company shall announce in the national daily newspaper *Dagens Industri* that the notice has been given.

Right to attend general meetings

All shareholders who are directly registered in the share register kept by Euroclear six working days before the general meeting and who have notified the Company of their intention to attend the general meeting no later than the date specified in the notice of the general meeting are entitled to attend the general meeting and to vote for the number of shares they hold. Shareholders may normally give notice of their intention to attend the general meeting in a number of ways, which will be set out in the notice of the meeting.

Shareholder initiatives

Shareholders wishing to have a matter dealt with at the general meeting must send a written request to the board of directors. The request should normally be received by the board of directors no later than seven weeks before the general meeting.

Nomination committee

The Code requires the Company to have a nomination committee. According to the current principles for the appointment of the nomination committee adopted by the annual general meeting on 19 April 2022, the nomination committee shall consist of three shareholder representatives represented by the largest shareholders or shareholder groups in the Company according to the share register from Euroclear Sweden AB as of 30 September each year. In addition to these three members, the chair of the board may be an adjunct member of the nomination committee. In accordance with the Swedish Corporate Governance Code, a member of the nomination committee shall carefully consider whether a conflict of interest or other circumstances exist that make it inappropriate to participate in the nomination committee before accepting the assignment. The nomination committee shall apply the Swedish Corporate Governance Code.

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

The majority of the members of the nomination committee shall be independent of the Company and its management. In addition, at least one of the members of the nomination committee shall be independent of the largest shareholder or group of shareholders in the Company with voting rights who cooperate in the management of the Company. Members of the board of directors may be members of the nomination committee, but shall not constitute a majority of the members of the nomination committee. If more than one director is on the nomination committee, no more than one of them may be dependent in relation to the Company's major shareholders. The chair of the board or any other member of the board of directors shall not be the chair of the nomination committee. The chief executive officer or any other member of senior management shall not be a member of the nomination committee.

The nomination committee shall propose the chair of the annual general meeting, the election of the chair and other members of the board of directors of the Company, the remuneration of the board of directors divided between the chair and the other members and the principles for possible remuneration for committee work, the election

and remuneration of the auditor and a decision on the principles for the appointment of a new nomination committee. No fees shall be paid to the members of the nomination committee. The nomination committee shall be entitled to charge the Company with costs such as recruitment consultants or other costs necessary for the nomination committee to fulfil its mandate.

Board of directors

The board of directors of the Company is the highest decision-making body after the general meeting.

In accordance with the Swedish Companies Act, the board of directors is responsible for the management and organisation of the Company, which means that the board of directors is responsible for, among other things, establishing procedures and strategies, ensuring that established objectives are evaluated, continuously evaluating the Company's financial position and performance, and evaluating operational management. The board of directors is also responsible for ensuring the timely preparation of the annual report, consolidated financial statements and interim reports. In addition, the board of directors appoints the CEO.

The board of directors follows written rules of procedure which are revised annually and adopted at the inaugural board meeting each year, or otherwise if required. The rules of procedure regulate, inter alia, board practices, functions and the allocation of work between board members and committees, the CEO and established committees. At the inaugural board meeting, the board of directors also establishes the instructions for the CEO, including instructions for financial reporting.

The board of directors meets according to an annual schedule. In addition to these meetings, additional board meetings may be convened to deal with matters that cannot be referred to a regular board meeting. In addition to board meetings, the chair of the board and the CEO have an ongoing dialogue regarding the management of the Company and the Company. The chair of the board has specific responsibility for the management of the board of director's work and that the board of director's work is well organised and carried out in an efficient manner.

The members of the board of directors are elected each year at the annual general meeting for the period until the end of the next annual general meeting. As of the date of the Prospectus, the board of directors consists of six elected members, who are presented in more detail in the section "*Board of directors, senior management and auditor*".

Remuneration committee

The Code requires the Company to have a remuneration committee. The board of directors has established a remuneration committee which, as at the date of the Prospectus, consists of Mats Hjerpe (the chair of the committee), David Lidbetter and Lena Ridström. The remuneration committee is primarily a preparatory body and makes proposals to the board of directors. The remuneration committee operates according to specific rules of procedure adopted by the board of directors. The main tasks of the remuneration committee are to prepare the board's decisions on matters relating to remuneration policies, remuneration and other terms of employment of senior management, to monitor and evaluate ongoing variable remuneration programmes for senior management and those decided during the year, and to

monitor and evaluate the application of the guidelines for remuneration of senior management decided by the annual general meeting and the remuneration structures and levels in force in the Company.

Audit committee

The board of directors has established an audit committee which, as at the date of the Prospectus, consists of Christine Rankin (the chair of the committee), and Louise Bagewitz. The audit committee operates under instructions adopted by the board of directors, and some of its main tasks include monitoring the Company's financial reporting, monitoring the effectiveness of the Company's internal control and risk management relating to financial reporting, maintaining a dialogue regarding the Company's accounting policies with the auditors and management, reviewing financial statements at the Group level, monitoring and reviewing the Company's internal control over accounting, financial management and the financial situation of the Company; review and monitor the impartiality and independence of the auditor, paying particular attention to whether the auditor provides non-audit services to the Company and discussing any threats to the auditor's independence; regularly meet and consult with the auditors; and review the corporate governance report and, where applicable, the sustainability report.

CEO

The CEO reports to the board of directors and is responsible for the day-to-day management and operations of the Company. The division of labour between the board of directors and the CEO is set out in the rules of procedure of the board of directors and the CEO instruction.

The CEO shall ensure that the Company's accounts are maintained in accordance with the applicable legislation and that the management of funds is sound and subject to appropriate controls and audit.

The CEO shall attend the meetings of the board of directors. The CEO shall also prepare and present to the board of directors matters that are outside the scope of day-to-day management. The CEO shall ensure that the issues are well documented and that the board of directors receives, at the latest in connection with the invitation to the board meeting, the relevant information and documentation as set out in the board of directors' rules of procedure. Furthermore, the CEO shall, inter alia, implement the decisions taken by the board of directors.

According to the financial reporting instructions, the CEO is responsible for the financial reporting of the Company and must therefore ensure that the board of directors receives adequate information to evaluate the Company's financial position on an ongoing basis.

The CEO shall keep the board of directors informed on an ongoing basis of the development of the Company's business, the level of revenue, price and cost trends, the Company's results and financial position, cash flow, liquidity and credit position, customer wins and losses, whether taxes and regulatory fees have been paid, and more significant business events such as significant deviations from budget that are important indicators of results and liquidity and the conclusion of contracts of importance to the Company. The CEO shall also keep the board of directors informed of any other events, circumstances or conditions that cannot be considered unimportant to the Company's shareholders. The CEO and other senior executives are presented in the section "*Board of directors, senior executives and auditor*".

Remuneration to the board of directors, CEO and other senior executives

Remuneration of the board of directors

The chair of the board and the other members of the board receive remuneration as decided by the general meeting. At the annual general meeting on 19 April 2022 it was resolved that the remuneration of the members of the board of directors shall be as follows:

- » SEK 175,000 to each non-employee director and SEK 350,000 to the chair of the board provided that he is not an employee.
- » SEK 25,000 to the chair of the committee and SEK 15,000 to the other members.

The Company's directors are not entitled to any benefits after they have resigned as directors.

Guidelines for remuneration of senior executives

At the annual general meeting on 19 April 2022, it was decided to adopt guidelines for the remuneration of senior executives. The guidelines contain provisions on how remuneration to senior executives should be structured. The main content of the guidelines is as follows.

The guidelines will help to create the conditions for the Company to retain and recruit competent and committed senior executives to successfully implement the Company's business strategy and serve the Company's long-term interests, including sustainability. In addition, the guidelines aim to achieve greater unity of interest between senior executives and the Company's shareholders.

The guidelines shall apply to remuneration agreed or to changes in remuneration already agreed after the guidelines have been adopted by the annual general meeting. The guidelines do not cover any remuneration specifically decided by the general meeting or any remuneration paid in shares, warrants, convertibles or other share-related instruments such as synthetic options or employee stock options, which require a specific decision by the general meeting.

In the case of employment relationships governed by rules other than English, appropriate adjustments may be made to comply with such mandatory rules or established local practice, whereby the overall purpose of these Guidelines shall be met as far as possible.

Forms of remuneration, etc.

Remuneration of senior executives of the Company shall consist of fixed cash salary, variable cash compensation, if any, other customary benefits and pension in accordance with the Company's policy from time to time. The total annual cash compensation, including pension benefits, shall be market-based and competitive in the labour market in which the executive is located, taking into account the individual's responsibilities, skills, qualifications and experience, and shall reflect outstanding performance in the total compensation.

In addition to the fixed cash salary, senior executives shall be entitled to receive variable cash compensation. The variable cash remuneration shall be based on performance against specific targets based on the Company's business strategy and the long-term business plan approved by the board of directors.

Additional remuneration and other benefits may be paid to executives seconded to a country other than their home country, to an appropriate extent, taking into account the particular circumstances of such secondment, the overall objectives of these guidelines being met as far as possible.

Notice period and severance pay

Fixed salary during the period of notice and any severance pay shall not exceed in total an amount equal to the fixed salary for one year. The period of notice of a senior manager may not exceed twelve months, during which period salary shall be paid.

Deviations from the guidelines

The board of directors shall have the right to deviate from the above guidelines, as far as recruitment of senior executives in the global labour market is concerned, and thus to offer competitive conditions, if the board of directors deems that in an individual case there are special reasons justifying it and a deviation is necessary to meet the Company's long-term interests and sustainability or to ensure the financial viability of the Company.

Remunerations in 2021

The table below shows the remuneration of the directors and senior executives of the Company for the financial year 2021.

SEK million	Board fees/basic salary	Variable remuneration ¹	Pension costs	Other benefits ²	Total
Board of directors					
Andreas Hedskog (chair of the board)	-	-	-	-	-
Klas Lindström	-	-	-	-	-
Mats Hjerpe	-	-	-	-	-
David Lidbetter	50,000	-	-	-	50,000
Jakob Svårdström	50,000	-	-	-	50,000
Senai Ayob (deputy director)	-	-	-	-	-
Mikael Edqvist (deputy director)	-	-	-	-	-
Total board of directors	100,000	-	-	-	100,000
Senior executives					
Magnus Bergqvist, CEO	1,421,372	570,109	318,240	87,845	2,397,566
Other senior executives (9 no.)	11,210,447	2,631,295	1,924,694	469,537	16,235,973
Total senior executives	12,631,819	3,201,404	2,242,934	557,382	18,633,539
Total board of directors and senior executives	12,731,819	3,201,404	2,242,934	557,382	18,733,539

1) Consists of variable remuneration under employment contract.

2) Other benefits relate mainly to car benefits and sickness benefits.

The Company has no accrued or deferred pension or similar benefit costs in the event that a director or executive officer leaves office/service.

Terms of employment for the CEO and other senior executives

According to his employment agreement, the Company's CEO, Magnus Bergqvist, is entitled a fixed salary and variable remuneration that the Company considers to be in line with market conditions. In addition to fixed and variable remuneration, Magnus Bergqvist is also entitled to individual occupational pension insurance and a company car. In the event of termination of employment, Magnus Bergqvist is entitled to six months' notice. Magnus Bergqvist is not entitled to any severance pay.

The other senior executives are employed by the Company, with the exception of Jonas Jonsson who is employed by 4C International AB, Mikael Grape who is employed by 4C Strategies AB and Michael Coss who is employed by 4C North America Inc. The other senior executives receive what the Company considers to be market-based remuneration and other benefits. Variable compensation may be paid to certain of the other executive officers.

The notice period for the other senior executives in Sweden is between three and six months or the longer notice period provided by the Employment Protection Act. Anders Nordgren (CFO of the Company) is entitled to a severance payment of four months' salary in the event of termination by the Company.

Auditor

The auditor shall examine the annual accounts and financial statements of the Company and the management of the board of directors and the CEO. After each financial year, the auditor shall submit an auditor's report and a consolidated auditor's report to the annual general meeting. The Company's articles of association provide for the appointment of not less than one and not more than two auditors to audit the annual accounts of the Company and the management of the board of directors and the Chief Executive Officer. The Company's auditor is presented in more detail in the section "Board of directors, senior management and auditor".

For the financial year 2021, the total remuneration of the Company's auditor amounted to SEK 1,799 thousand, of which SEK 684 thousand related to the audit engagement and SEK 1,115 thousand related to other services. Other services are those not included in auditing or tax advisory services.

Share capital and ownership structure

General information regarding the shares of the Company

As of the date of the Prospectus, according to the Company's articles of association, the share capital may not be less than SEK 542,500 and may not exceed SEK 2,170,000, and the number of shares may not be less than 30,000,000 and may not exceed 120,000,000.

As of 31 March 2022, the share capital of the Company amounted to SEK 543,585 divided among 1,553,100 shares and each share had a quota value of SEK 0.35. The annual general meeting of the Company resolved on 19 April 2022 on a share split, whereby one share was divided into 20 new shares. Therefore, as of the date of the Prospectus, the share capital of the Company amounted to SEK 543,585 divided among 31,062,000 shares and each share had a quota value of SEK 0.0175.

The shares in the Company has been issued in accordance with Swedish law. All issued shares are fully paid and freely transferable. The ISIN code for the Company's share is SE0017936891. The shares are denominated in SEK.

Certain rights attached to the shares

The shares in the Offering are in the same class. The rights attached to the shares issued by the Company, including those pursuant to the Company's articles of association, may only be amended in accordance with the procedures set out in the Swedish companies act (2005:551).

Preferential rights to new shares, etc.

If the Company issues new shares, warrants or convertibles in a cash issue or a set-off issue, as a general rule, the main rule is that shareholders have preferential rights to subscribe for such securities proportionally to the number of shares held prior to the issue.

Voting rights

Each share in the Company entitles the holder to one vote at general meetings of shareholders, and each shareholder is entitled to cast votes equal in number to the number of shares held by said shareholder in the Company.

Rights to dividends and balances in the event of liquidation

All shares carry equal rights to dividends and to the Company's assets and any surplus in the event of liquidation. Decisions regarding dividends in limited liability companies are made by the general meeting of shareholders. Entitlement to receive dividends accrues to those who, on the record date adopted by the general meeting of shareholders, are registered in the share register maintained by Euroclear as shareholders. Dividends are normally distributed to the shareholders as a cash amount per share through Euroclear, but may also be distributed in forms other than cash (distribution in kind). Should a shareholder be unable to be reached through Euroclear, the shareholder will continue to have a claim against the Company with regard to the dividend limited in time pursuant to a ten-year statute of limitation. Should the claim become barred by the statute of limitations, the dividend amount accrues to the Company. No restrictions on the right to receive dividends apply to shareholders residing outside of Sweden. With reservation for any limitations imposed by the banks and clearing systems in the jurisdictions concerned,

distributions to such shareholders are conducted in the same manner as to shareholders in Sweden. Shareholders who are not subjects to taxation in Sweden are usually subject to Swedish withholding tax.

Information about public takeover bids and redemption of minority shares

Provided that the Company's shares are admitted to trading on Nasdaq First North Premier Growth Market, the Company's share will be subject to the rules regarding public takeover bids issued by the Swedish Corporate Governance Board (Takeover rules for certain trading platforms) (the "**Takeover Rules**"). The Takeover Rules stipulate that any person who does not hold any shares, or hold shares representing less than 30% of the voting rights in a Swedish limited liability company whose shares are admitted to trading on, for example, Nasdaq First North Premier Growth Market, and who through the acquisition of shares in such a company, alone or together with a closely related party, holds shares representing 30% or more of the voting rights, is obliged to immediately disclose the size of its holding in the company and, within four weeks thereafter, make a public offer to acquire the remaining shares in the company (mandatory bid requirement).

Furthermore, the Takeover Rules stipulate that if the board of directors or the CEO, due to information arising from the person intending to submit a voluntary public takeover bid for the shares in the Company, has good reason to assume that such an offer is imminent, or if such an offer has been submitted, the Company may, in accordance with the Takeover Rules, only after a decision by the annual general meeting take measures that are likely to impair the conditions for the submission or implementation of the offer. Notwithstanding this, the company may search for alternative offers.

A shareholder who directly, or through a subsidiary, holds more than 90% of the shares in a Swedish limited liability company is entitled to redeem the remaining shares in the company. Holders of the remaining shares are, correspondingly, entitled to have their shares redeemed by the majority shareholder. The procedure for such redemption of minority shares is regulated in the Swedish Companies Act (2005:551).

The shares in the Company are not subject to any offer made due to a mandatory bid, redemption rights or buy-out obligation. Nor has any public takeover bid been submitted regarding the shares during the current or preceding financial year.

Dividend policy

As of the date of the Prospectus, the board of directors intends to reinvest the cash flow generated by the Company in growth initiatives, and does therefore not intend to propose a dividend in the short or medium term.

Central securities depository

The shares in the Company are registered in a central securities depository register in accordance with the Swedish Central Securities Depositories and Financial Instruments Accounts Act (1998:1479). This register is maintained by Euroclear, Box 191, 101 23 Stockholm, Sweden.

Changes in share capital

The following table presents the changes to the Company's share capital for the period encompassed by the historical financial information in the Prospectus up to the date of the Prospectus, including information on the change in the number of shares and the share capital of the Company following the Offering (provided that the Offering is fully subscribed).

Reg. date	Event	Number of shares		Share capital		Subscription price (SEK)
		Change	Total	Change	Total	
2022-05-25 ¹	The Offering	2,857,142	33,919,142	50,000	543,585.00	35
2022-05-10	Share split (1:20)	29,508,900	31,062,000	0	543,585.00	N/A
2022-03-03	Bonus issue	0	1,553,100	374,025.055607	543,585.00	N/A
2021-06-17	New share issue	10,150	1,553,100	1,108.127896	169,559.944393	178.10
2020-09-07	New share issue	350	1,542,950	38.211307	168,451.816497	132.94
2019-10-04	New share issue	5,600	1,542,600	611.380908	168,413.605190	137.05

1) Expected registration date.

Shareholder agreements

As of the date of the Prospectus, there are two shareholder agreements between partly different shareholders in respect of the shares in the Company. Both shareholder agreements will cease to apply in conjunction with the listing on Nasdaq First North Premier Growth Market.

To the best of the board of director's knowledge, there are no other shareholders' agreements' or other arrangements between the Company's shareholders pertaining to joint influence over the Company. Nor is the board of directors aware of any agreements or similar undertakings that could lead to changes in control over the Company.

Convertibles, warrants etc.

As of the date of the Prospectus, there are five outstanding incentive programs in the Company, all of which are described in more detail below. All incentive programs have been directed to senior executives and key employees of the Group.

Incentive program 2017/2023

The general meeting held on 24 November 2017 resolved to issue 35,000 warrants. One warrant entitles the holder to subscribe for 20 new shares in the Company at a subscription price of SEK 12.4. The warrants can be utilised for subscription of shares during the period from 1 December 2023 until 31 December 2023. As of the date of the Prospectus, 35 000 warrants are held by warrant holders under the incentive program.

Assuming that all warrants are exercised for subscription of shares, the number of shares and the share capital of the Company will increase by 700,000 and SEK 12,250, respectively, corresponding to a dilution of 2.2% based on the number of outstanding shares in the Company as of the date of the Prospectus.

Incentive program 2019/2024

The general meeting held on 5 June 2019 resolved to issue 29,750 warrants. One warrant entitles the holder to subscribe for 20 new shares in the Company at a subscription price of SEK 13.7. The

warrants can be utilised for subscription of shares during the period from 1 March 2024 until 31 March 2024. As of the date of the Prospectus, 28,000 warrants are held by persons entitled to subscribe under the incentive program.

Assuming that all subscribed warrants are exercised for subscription of shares, the number of shares and the share capital of the Company will increase by 560,000 and SEK 9,800, respectively, corresponding to a dilution of 1.8% based on the number of outstanding shares in the Company as of the date of the Prospectus.

Incentive program 2020/2025

The general meeting held on 5 May 2020 resolved to issue 1,750 warrants. One warrant entitles the holder to subscribe for 20 new shares in the Company at a subscription price of SEK 13.3. The warrants can be utilised for subscription of shares during the period from 5 April 2025 until 5 May 2025. As of the date of the Prospectus, 1,750 warrants are held by persons entitled to subscribe under the incentive program.

Assuming that all warrants are exercised for subscription of shares, the number of shares and the share capital of the Company will increase by 35,000 and SEK 612.5, respectively, corresponding to a dilution of 0.1% based on the number of outstanding shares in the Company as of the date of the Prospectus.

Incentive program 2021/2026

The general meeting held on 16 February 2021 resolved to issue 50,750 warrants. One warrant entitles the holder to subscribe for 20 new shares in the Company at a subscription price of SEK 18.3. The warrants can be utilised for subscription of shares during the period from 16 January 2026 until 16 February 2026. As of the date of the Prospectus, 50,750 warrants are held by persons entitled to subscribe under the incentive program.

Assuming that all warrants are exercised for subscription of shares, the number of shares and the share capital of the Company will increase by 1,015,000 and SEK 17,762.5, respectively, corresponding to a dilution of 3.2% based on the number of outstanding shares in the Company as of the date of the Prospectus.

Incentive program 2022/2027

The general meeting held on 13 May 2022 resolved to issue 446,250 warrants. One warrant entitles the holder to subscribe for one new share in the Company at a subscription price of 161% of the average volume weighted price for the Company's share as quoted on Nasdaq First North Premier Growth Market from and including 1 June 2022 up to and including 15 June 2022. The warrants can be utilised for subscription of shares during the period from 15 June 2027 until 30 June 2027.

Assuming that all warrants are exercised for subscription of shares, the number of shares and the share capital of the Company will increase by SEK 446,250 and SEK 7,809.38, respectively, corresponding to a dilution of 1.4% based on the number of outstanding shares in the Company as of the date of the Prospectus.

Authorisation to issue securities covered by the Offering

At the extra general meeting on 13 May 2022, the board of directors of the Company was authorised to issue the shares that are subject to the Offering.

The board of directors of the Company is expected to decide on a new share issue in the Offering on or about 23 May 2022. The new share issue in the Offering is expected to be registered with the Swedish Companies Registration Office on 25 May 2022.

Ownership structure

The Company has 38 shareholders as of the date of the Prospectus. The table below shows holdings of shares and votes of at least 5% in the Company before and after the completion of the Offering. Each share in the Company carries the right to one vote at general meetings.

As of the date of the Prospectus, the Company is controlled in particular by Priveq Investment (through Priveq Investment V(A) AB and Priveq Investment V(B) AB) and Andreas Hedskog (through Hedskog Equity AB and HAEVE AB). Following the completion of the Offering, these shareholders will continue to control a large proportion of the number of shares and votes in the Company (see table below) and will be able to continue to exercise significant influence over the Company.

To ensure that control of the Company is not abused, the Company complies with applicable corporate governance rules, such as the Swedish Companies Act, the Nasdaq First North Growth Market's Rules for Issuers and the Swedish Corporate Governance Code, all of which contain provisions designed to protect the interests of minority shareholders.

Shareholder	Shareholding immediately before the Offering		After the Offering (if the Offering is fully subscribed and the Over-allotment Option is not exercised)		After the Offering (if the Offering is fully subscribed and the Over-allotment Option is exercised in full)	
	Number of shares	Percent (%)	Number of shares	Percent (%)	Number of shares	Percent (%)
Priveq Investment ¹	14,386,660	46.3	9,351,329	27.6	7,412,413	21.9
Andreas Hedskog ²	5,560,540	17.9	3,892,378	11.5	3,892,378	11.5
Klas Lindström ³	4,218,800	13.6	2,953,160	8.7	2,953,160	8.7
Mikael Edqvist	3,294,140	10.6	2,305,898	6.8	2,305,898	6.8
Total major shareholders	27,460,140	88.4	18,502,765	54.5	16,563,849	48.8
Other shareholders	3,601,860	11.6	2,490,265	7.3	2,490,265	7.3
<i>Additional new shareholders</i>	-	-	12,926,112	38.1	14,865,028	43.8
Total new and existing shares	31,062,000	100	33,919,142	100	33,919,142	100

1) Refers to Priveq Investment V (A) AB and Priveq Investment V (B) AB.

2) Through Hedskog Equity AB and HAEVE AB.

3) Personally and through Lagga Invest AB.

Information about the Selling Shareholders

In addition to the shares offered by the Company in the Offering, the shareholders listed in the below table (the "Selling Shareholders") are offering up to 10,068,970 existing shares in the Offering. Information about the Selling Shareholders is presented in the table below.

Certain Selling Shareholders have representation in the Company's board of directors or senior executive team. For more information on these individuals, see the below table and the section "Board of directors, senior executives and auditor".

Name	Address	LEI code	Legal form	Country of registration and jurisdiction	Numbers of shares offered in the Offering	Number of shares before the Offering	Number of shares following the Offering
Priveq Investment V(A) AB ¹	Box 5295, 102 46, Stockholm	636700TRK2-KJAMHIZ289	Limited liability company	Sweden	4,363,954	12,468,440	8,104,486
Priveq Investment V(B) AB ¹	Box 5295, 102 46, Stockholm	636700ZJ117-X7DMU2G03	Limited liability company	Sweden	671,377	1,918,220	1,246,843
Hedskog Equity AB ²	Box 5295, 102 46, Stockholm	894500NHR-YVXJ11TOT80	Limited liability company	Sweden	1,239,590	5,131,968	3,892,378
HAEVE AB ²	Tornaplatsten 3, 223 63, Lund	894500NEJK-CT4W4CY630	Limited liability company	Sweden	428,572	428,572	-
Lagga invest AB ³	Vällstavägen 19, 194 47, Upplands Väsby	894500JQF-N83EUXZJH92	Limited liability company	Sweden	502,863	3,456,023	2,953,160
Klas Lindström	Company's address	N/A	N/A	N/A	762,777	762,777	-
Mikael Edqvist	Company's address	N/A	N/A	N/A	988,242	3,294,140	2,305,898
EKIL Konsult AB ⁴	Handelsbacken 4, 139 53, Värmdö	894500KAWV-97BDVVKD42	Limited liability company	Sweden	450,000	1,031,460	581,460
Hans Arvidsson Consulting AB	Hornsgatan 66 A, 118 21, Stockholm	894500HRRE-6PEEJC7H39	Limited liability company	Sweden	303,045	918,320	615,275
Christer Hellström	Company's address	N/A	N/A	N/A	170,000	340,000	170,000
Jörgen Lenz	Company's address	N/A	N/A	N/A	170,000	340,000	170,000
Hässlingsby gård AB ⁵	Hässlingsby gård 1, 137 95, Österhaninge	6367005WF5-4S1P33N730	Limited liability company	Sweden	7,000	56,000	49,000
Johan Würtz	Company's address	N/A	N/A	N/A	3,150	21,000	17,850
Nils Kjellgren	Company's address	N/A	N/A	N/A	4,200	14,000	9,800
Alexander Jarl	Company's address	N/A	N/A	N/A	4,200	14,000	9,800

1) Represented in the board of directors by the director Mats Hjerpe.

2) Controlled by chair of the board Andreas Hedskog.

3) Controlled by deputy CEO Klas Lindström.

4) Controlled by CEO Magnus Bergqvist.

5) Controlled by senior executive Mikael Grape.

Lock-up undertakings

Shareholding board members and senior executives of the Company and certain other shareholders¹, who together control approximately 93.6% of the shares and votes of the Company prior to the Offering, have undertaken to the Joint Bookrunners, for a specified period following the first day of trading in the Company's shares on the Nasdaq First North Premier Growth Market, not to sell or make certain other dispositions of their respective holdings of shares and, if applicable, other securities. The undertaking not to engage in any such transactions applies for a period of 540 days for the chair of the board, 360 days for other shareholding board members, 540 days for CEO Magnus Bergqvist and CFO Anders Nordgren, 360 days for other senior executives and 180 days for other shareholders.

All lock-up undertakings are subject to customary exceptions, such as (a) the acceptance of an offer to all holders of the Company's shares and/or securities made in accordance with applicable rules on takeover bids on the stock market under which the holders of such offer are treated equally; (b) dispositions of securities within the same group as the shareholder; (c) the acceptance of an offer to all shareholders of the Company to acquire the Company's own shares;

or (d) dispositions of securities to the extent required by law or by authority or by decision of authority. The Joint Bookrunners may grant exceptions to the respective undertakings, which will be made on a purely discretionary basis.

In addition, the Company intends to provide to the Joint Bookrunners, under the Placing Agreement, an undertaking not to issue shares for a period of 180 days following the first day of trading in the Company's shares on the Nasdaq First North Premier Growth Market. See the section entitled "Legal considerations and supplementary information - Placement Agreement" for more information regarding the Placement Agreement. In addition, the Joint Bookrunners may, on a discretionary basis, grant exceptions to this undertaking.

Net asset value per share compared to the price per share in the Offering

As of 31 March 2022, the net asset value² of the Company was SEK approximately 71.1 per share. Adjusted for the share split that was resolved on the annual general meeting 19 April 2022, the net asset value of the Company as of the date of the Prospectus amounted to approximately SEK 3.6 per share. The price in the Offering is SEK 35 per share.

1) Priveq Investment V(A) AB, Priveq Investment V(B) AB, Johan Hägre, Johan Würtz, Håkan Ekvall, David Paterson, Jonatan Jürisoo, Andreas Olså, Nils Kjellgren, Tobias Sjöbeck, Alexander Jarl, Josefín Rosén, Karin Svensson, Chris Wildman, Duncan Parkinson, Peter Bratt, Anders Larm, Anna Fjellström, Sandra Attertyd and Chris Smart.

2) Calculated as equity divided by the number of shares outstanding at the balance sheet date.

Articles of association

§ 1 Company name

The name of the company is 4C Group AB. The company is a public company (publ).

§ 2 Registered office of the company

The board of directors shall have its registered office in the municipality of Stockholm.

§ 3 Objects of the company

The company's activities include developing and selling software applications, consultancy, analysis, training and conferences to strengthen the business and organisational development of companies, authorities and organisations, and to actively own, manage and develop companies and activities compatible therewith.

§ 4 Share capital

The share capital shall not be less than SEK 542,500 and not more than SEK 2,170,000.

§ 5 Number of shares

The number of shares shall be not less than 30,000,000 and not more than 120,000,000.

§ 6 Board of directors

The board of directors shall comprise of a minimum of 3 and a maximum of 9 directors.

The board of directors is elected at the annual general meeting for the period until the end of the next annual general meeting.

§ 7 Auditors

A minimum of one and a maximum of two auditors shall be appointed for the review of the company's annual report as well as the management pursued by the board of directors and the managing director.

§ 8 Notice

Notice of general meetings shall be made by announcement in the Official Swedish Gazette and by posting the notice on the company's website. At the time of the notice, an announcement with information that the notice has been issued shall be published in the daily national paper Dagens Industri.

Notice of the annual general meeting and notice of the extra general meeting at which a question of amendment of the articles of association will be discussed shall be issued not earlier than six weeks and not later than four weeks before the meeting. Notice of any other extra general meeting shall be given not earlier than six weeks and not later than two weeks before the meeting.

§ 9 Participation in a general meeting

A shareholder that wishes to participate in a general meeting must be recorded in a printout or other transcript of the share register as of the day set out in the Swedish Companies Act, and notify the company of her/his, and any advisors (no more than two), intention

to attend the meeting no later than on the date stated in the notice of the meeting. Such a date may not be a Sunday, other public holiday, Saturday, Midsummer Eve, Christmas Eve or New Year's Eve and may not occur earlier than the fifth weekday prior to the general meeting.

§ 10 Collection of proxies and postal voting

The board of directors may collect proxies at the company's expense in compliance with the procedure set out in chapter 7 section 4 paragraph 2 of the Swedish Companies Act (2005:551).

The board of directors may resolve, ahead of a general meeting of the shareholders, that the shareholders shall be entitled to exercise their voting rights by post prior to the meeting.

§ 11 Annual general meeting

The following matters shall be addressed at the annual general meeting.

1. Election of a chairperson of the meeting;
2. Preparation and approval of the voting register;
3. Election of one or two persons to attest the minutes;
4. Determination of whether the meeting was duly convened;
5. Approval of the agenda;
6. Presentation of the annual report and the auditor's report and, where applicable, the consolidated financial statements for the group;
7. Resolutions regarding:
 - a. Adoption of the profit and loss statement and balance sheet and, if applicable, the consolidated profit and loss statement and consolidated balance statement;
 - b. Disposition of the company's profit or loss as set forth in the adopted statement of cash flows and, if applicable, the adopted consolidated cash flow statement;
 - c. Discharge from liability of the board members and the managing director, if any.
8. Determination of fees for the board of directors and the auditors;
9. Election of:
 - a. board of directors
 - b. audit firm or auditor and, where applicable, deputy directors;
10. Any other business incumbent on the meeting according to the Companies Act or the articles of association.

§ 12 Financial year

The company's financial year shall be 1 January - 31 December.

§ 13 Central securities depository registration

A shareholder or nominee that is registered in the share register and a CSD register on the record date, in accordance with Ch. 4 the Central Securities Depositories and Financial Instruments Accounts Act (SFS 1998:1479), or registered in a CSD account pursuant to Ch. 4 Sec. 18 first § item 6-8 of the aforementioned act, is deemed to have the right to exercise the rights stipulated in Ch. 4 Sec. 39 the Swedish Companies Act (SFS 2005:551).

Legal considerations and supplementary information

Approval of the Prospectus

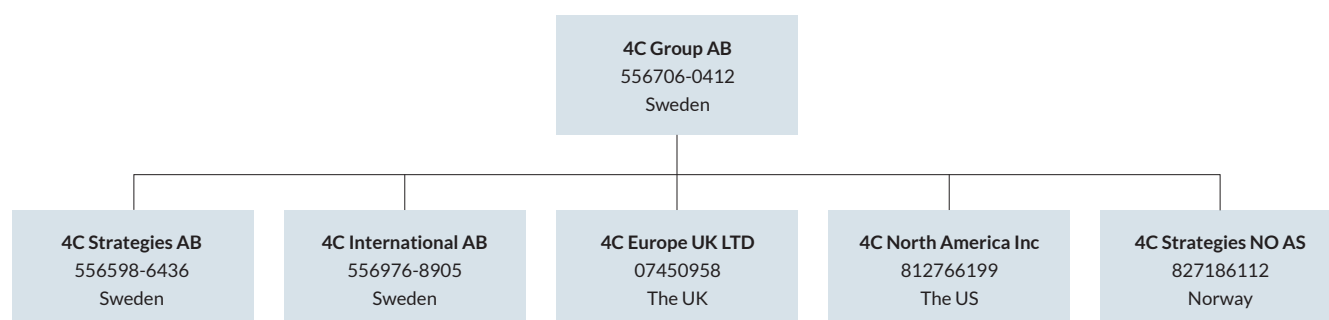
The prospectus has been approved by the SFSA, which is the competent national authority pursuant to Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). The SFSA approves the Prospectus only to the extent that it meets the requirements for completeness, comprehensibility and consistency as contained within the Prospectus Regulation. The SFSA's approval should not be regarded as any kind of support for the Company or for the quality of the securities referred to in the Prospectus. Investors should make their own assessment as to whether it is advisable to invest in these securities.

General company information

4C Group AB, reg. no. 556706-0412, is a Swedish public limited liability company incorporated on 31 May 2006 and registered with the Swedish Companies Registration Office on 21 June 2006. The Company's name was registered on 29 September 2006 and the Company's trading name is 4C Strategies. The Company's operations are governed by Swedish law and it has its registered seat in Stockholm municipality, Stockholm County, with the address located on Vattugatan 17, 111 52, Stockholm. The Company's legal entities identification code (LEI) is 8945002E2CEXZODDOT51. The Company can be reached at +46 (0)8-522 27 900 and its web page is www.4cstrategies.com.

Legal group structure

The Company is the Parent Company of the group which, apart from the Parent Company, consists of five wholly owned subsidiaries. The Group's subsidiaries are located in Sweden, the UK, the US and Norway.



Material Agreements

Customer agreement with Cole Engineering Services, Inc.

4C North America, Inc. ("**4C North America**") and Cole Engineering Services Incorporated ("**CESI**") entered into a subcontractor agreement on 15 June 2021, pursuant to which CESI appoints 4C North America to support the development of the software for the training management tool used by the US Army (i.e., a licensing of the Exonaut software). Pursuant to the agreement, 4C North America undertakes to fulfill certain obligations relating to, for example, compliance with export control laws and the National Industrial Security Program Operating Manual, which establish requirements for protection of confidential information. Should the US Army cancel financing of the project, CESI has a right to terminate the agreement with 4C North America. Following completion of the contract, the parties expect that 4C North America will be mandated for implementation and continued roll-out.

During the financial year 2021, the agreement with CESI accounted for approximately 35% of the Group's revenue.

Insurance

The Company considers that its insurance cover is satisfactory with regards to the nature of its operations and the risks normally

associated with those operations. However, there are no guarantees that the Group will not suffer losses that are not covered by insurances in force at the time.

Information about governmental, legal and arbitration proceedings

The Company is not, nor has it been during the past 12 months, a party in any governmental, legal or arbitration proceedings (including matters not yet decided or matters which, according to the Company's knowledge, risk being initiated), which may have, or have had in the recent past, a significant effect on the Company and/or the Company's financial position or profitability.

Related party transactions

The Company has not carried out any related party transactions, as it is defined in IAS 24, during the financial years 2019, 2020 and 2021 or the interim period 1 January – 31 March 2022. For information regarding remuneration to senior executives during the financial years 2019, 2020 and 2021, please refer to Note 5 "Employees and personnel costs" under "Historical financial information" below.

No related-party transactions have been carried out during the period commencing on 31 March 2022 until the date of the Prospectus.

Commitments by Cornerstone Investors in the Offering

The Company has obtained commitments from certain investors ("**Cornerstone Investors**") to acquire shares in the Offering totaling SEK 335 million, equivalent to 74.0% of the Offering (64.4% if the Overallotment Option is exercised in full). The Cornerstone Investors' commitments to acquire shares were made in May 2021.

The table below provides information regarding the respective commitments of the Cornerstone Investors.

Cornerstone Investors	Commitment		Ownership after Offering, including fully exercised Overallotment Option	
	Amount (SEK)	Number of shares	Number of shares	Share (%)
The Fourth Swedish National Pension Fund	75,000,000	2,142,857	2,142,857	6.3
Livförsäkringsbolaget Skandia, ömsesidigt	24,228,000	692,228	692,228	2.0
Skandia Fonder AB	25,772,000	736,342	736,342	2.2
Carnegie Fonder	40,000,000	1,142,857	1,142,857	3.4
Grenspecialisten	40,000,000	1,142,857	1,142,857	3.4
LMK Venture Partners AB	40,000,000	1,142,857	1,142,857	3.4
Neptunia Invest	25,000,000	714,285	714,285	2.1
Tibia Konsult AB	25,000,000	714,285	714,285	2.1
Erik Syrén	10,000,000	285,714	285,714	0.8
Martin Bjäringer	10,000,000	285,714	285,714	0.8
Tedde Jeansson	10,000,000	285,714	285,714	0.8
Carl Rosvall (through Hajskäret Invest AB)	10,000,000	285,714	285,714	0.8
Total	335,000,000	9,571,424	9,571,424	28.2

The commitments made by the Cornerstone Investors contain certain conditions in order for the commitments to be valid, including that the first day for trading occurs not later than 7 June 2022 and that the Cornerstone Investors receive full allotment in respect of their commitments.

The commitments are not secured through pledges, blocked funds or other such similar arrangements. Consequently, there is a risk that the Cornerstone Investors will not make payment for shares covered by the commitment. See section "*Risk factors - Risks related to the Company's shares and the Offering*".

Placing agreement

Pursuant to the terms of an agreement relating to the placement of shares in the Company intended to be entered into between the Company, the Principal Owners, certain Selling Shareholders and the Joint Bookrunners on or about 23 May 2022 (the "**Placing agreement**"), the Company undertakes to issue 2,857,142 shares and the Selling Shareholders undertakes to dispose 10,068,970 shares to the investors provided by the Joint Bookrunners. However, the Joint Bookrunners commitment in this respect is subject to the offering not being terminated beforehand (see further below).

Pursuant to the Placing Agreement, Priveq Investment V (A) AB and Priveq Investment V (B) AB intends to provide an overallotment option representing a commitment to, at the request of the Joint Bookrunners, no later than 30 calendar days from the first day of trading in the Company's shares on Nasdaq First North Premier Growth Market, sell up to an additional 1,938,916 shares representing a maximum of 15% of the number of shares in the Offering at a price equal to the Offering price. The Overallotment Option should only be exercised to cover overallotments in the Offering, but may also be used for any stabilisation measures (see further under "*Stabilisation measures*").

Through the Placing Agreement, the Company will provide customary guarantees to the Joint Bookrunners, including guarantees that the information in the Prospectus is accurate, that the Prospectus and the Offering comply with the applicable legal and regulatory requirements, and that there are no legal or other impediments preventing the Company from entering into the Placing Agreement. Pursuant to the Placing Agreement, the Joint Bookrunners' commitment to obtain investors is conditional upon (among other things) the correctness of the guarantees given by the Company under the Placing Agreement and the absence of any event that could have such material adverse effects on the Company that it would be inappropriate to proceed with the Offering. In such circumstances, the Joint Bookrunners have the right to terminate the Placing Agreement up until the settlement date on 27 May 2022, in which case the Offering may be terminated. In such cases, neither delivery of nor payment for the shares under the Offering will be made. Pursuant to the Placement agreement, the Company has undertaken (subject to the satisfaction of customary conditions) to indemnify the Joint Bookrunners in the event of any claim being made against the Joint Bookrunners or in the event of any loss or damage being sustained.

Stabilisation measures

In connection with the Offering, ABG may, in the role of stabilisation manager (the "**Stabilisation Manager**"), overallocate shares in order to implement certain transactions that are designed to stabilise, maintain and in some other way support the market price of the Company's shares at a level above that of which would otherwise prevail in the open market. Such stabilisation transactions may be implemented on Nasdaq First North Premier, the OTC market or in another way. These transactions may be implemented at any time during the period commencing the first day of trading in the shares on Nasdaq First North Premier Growth Market and ending no later than 30 calendar days thereafter. However, the Stabilisation Manager has no obligation

to institute stabilisation measures, and there is no guarantee that stabilisation measures will be implemented. Under no circumstances will transactions be implemented at a price higher than the price in the Offering.

The Stabilisation Manager can use the Overallotment Option to over-allot shares in order to facilitate stabilisation measures. The stabilisation measures, if implemented, may be terminated at any time without notification but must be terminated no later than the expiry of the same 30 calendar day period stated above. Pursuant to Article 5.4 of the Market Abuse Regulation (EU) 596/2014 (MAR) and the Commission Delegated Regulation (EU) 2016/1052, the Stabilisation Manager must announce that any such stabilisation measures have been implemented no later than the end of the seventh day of trading after such stabilisation measures have been implemented. Within one week after the end of the Stabilisation Period, the Stabilisation Manager will announce through the Company whether any stabilisation measures have been undertaken, the date on which any stabilisations began, the date on which any stabilisations last occurred, as well as the price range at which any stabilisations were carried out for each of the dates such stabilisation transactions were implemented.

Costs related to the Offering

The Company's costs related to the Offering and the listing on Nasdaq First North Premier Growth Market are estimated to amount to approximately SEK 16.5 million, of which SEK 8.5 million have been charged against earnings up until 31 March 2022. The costs are mainly related to commission payments to the Joint Bookrunners, legal advice, tax advice, remuneration of auditors, marketing materials and marketing activities, and fees to Nasdaq and the SFSA.

Advisor interests

The Joint Bookrunners are providing financial advice and other services to the Company in connection with the Offering, services for which they will be remunerated. The Joint Bookrunners may from time to time provide services to the Company, both within the framework of ordinary operations and in connection with other transactions, for which they may receive remuneration.

Other than as set out above, the Company considers that there are no interests or engagements that could be of material significance to the Offering.

Tax consequences for investors

Investors should note that tax legislation in Sweden, or in any other state to which the investor has a connection, or in which the investor is a tax resident, can impact how income from securities is taxed. Each shareholder should seek individual advice to ensure the tax consequences which may arise based on the shareholder's specific situation, including the applicability and effect of foreign rules, agreements and treaties.

Potential limitations for shareholders outside of Sweden to participate in future issues of shares

If, in the future, the Company issues new shares with preferential rights for existing shareholders, shareholders in certain countries may be subject to restrictions preventing them from participating in such issues or otherwise impeding or restricting their participation. For example, shareholders in the US may not exercise their rights to subscribe for new shares unless there are registration statements under the Securities Act relating to such shares or an exemption from the registration requirements of the Securities Act is applicable. Shareholders in jurisdictions other than Sweden may be affected in a similar manner. The Company is under no obligation file registration documents under the US Securities Act or to seek similar approvals or relevant exemptions under any other jurisdiction outside of Sweden, and doing so may involve practical difficulties and costs. To the extent that the Company's shareholders in jurisdictions outside Sweden are unable to exercise their rights to subscribe for new shares in any future issues, their proportionate ownership of the Company will be reduced.

Websites and hyperlinks mentioned in the Prospectus

The Prospectus contains certain references to websites and hyperlinks. Please note that the information provided on these websites and hyperlinks has not been reviewed and/or approved by the SFSA and does not constitute a part of the Prospectus unless it is explicitly stated that this information is incorporated in the Prospectus through reference.

Documents incorporated by reference

The following documents are available on the Company's website (investors.4cstrategies.com) for the period during which the Prospectus is valid:

- » The Company's articles of association; and
- » The Company's certificate of registration.

Certified Adviser on Nasdaq First North Premier Growth Market

All issuers that have shares admitted to trading on Nasdaq First North Premier Growth Market have a Certified Adviser that monitors compliance with the rules of the marketplace. The Company's Certified Adviser is FNCA Sweden AB.

Historical financial information

Unaudited and reviewed condensed interim financial information as of and for the three months ending 31 March, 2022

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Historical financial information for the financial years 31 December 2021, 2020 and 2019

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Unaudited and reviewed interim financial information as of and for the three months ending 31 march, 2022

Consolidated income statement

SEK thousand	2022 1 Jan – 31 Mar	2021 1 Jan – 31 Mar
Net sales	76,034	36,188
Other revenue	491	958
Total revenue	76,526	37,145
Operating expenses		
Other external costs	-19,098	-7,143
Personnel costs	-52,437	-37,197
Capitalised work for own account	5,976	5,489
Other operating expenses	-134	-180
Total operating expenses	-65,692	-39,030
Operating income before depreciation/amortisation	10,833	-1,884
Depreciation	-3,612	-3,259
Amortisation	-4,097	-3,361
Operating income	3,124	-8,505
Financial income and expenses	563	-272
Income after financial net	3,687	-8,777
Taxes	-872	1,840
Net income for the period	2,815	-6,937
Profit/loss attributable to:		
Parent company shareholders	2,815	-6,937
Other information		
Earnings per share before dilution (SEK)	1.81	-4.47
Earnings per share after dilution (SEK)	1.69	-4.16

Consolidated statement of comprehensive income

SEK thousand	2022 1 Jan – 31 Mar	2021 1 Jan – 31 Mar
Net profit for the period	2,815	-6,937
Other comprehensive income		
<i>Items that may be reclassified to profit or loss (after tax)</i>		
Translation difference	114	1,871
Other comprehensive income for the period, net of tax	114	1,871
Comprehensive income for the period, net of tax	2,929	-5,066

Consolidated balance statement

SEK thousand	31 Mar 2022	31 Mar 2021	31 Dec 2021
ASSETS			
Intangible assets	45,641	44,456	43,762
Tangible assets	2,654	744	2,581
Right-of-use assets	17,795	27,690	19,783
Financial fixed assets	986	587	1,015
Contract assets	24,232	15,115	13,132
Deferred tax asset	931	5,695	1,183
Total fixed assets	92,239	94,287	81,456
Accounts receivables	41,441	15,016	43,168
Tax assets	3,352	2,986	7,113
Contract assets	31,611	25,530	39,477
Other current receivables	7,755	4,452	6,656
Cash and cash equivalents	59,189	8,947	66,026
Total current assets	143,348	56,932	162,440
Total assets	235,587	151,219	243,895
EQUITY AND LIABILITIES			
Equity			
Equity attributable to the parent company's shareholders	110,522	63,449	107,593
Total equity	110,522	63,449	107,593
Interest-bearing non-current liabilities	7,055	-	-
Non-current lease liabilities	7,588	15,964	9,424
Deferred tax liability	11,334	9,157	10,947
Other non-current liabilities	850	-	850
Total non-current liabilities	26,826	25,121	21,221
Interest-bearing current liabilities	22,847	14,995	30,254
Current lease liabilities	9,789	10,484	9,776
Accounts payables	6,556	3,160	7,397
Tax liabilities	6,608	434	6,386
Contract liabilities	14,655	10,388	24,519
Other current liabilities	37,785	23,188	36,749
Total current liabilities	98,239	62,649	115,082
Total equity and liabilities	235,587	151,219	243,895

Condensed consolidated statement of changes in equity

SEK thousand	Share capital	Other contributed capital	Reserves	Retained earnings	Total equity
Opening balance 1 January 2021	168	52,756	-135	13,767	66,556
Profit or loss for the period	0	0	0	38,989	38,989
Other comprehensive income for the period	0	0	1,337	0	1,337
Comprehensive income for the period	0	0	1,337	38,989	40,325
Transactions with owners of the Group					
New share issue	1	1,807	0	0	1,808
Option premium payment	0	296	0	0	296
Dividends paid	0	0	0	-1,393	-1,393
Bonus issue	0	0	0	0	0
Total transactions with shareholders	1	2,102	0	-1,393	711
Closing balance 31 December 2021	170	54,858	1,202	51,363	107,593
Opening balance 1 January 2022	170	54,858	1,202	51,363	107,593
Profit or loss for the period	0	0	0	2,815	2,815
Other comprehensive income for the period	0	0	114	0	114
Comprehensive income for the period	0	0	114	2,815	2,929
Transactions with owners of the Group					
New share issue	0	0	0	0	0
Option premium payment	0	0	0	0	0
Dividends paid	0	0	0	0	0
Bonus issue	374	0	0	-374	0
Total transactions with shareholders	374	0	0	-374	0
Closing balance 31 March 2022	544	54,858	1,316	53,804	110,522

Consolidated cash flow statement

SEK thousand	2022	2021
	1 Jan – 31 Mar	1 Jan – 31 Mar
Cash flow from the operating activities		
Operating income	3,124	-8,505
Adjustment for non-cash items	7,637	6,055
Interest received	-	532
Interest paid	797	-804
Income tax paid	3,784	591
Change in operating activities	-20,959	-7,582
Cash flow from the operating activities	-5,617	-9,714
Cash flow from investing activities		
Acquisition of intangible assets	-6,138	-5,489
Acquisition of tangible assets	-148	-79
Repayment of deposits	42	40
Cash flow from investing activities	-6,244	-5,528
Cash flow from financing activities		
New share issues	-	297
Warrant premiums	-	1,662
New lease liabilities	-	-156
Net change of overdraft account	-	2,943
Paid leasing fees	-3,354	-3,970
Other	7,055	-1
Cash flow from financing activities	3,701	775
Cash flow for the period	-8,160	-14,468
Change in cash and cash equivalents		
Cash and cash equivalents at the beginning of the period	66,026	22,678
Exchange rate differences in cash and cash equivalents	1,325	737
Cash and cash equivalents at the end of the period	59,190	8,948

Notes

Significant accounting principles and assumptions

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 that form the basis of this interim report are set out in the latest annual report. Preparing the financial statements in accordance with IFRS requires the 4C Group AB management team to decide how to apply the accounting policies, which may affect the reported figures for assets, liabilities and profit or loss.

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

The parent company prepares its financial statements in accordance with the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities.

Please note that rounding in the financial tables may result in differences of up to SEK 1 thousand in column totals or sums.

Risks and uncertainties

4C Group AB is exposed to risks in its operations, both commercial and financial, and these are described in the latest annual report. During the period, a war has escalated in Ukraine. The Company has undertaken actions to ensure that the risks that exist and are actualized can be managed. There have been no changes in risk and uncertainty factors during the period.

Transactions in foreign currencies

The Group operates in various countries and currently handles the following currencies: Swedish kronor (SEK), sterling pound (GBP) and US dollar (USD). Assets and liabilities denominated in foreign currencies are translated at the closing rate at the balance sheet date.

Transaction differences for operating items due to translation are reported as Other revenue and Other operating expenses. The change in value of other balance sheet items denominated in foreign currencies is recorded in net financial income, as cash and cash equivalents. Differences arising from the translation of net revenue and operating expenses in foreign currencies are recognised in the respective income and expense items.

Related party transactions

There have been no related party transactions during the period.

Taxes

The tax expense has been based on the results of the respective subsidiaries and the current tax situation in the respective country.

Segment overview

The Group's operating segments are divided into Nordics, International, North America and Group common items. The operating segments are reported in accordance with the internal reporting structure provided to the Group's Chief Operating Decision Maker (CODM). The CODM is the function responsible for allocating resources and assessing the profit or loss of the operating segments. In the Group, this function is identified as the CEO.

The evaluation of the results of the activities is divided into three geographical regions. These operating segments have the same business model, i.e. sales and delivery, except for the fourth segment, Group common items, which focuses on product development and administration. Operating segments are evaluated on the basis of net sales and EBITDA. The evaluation excludes the management of assets and liabilities, which are instead managed centrally by Group management. In order to provide a more accurate picture of each segment's performance, the line Internal costs consists of both intercompany revenues and expenses and is therefore netted out at Group level. Internal transactions between segments refer to cost allocation due to resource usage.

1 Jan – 31 Mar 2022

SEK thousand	Nordics	International	North America	Total Segment	Group common items	The Group
Software	4,752	6,333	36,126	47,212	0	47,212
Software-related services	3,768	8,476	1,676	13,920	0	13,920
Expert services	13,744	1,160	0	14,903	0	14,903
Other revenues	96	409	0	505	-14	491
Total revenues	22,360	16,378	37,802	76,540	-14	76,526
External costs	-15,440	-14,925	-8,563	-38,928	-26,764	-65,692
Internal costs	-1,151	4,022	4,839	7,710	-7,710	0
Total expenses	-16,592	-10,902	-3,724	-31,218	-34,475	-65,692
EBITDA	5,768	5,476	34,078	45,322	-34,488	10,833
Depreciation	-	-	-	0	-4,097	-4,097
Amortisation	-	-	-	0	-3,612	-3,612
Items affecting comparability	-	-	-	0	5,214	5,214
Financial income and expenses	-	-	-	0	563	563
Adjusted profit before tax	5,768	5,476	34,078	45,322	-36,421	8,901

1 Jan – 31 Mar 2021

SEK thousand	Nordics	International	North America	Total Segment	Group common items	The Group
Software	6,071	4,970	196	11,237	0	11,237
Software-related services	4,253	9,469	344	14,066	0	14,066
Expert services	10,181	703	0	10,884	0	10,884
Other revenues	104	856	0	960	-3	958
Total revenues	20,610	15,998	540	37,148	-3	37,145
External costs	-12,561	-9,850	-2,723	-25,134	-13,896	-39,030
Internal costs	-1,355	1,665	765	1,075	-1,075	0
Total expenses	-13,916	-8,185	-1,958	-24,059	-14,971	-39,030
EBITDA	6,694	7,813	-1,417	13,089	-14,974	-1,884
Depreciation	-	-	-	0	-3,361	-3,361
Amortisation	-	-	-	0	-3,259	-3,259
Items affecting comparability	-	-	-	0	0	0
Financial income and expenses	-	-	-	0	-272	-272
Adjusted profit before tax	6,694	7,813	-1,417	13,089	-21,867	-8,777

Items affecting comparability

During the first quarter, 4C Group AB has incurred costs related to the company's future IPO. These costs, amounting to SEK 5 214 thousand (SEK 0 thousand), are considered to be of a non-recurring nature and are reported separately in the segment summary table.

Net sales by revenue stream

The Group's revenue streams are software, software-related services and expert services. Software consists of revenues from the company's 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-related services include both implementation and integration of software, as well as managed services. Expert services include the Company's advisory and consulting services that refer to building the risk, business continuity and crisis management capabilities of organisations.

	2022	2021
SEK thousand	1 Jan – 31 Mar	1 Jan – 31 Mar
Software	47,212	11,237
Software-related services	13,920	14,066
Expert services	14,903	10,884
Net sales	76,034	36,188

Number of shares

4C Group AB has a share class where equal voting rights are applied to all shares. During the first quarter of 2022, a bonus issue was carried out whereby the share capital was increased to SEK 544 thousand with an unchanged number of shares. The number of outstanding

shares and warrants refers to the number outstanding on the balance sheet date at the end of the period, where the number of shares after dilution takes into account the number of outstanding warrants. In calculating the weighted average number of diluted shares for the period, account is taken of changes in the respective items between the comparative periods.

	2022	2021
SEK thousand	1 Jan – 31 Mar	1 Jan – 31 Mar
Number of shares outstanding	1,553,100	1,553,100
Number of warrants	115,500	115,500
Number of shares, after dilution	1,668,600	1,668,600

	2022	2021
SEK thousand	1 Jan – 31 Mar	1 Jan – 31 Mar
Profit/loss attributable to shareholders of the parent company (SEK thousand)	1,553,100	1,553,100
Weighted average number of shares	115,500	115,500
Earnings per share before dilution (SEK)	1,668,600	1,668,600

Earnings per share

IAS 33 Earnings per share is applied in the presentation of earnings per share. The calculation of earnings per share is based on the profit or loss for the period of the Group attributable to owners of

the parent company and on the weighted average number of shares outstanding during the period. For the calculation of diluted earnings per share, the average number of shares is adjusted to take into account the effects of warrants issued.

	2022	2021
SEK thousand	1 Jan – 31 Mar	1 Jan – 31 Mar
Profit/loss attributable to shareholders of the parent company (SEK thousand)	2,815	-6,937
Weighted average number of shares	1,553,100	1,553,100
Earnings per share before dilution (SEK)	1.8	-4.5

	2022	2021
SEK thousand	1 Jan – 31 Mar	1 Jan – 31 Mar
Profit/loss attributable to shareholders of the parent company (SEK thousand)	2,815	-6,937
Weighted average number of shares, after dilution	1,668,600	1,668,600
Earnings per share after dilution (SEK)	1.7	-4.2

Financial instruments

The Group's financial instruments are measured at amortised cost. The carrying amount of all the Group's financial instruments is considered to be a good approximation of their fair value.

annual general meeting to a new account, which is in accordance with the board of directors's previously adopted dividend policy. The members of the board of directors and the chief executive officer were discharged from liability for the preceding financial year. For more information on the other resolutions discussed, please visit the company's website.

Events after the end of the quarter

On 19 April 2022, the annual general meeting of 4C Group AB was held and it was resolved to adopt the statement of profit or loss, statement of financial position and consolidated financial statements for the financial year 2021 and to transfer the funds available to the

On 19 April 2022, the board of directors of 4C Group AB held an statutory board meeting. For more information on the decisions discussed, please visit the company's website.

Auditor's review report

Auditor's review report

To the board of directors of 4C Group AB, corporate identity number 556706-0412

Introduction

We have reviewed the condensed consolidated interim financial information on pages F-2 - F-8 of 4C Group AB as of 31 March, 2022 and for the three-month period then ended. The board of directors is responsible for the preparation and fair presentation of this condensed consolidated interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on the condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements ISRE 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, performing analytical review, and performing other review procedures. A review is different in focus and scope from the focus and scope of an ISA audit and from the scope of an audit conducted in accordance with generally accepted auditing standards. 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 if an audit had been performed. Therefore, the stated conclusion based on a review does not have the level of assurance that a stated conclusion based on an audit has.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Malmö, 16 May 2022

Ernst & Young AB

Peter Gunnarsson
Authorised Public Accountant

Historical financial information for the financial years 2021, 2020 and 2019

Consolidated income statement

SEK thousand	Note	2021 1 Jan - 31 Dec	2020 1 Jan - 31 Dec	2019 1 Jan - 31 Dec
Net sales	2, 3	261,238	185,293	178,605
Other revenue	2, 8	2,510	1,533	923
Total revenue		263,748	186,826	179,528
Operating expenses				
Other external costs	4	-47,912	-31 431	-43,501
Personnel costs	5	-159,114	-131 585	-119,077
Capitalised work for own account	10	17,946	17 374	13,816
Other operating expenses	8	-1,458	-4 383	-310
Total operating expenses		-190,538	-150 025	-149,073
Operating income before depreciation/amortisation		73,210	36,802	30,455
Depreciation	11, 12	-13,840	-10,995	-8,421
Amortisation	10	-12,252	-12,751	-13,052
Operating income		47,118	13,056	8,982
Financial income and expenses	6, 7	2,540	-3,333	-2,255
Income after financial net		49,658	9,723	6,727
Taxes	9	-10,669	-2,371	1,182
Net income for the period		38,989	7,352	7,909
Profit/loss attributable to:				
Parent company shareholders		38,989	7,352	7,909
Other information				
Earnings per share before dilution (SEK)	18	25.1	4.8	5.1
Earnings per share after dilution (SEK)	18	23.4	4.6	4.9

Consolidated statement of comprehensive income

SEK thousand		2021 1 Jan - 31 Dec	2020 1 Jan - 31 Dec	2019 1 Jan - 31 Dec
Net profit for the period		38,989	7,352	7,909
Other comprehensive income				
<i>Items that may be reclassified to profit or loss (after tax)</i>				
Translation difference		1,336	-1,117	279
Other comprehensive income for the period, net of tax		1,336	-1,117	279
Comprehensive income for the period, net of tax		40,325	6,236	8,188

Consolidated balance statement

SEK thousand	Note	2021-12-31	2020-12-31	2019-12-31
ASSETS				
Intangible assets	10	43,762	42,329	37,710
Tangible assets	11	2,581	636	616
Right-of-use assets	12	19,783	22,549	23,507
Financial fixed assets	13	1,015	582	976
Contract assets	3	13,132	7,253	7,231
Deferred tax asset	9	1,183	2,838	4,075
Total fixed assets		81,456	76,186	74,115
Accounts receivables	13, 19	43,168	20,832	36,888
Tax assets		7,113	3,998	3,491
Contract assets	3	39,477	28,652	28,849
Other current receivables	14, 25	6,656	5,729	5,848
Cash and cash equivalents	13, 15, 19	66,026	22,678	12,525
Total current assets		162,440	81,889	87,601
Total assets		243,895	158,075	161,716
EQUITY AND LIABILITIES				
Equity				
Share capital	17	170	168	168
Other contributed capital		54,858	52,756	52,702
Translation difference		1,202	-135	982
Retained earnings including profit/loss for the year		51,363	13,767	7,808
<i>Equity attributable to the parent company's shareholders</i>		<i>107,593</i>	<i>66,557</i>	<i>61,660</i>
Total equity		107,593	66,557	61,660
Interest-bearing non-current liabilities		-	-	156
Non-current lease liabilities	12, 13	9,424	12,396	14,162
Deferred tax liability	9	10,947	8,719	7,773
Other non-current liabilities	13, 19	850	-	-
Total non-current liabilities		21,221	21,115	22,091
Interest-bearing current liabilities	13, 20, 25	30,254	12,208	18,710
Current lease liabilities	12	9,776	10,786	9,711
Accounts payables	13	7,397	2,103	3,732
Tax liabilities		6,386	2,367	-
Contract liabilities	3	24,519	15,886	19,052
Other current liabilities	20, 25	36,749	27,053	26,760
Total current liabilities		115,082	70,403	77,965
Total equity and liabilities		243,895	158,075	161,716

Consolidated statement of changes in equity

SEK thousand	Note	Share capital	Other contributed capital	Reserves	Retained earnings	Total equity
Opening balance 1 January 2019		168	51,944	702	1,292	54,106
Profit or loss for the period		0	0	0	7,909	7,909
Other comprehensive income for the period		0	0	279	0	279
Comprehensive income for the period		0	0	279	7,909	8,188
Transactions with owners of the Group	5, 17					
New share issue		1	767	0	0	767
Option premium payment		0	126	0	0	126
Dividends paid		0	0	0	-1,393	-1,393
Total transactions with shareholders		1	758	0	-1,393	-634
Closing balance 31 December 2019		169	52,702	982	7,808	61,660
Opening balance 1 January 2020		168	52,702	982	7,808	61,660
Profit or loss for the period		0	0	0	7,352	7,352
Other comprehensive income for the period		0	0	-1,117	0	-1,117
Comprehensive income for the period		0	0	-1,117	7,352	6,236
Transactions with owners of the Group	5, 17					
New share issue		0	46	0	0	46
Option premium payment		0	8	0	0	8
Dividends paid		0	0	0	-1,393	-1,393
Total transactions with shareholders		0	54	0	-1,393	-1,338
Closing balance 31 December 2020		169	52,756	-135	13,767	66,557
Opening balance 1 January 2021		169	52,756	-135	13,767	66,557
Profit or loss for the period		0	0	0	38,989	38,989
Other comprehensive income for the period		0	0	1,336	0	1,336
Comprehensive income for the period		0	0	1,336	38,989	40,325
Transactions with owners of the Group						
New share issue		2	1,807	0	0	1,809
Option premium payment		0	296	0	0	296
Dividends paid		0	0	0	-1,393	-1,393
Total transactions with shareholders		2	2,102	0	-1,393	712
Closing balance 31 December 2021		170	54,858	1,202	51,363	107,593

Consolidated cash flow statement

SEK thousand	Note	2021 1 Jan - 31 Dec	2020 1 Jan - 31 Dec	2019 1 Jan - 31 Dec
Cash flow from the operating activities				
Operating income		47,118	13,056	8,982
Adjustment for non-cash items	21	30,350	23,750	21,473
Interest received		7,387	2,983	1,548
Interest paid		-3,524	-6,316	-3,803
Income tax paid	9	-3,828	-394	-2,153
Change in operating activities		-2,016	26,006	14,047
Cash flow from the operating activities		75,486	59,085	40,094
Cash flow from investing activities				
Acquisition of intangible assets	10	-17,946	-17,374	-13,816
Acquisition of tangible assets	11	-2,248	-577	-346
Acquisition of financial assets		0	-58	-522
Repayment of deposits		-356	377	0
Other		0	0	0
Cash flow from investing activities		-20,550	-17,633	-14,684
Cash flow from financing activities				
New share issues		1,807	47	767
Warrant premiums		297	8	-9
Dividend paid		-1,393	-1,393	-1,393
New lease liabilities	13, 18	-156	-625	-803
Change in shareholder loans		0	0	-10,279
Net change of overdraft account	18	0	-18,085	6,207
Paid leasing fees	12, 18	-16,166	-10,199	-7,646
Other		850	0	0
Cash flow from financing activities		-14,761	-30,247	-13,156
Cash flow for the period		40,176	11,206	12,254
Change in cash and cash equivalents	15			
Cash and cash equivalents at the beginning of the period		22,678	12,525	388
Exchange rate differences in cash and cash equivalents		3,172	-1,053	-117
Cash and cash equivalents at the end of the period		66,026	22,678	12,525

Notes

Note 1 Significant accounting principles

Corporate information

4C Group AB's (reg.no. 556706-0412) and its subsidiaries' main business is to provide solutions for creating, verifying and maintaining readiness. The Group's customised solutions combine expertise and innovation to enable customers to manage both expected and unexpected events. The parent company is headquartered in Stockholm, Sweden. The address of the head office is Vattugatan 17, 111 52 Stockholm. The nearest parent company that prepares consolidated financial statements of which the company is a part is Hedskog Equity AB with an ownership of 50.2% (reg.no. 556924-3479) with its registered office in Malmö, Sweden.

On 17 March 2022, the board of directors approved this Annual Report and Consolidated Financial Statements, which will be presented for adoption at the annual general meeting on 19 April 2022.

Basis of consolidated accounts

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

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

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

Consolidation

Subsidiaries

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

Subsidiaries are accounted for using the purchase method. Under this method, the acquisition of a subsidiary is regarded as a transaction whereby the Group indirectly acquires the subsidiary's assets and assumes its liabilities. The acquisition analysis determines the fair value at the acquisition date of the identifiable assets acquired and liabilities assumed and any non-controlling interests. Transaction costs, other than those related to the issuance of equity or debt instruments, incurred are recognised directly in profit or loss. In business combinations where the consideration transferred exceeds

the fair value of the assets acquired and liabilities assumed, which are recognised separately, the difference is recognised as goodwill. When the difference is negative, known as a bargain purchase, it is recognised directly in profit or loss.

In the case of step acquisitions, goodwill is determined on the date on which control is obtained. Previous holdings are measured at fair value and the change in value is recognised in the income statement. Previous holdings are measured at fair value and the change in value is recognised in the income statement. If additional shares are acquired, i.e. after control has been obtained, this is accounted for as a transaction between owners within equity.

Transactions eliminated on consolidation

Intra-group receivables and payables, income or expenses and unrealised gains or losses arising from intra-group transactions between group companies are eliminated in their entirety in preparing the consolidated financial statements.

Related party transactions

A list of the Group's subsidiaries, which are also the parent company's related parties, is given in Note 16 Consolidated companies. All transactions between the Group and its subsidiaries have been eliminated in the consolidated accounts.

For information on remuneration of senior executives, see Note 5 Employees and personnel expenses.

The Group has no related party transactions to disclose as defined in IAS 24 other than those disclosed in Note 5. Transactions between companies within the Group are made at arm's length.

Classification

Non-current portion

Non-current assets and non-current liabilities consist essentially of amounts expected to be recovered or paid after more than twelve months from the balance sheet date. The Group therefore has an unconditional right to defer payment beyond one year from the balance sheet date.

Current portion

Current assets consist essentially of amounts expected to be realised during the Group's normal operating cycle, which is 12 months after the reporting period. Current liabilities consist principally of amounts expected to be settled within the Group's normal operating cycle.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is the function responsible for allocating resources and assessing the performance of the operating segments. In the Group, this function has been identified as the Chief Executive Officer. For more information see Note 2.

Currencies

Functional currency and presentation currency

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

Transactions, assets and liabilities in foreign currency

Transactions in foreign currency are translated into the functional currency at the exchange rate on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate on the balance sheet date. Non-monetary items measured at historical cost in a foreign currency are not translated. Exchange differences arising on translation are recognised in the income statement. Exchange gains and losses on operating assets and liabilities are included in the operating result, while exchange gains and losses on financial assets and liabilities are recognised as financial items.

Restatement of foreign subsidiaries

Assets and liabilities of foreign operations are translated from the functional currency of the foreign operation into the Group's reporting currency at the exchange rate prevailing at the balance sheet date. Revenues and expenses of a foreign operation are translated into Swedish kronor at an average rate approximating the exchange rates prevailing at the dates of the transactions. Translation differences arising on the translation of foreign operations are recognised in other comprehensive income and accumulated in the translation reserve in equity. When control of a foreign operation ceases, the related translation differences are reclassified from the translation reserve in equity to profit or loss.

Revenue from contracts with customers

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

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

- » Sale of licenses (time-limited or perpetual) hosted/operated by customer,
- » Sale of licenses (time-limited or perpetual) hosted/operated by 4C Strategies,
- » Software Support Agreement (SSA), including hosting in case the license is hosted by 4C Strategies
- » Software development
- » Software-related consultancy and expert services. Services may be multiple deliverables but are accounted for using the same methodology.

Services may be multiple performance commitments but are accounted for under the same method.

(1) Sale of licenses (time-limited or perpetual) hosted/operated by customer

The sale of license rights is distinct from the other promises in the contract and entitles the customer to a license key on the day the contract is signed. Revenue is recognised upon completion of the contractual delivery and when the customer has obtained control of the purchased licence(s) and no material obligations remain after the delivery date. This means that the licence revenue is recognised on the date the licence key is transferred to the customer at the contractually agreed fixed price.

(2) Sale of licenses (time-limited or perpetual) hosted/operated by 4C Strategies

The software is not installed on the customer's own servers but on servers that 4C Strategies operates from. This service includes license, support and maintenance as well as operation. The customer receives the license key at the time of signing the contract and therefore takes control of the license at that time. The licence is distinct from the other promises in the agreement and revenue is recognised upon completion of delivery under the agreement and when the customer has obtained control of the purchased licences and no material obligations remain after the delivery date. This means that the licence revenue is recognised on the date the licence key is transferred to the customer at the contractually agreed fixed price.

(3) Software support Agreement (SSA)

The Group sells support contracts for the software. Support contracts are normally signed initially at the time of the sale of licenses and are then extended based on the agreed duration of the support contract. However, the license works regardless of whether the SSA is signed or not. SSA agreements are distinct from the license whether the license is hosted by the customer or by 4C Strategies. Revenues from support agreements are normally invoiced in advance. Revenue from support contracts is recognised over time using an input method based on time spent and/or cost. Where the Group's commitments consist of an indefinite number of activities over the contract period, revenue is recognised on a straight-line basis over the duration of the contract. Where the licence is hosted by the 4C Group, the hosting service and the SSA service are integrated with each other and constitute a performance commitment. Invoicing is normally done annually in advance. Revenue is recognised over time using an input method based on time spent and/or cost.

(4) Software development

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

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

(5) Software-related consultancy and expert services.

In addition to the above, the Group sells software-related consulting services consisting of implementation and configuration (implementation projects) and management/maintenance of the customer's software (managed services).

The Group also provides risk management, business continuity management, training, incident and crisis management, and audit and review services with exercises and training to ensure that customers have the right capabilities and readiness. (Expert services)

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

Employee benefits

Short-term benefits

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

Retirement benefits (pensions)

The Group's pension commitments are exclusively defined contribution pensions. A defined contribution plan is a pension plan under which the Group pays fixed contributions to a separate legal entity. The Group has no legal or constructive obligation to pay further contributions if this legal entity does not have sufficient assets to pay all employee benefits relating to the employees' current or past service. The Group therefore has no additional risk. The Group's obligations in respect of contributions to defined contribution plans are recognised as an expense in the income statement as they are earned through the service of employees during the period.

Termination benefits

An expense for employee termination benefits is recognised only if the enterprise is demonstrably obligated, without any realistic possibility of withdrawal, by virtue of a formal detailed plan to prematurely terminate an employee's employment contract. When benefits are paid as an offer to encourage voluntary redundancy, an expense is recognised if it is probable that the offer will be accepted and the number of employees who will accept the offer can be reliably estimated.

Share-related compensation - Share warrant program

The Group has share-based incentive plans consisting of warrants that have been offered to certain employees and officers of the Group. Employees have been offered the opportunity to purchase these warrants, which entitle them to subscribe for Class A shares in the parent company at a future date. 4C Strategies has applied the Black & Scholes model in the valuation of the options to determine the market value of the options, which corresponds to the price paid by the employees for the instruments. As the premium is deemed to correspond to the market value of the warrants at the date of the offer, the warrants do not result in any impact on personnel costs or social security contributions during the life of the options. The premium received is recognised as cash and cash equivalents with a corresponding increase in equity.

See Note 5 Employees and personnel expenses for more information on the Group's various warrant programs.

Income tax

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

Current tax is the tax payable or receivable in respect of the current year, using tax rates enacted or substantively enacted at the balance sheet date. Current tax also includes adjustments to current tax relating to prior periods.

Deferred tax is recognised in full, using the balance sheet method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Temporary differences are not taken into account for the recognition of goodwill or for the initial recognition of an asset acquisition as the acquisition does not affect either the accounting or taxable profit. Furthermore, temporary differences relating to investments in subsidiaries that are not expected to be recovered in the foreseeable future are not taken into account. The measurement of deferred tax is based on how and in which jurisdiction the underlying assets or liabilities are expected to be realised or settled. Deferred tax is calculated using tax rates and tax laws enacted or substantively enacted at the balance sheet date that are expected to apply in the jurisdiction in which the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets relating to deductible temporary differences and tax loss carry-forwards are recognised only to the extent that it is probable that they will be recovered. Deferred tax assets and liabilities are offset if there is a legal right to offset current tax assets against current tax liabilities and the deferred tax relates to the same entity in the Group and the same taxation authority.

Intangible assets

Internally generated intangible assets

4C's intangible assets consist mainly of internally generated intangible assets relating to development costs for the Exonaut® platform. All expenditure on self-developed intangible assets is classified as being either in the research phase or in the development phase. Expenditure incurred during the research phase is expensed as incurred and is never capitalised retrospectively. Expenditure incurred during the development phase is capitalised as an intangible asset when, in the opinion of management, it is probable that future economic benefits associated with the expenditure will flow to the Group, the criteria for capitalisation are met, the expenditure can be measured reliably, and it is technically feasible to complete the asset so that it can be used in operations. The Group defines each version of the Exonaut® platform as a separate product, i.e. each version of Exonaut® is capitalised separately.

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

When the internally generated intangible assets are ready for use, the Group assesses the useful life of the asset. Subsequent recognition is at cost less accumulated amortisation and any impairment losses. For information on the Group's management of the amortisation policy applied, see Note 10 Intangible assets.

Tangible assets

Tangible assets is recognised as an asset in the balance sheet if it is probable that future economic benefits will flow to the entity and the cost of the asset can be measured reliably. Tangible assets are stated in the Group at cost less accumulated depreciation and any

impairment losses. Cost includes the purchase price and expenditure directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by its acquisition. For information on the Group's management of the depreciation policy applied, see Note 11 Tangible assets.

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

Additional expenditures

Additional expenditures is added to the cost only if it is probable that the future economic benefits associated with the asset will flow to the Group and the cost can be measured reliably. All other additional expenditures are recognised as an expense in the period in which they are incurred.

Leases

4C Strategies is a lessee only.

At the inception of an agreement, the Group determines whether the agreement is, or contains, a lease based on the substance of the agreement. An arrangement is, or contains, a lease if it conveys the right to control the use of an identified asset for a specified period of time in exchange for consideration.

Lease liabilities

At the inception of a lease, the Group recognises a lease liability equal to the present value of the lease payments to be made during the lease term. The lease term is determined as the non-cancellable period together with periods to extend or terminate the lease if the Group is reasonably certain of exercising those options. Lease payments include fixed payments (net of any lease incentives to be received), variable lease payments that depend on an index or a price (such as a benchmark interest rate) and amounts expected to be paid under residual value guarantees. In addition, lease payments include the exercise price of an option to purchase the underlying asset or penalties payable on termination under a termination option, if such options are reasonably certain to be exercised by the Group. Variable lease payments that do not depend on an index or a price are recognised as an expense in the period to which they relate.

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

Right-of-use assets

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

liability, initial direct expenses, and any upfront payments made on or before the lease commencement date, net of any incentives received. Provided that the Group is not reasonably certain that title to the underlying asset will pass at the end of the lease term, the right-of-use asset is depreciated on a straight-line basis over the shorter of the lease term and its useful life.

Application of practical exemptions

The Group applies the practical exceptions for short-term leases and leases where the underlying asset is of low value. Short-term leases are defined as leases with an initial lease term of no more than 12 months after taking into account any options to extend the lease. Leases where the underlying asset is of low value include, for example, office furniture in the Group. Lease payments for short-term leases and leases where the underlying asset is of low value are expensed on a straight-line basis over the lease term. The Group also applies the exception of not separating non-lease components from lease components in lease agreements. Accordingly, lease components and related non-lease components are accounted for as a single lease component.

Impairment of non-financial assets

The Group performs an impairment test whenever there is an indication that the value of its tangible or intangible assets may be impaired, i.e. whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. This also applies to right-of-use assets related to leases. The Group has no assets with indefinite useful lives which are tested for impairment at least annually.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. A recoverable amount is the higher of a net realisable value and a value in use, which is an internally generated value based on future cash flows. In assessing impairment, assets are grouped at the lowest levels where there are separately identifiable cash flows (cash-generating units). Where impairment is identified for a cash-generating unit (group of units), the amount of the impairment loss is allocated pro rata to the assets included in the unit (group of units). In calculating value in use, future cash flows are discounted using a discount factor that takes into account the risk-free interest rate and the risk associated with the specific asset. An impairment loss is recognised in profit or loss.

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

Financial instruments

Financial instruments are any form of contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments recognised in the Group's statement of financial position include, on the asset side, accounts receivables and cash and cash equivalents. Liabilities include amounts due to credit institutions (including overdraft facilities) and trade payables. The presentation depends on the classification of the financial instruments.

impairment losses. Cost includes the purchase price and expenditure directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by its acquisition. For information on the Group's management of the depreciation policy applied, see Note 11 Tangible assets.

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

Additional expenditures

Additional expenditures is added to the cost only if it is probable that the future economic benefits associated with the asset will flow to the Group and the cost can be measured reliably. All other additional expenditures are recognised as an expense in the period in which they are incurred.

Leases

4C Strategies is a lessee only.

At the inception of an agreement, the Group determines whether the agreement is, or contains, a lease based on the substance of the agreement. An arrangement is, or contains, a lease if it conveys the right to control the use of an identified asset for a specified period of time in exchange for consideration.

Lease liabilities

At the inception of a lease, the Group recognises a lease liability equal to the present value of the lease payments to be made during the lease term. The lease term is determined as the non-cancellable period together with periods to extend or terminate the lease if the Group is reasonably certain of exercising those options. Lease payments include fixed payments (net of any lease incentives to be received), variable lease payments that depend on an index or a price (such as a benchmark interest rate) and amounts expected to be paid under residual value guarantees. In addition, lease payments include the exercise price of an option to purchase the underlying asset or penalties payable on termination under a termination option, if such options are reasonably certain to be exercised by the Group. Variable lease payments that do not depend on an index or a price are recognised as an expense in the period to which they relate.

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

Right-of-use assets

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

liability, initial direct expenses, and any upfront payments made on or before the lease commencement date, net of any incentives received. Provided that the Group is not reasonably certain that title to the underlying asset will pass at the end of the lease term, the right-of-use asset is depreciated on a straight-line basis over the shorter of the lease term and its useful life.

Application of practical exemptions

The Group applies the practical exceptions for short-term leases and leases where the underlying asset is of low value. Short-term leases are defined as leases with an initial lease term of no more than 12 months after taking into account any options to extend the lease. Leases where the underlying asset is of low value include, for example, office furniture in the Group. Lease payments for short-term leases and leases where the underlying asset is of low value are expensed on a straight-line basis over the lease term. The Group also applies the exception of not separating non-lease components from lease components in lease agreements. Accordingly, lease components and related non-lease components are accounted for as a single lease component.

Impairment of non-financial assets

The Group performs an impairment test whenever there is an indication that the value of its tangible or intangible assets may be impaired, i.e. whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. This also applies to right-of-use assets related to leases. The Group has no assets with indefinite useful lives which are tested for impairment at least annually.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. A recoverable amount is the higher of a net realisable value and a value in use, which is an internally generated value based on future cash flows. In assessing impairment, assets are grouped at the lowest levels where there are separately identifiable cash flows (cash-generating units). Where impairment is identified for a cash-generating unit (group of units), the amount of the impairment loss is allocated pro rata to the assets included in the unit (group of units). In calculating value in use, future cash flows are discounted using a discount factor that takes into account the risk-free interest rate and the risk associated with the specific asset. An impairment loss is recognised in profit or loss.

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

Financial instruments

Financial instruments are any form of contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments recognised in the Group's statement of financial position include, on the asset side, accounts receivables and cash and cash equivalents. Liabilities include amounts due to credit institutions (including overdraft facilities) and trade payables. The presentation depends on the classification of the financial instruments.

Recognition and removal

Financial assets and liabilities are recognised when the Group becomes a party to the contractual terms of the instrument. Transactions in financial assets are recognised on the trade date, which is the date on which the Group commits to purchase or sell the assets. Accounts receivables are recognised in the balance sheet when the invoice has been sent and the Group's right to receive payment is unconditional. Receivables are recognised when the counterparty has performed and there is a contractual obligation to pay, even if the invoice has not yet been received. Trade payables are recognised when the invoice has been received.

A financial asset is derecognised (in whole or in part) when the rights under the contract have been realised or expired, or when the Group no longer has control over them. A financial liability is derecognised (in whole or in part) when the obligation under the contract is discharged or otherwise extinguished. A financial asset and a financial liability are recognised net in the balance sheet when there is a legal right to set off the recognised amounts and the intention is either to settle the net amount or to realise the asset at the same time as settling the liability. Gains and losses arising from de-recognition and modification are recognised in profit or loss. At each reporting date, the entity assesses the need for impairment in respect of expected credit losses for a financial asset or group of financial assets, as well as any other credit exposures that may exist.

Classification and valuation of financial assets

Debt instruments: the classification of financial assets as debt instruments is based on the Group's business model for managing the asset and the nature of the asset's contractual cash flows. The instruments are classified as:

- » Amortised cost,
- » Fair value through other comprehensive income, or
- » Fair value through proportion of earnings.

Financial assets classified at amortised cost are held under the business model of collecting contractual cash flows which are payments of principal and interest only on the outstanding principal amount. Financial assets classified at amortised cost are initially measured at fair value plus transaction costs. Subsequent to initial recognition, the assets are measured using the effective interest rate method. The assets are subject to a loss reserve for expected credit losses. The Group's financial assets that are debt instruments classified at amortised cost are disclosed in Note 13 Financial instruments.

Cash and cash equivalents are classified at amortised cost and consist of cash on hand and immediately available deposits with banks and similar institutions. Cash and cash equivalents are subject to the requirement of loss provisioning for expected credit losses.

Derivatives: classified at fair value through profit or loss. The Group does not apply hedge accounting.

Classification and valuation of financial liabilities

Financial liabilities, other than derivative instruments, are classified at amortised cost. Financial liabilities carried at amortised cost are initially measured at fair value including transaction costs. After initial recognition, they are measured at amortised cost using the effective interest method. Derivatives are classified at fair value through profit or loss.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer payment of the liability for at least 12 months after the balance sheet date. Borrowing costs are recognised in the income statement in the period to which they relate. Accrued interest is recognised as part of short-term borrowings from credit institutions, if the interest is expected to be settled within 12 months of the balance sheet date. Drawn overdraft facilities are recorded as borrowings under current liabilities.

Fair value is determined as described in Note 13 Financial instruments.

Impairment of financial assets

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

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

For other items subject to expected credit losses, a three-stage impairment model is applied. Initially, and at each balance sheet date, a loss reserve is recognised for the next 12 months, or for a shorter period depending on the remaining maturity (stage 1). If there has been a significant increase in credit risk since initial recognition, resulting in a rating below investment grade, a loss reserve is recognised for the remaining life of the asset (stage 2). For assets deemed to be credit impaired, a provision for expected credit losses is maintained for the remaining life of the asset (stage 3). For impaired assets and receivables, the calculation of interest income is based on the carrying amount of the asset, net of the loss reserve, as opposed to the gross amount as in the previous stages. The majority of the Group's assets have been assessed to be in stage 1, individual assessment of specific account receivable has resulted in an impairment in 2021. Otherwise, no material increase in credit risk is assessed.

The valuation of expected credit losses is based on different methods, see the Group's Note 13 Financial instruments. For credit-impaired assets and receivables, an individual assessment is made taking into account historical, current and prospective information. The valuation of expected credit losses takes into account any collateral and other credit enhancements in the form of guarantees.

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

Provisions

A provision is recognised in the balance sheet when the entity has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Where the effect of the timing of settlement is material, provisions are calculated by discounting the expected future cash flows at a pre-tax rate that reflects current

market assessments of the time value of money and, where appropriate, the risks associated with the liability. Provisions are reassessed at each balance sheet date.

Contingent liabilities

A contingent liability is recognised when there is a possible obligation that arises from past events and whose existence will be confirmed only by one or more uncertain future events or when there is an obligation that is not recognised as a liability or provision because it is not probable that an outflow of resources will be required.

Government grants

Grants related to profit or loss are recognised as other operating income and are systematically recognised in profit or loss in the same manner and over the same periods as the expenses for which they are intended to compensate. Government grants are recognised only when there is reasonable assurance that the grant will be received and that the Group will comply with the conditions attached to the grant.

Cash flow

The cash flow statement is prepared using the indirect approach, meaning that the result is adjusted for transactions not involving cash receipts or payments and for income and expenses relating to investing and/or financing activities.

Key estimates and judgements

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

Revenue from contracts with customers

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

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

Leases

In accounting for leases where the Group is the lessee, management makes a number of assumptions regarding the duration of the leases including the notice period and the exercise of any renewal options. In addition, judgements are made about the discount rate used in the lease, i.e. the implicit interest rate of the lease or the Group's marginal borrowing rate. In addition, the Group has the option not to recognise leases in the statement of financial position for short-term leases or leases for which the underlying asset has a low value. The significant judgements and estimates made by the Group in respect of the leases relate to the lease term based on the length of the contracts and the discount rate based on the risk-adjusted benchmark interest rate.

Internally generated intangible assets

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

Deferred tax assets

Deferred tax assets are recognised as described in the section "Deferred income tax" in note 1 Significant accounting principles. The Group has made judgements about the extent to which there will be future taxable profits against which the accumulated tax losses can be utilised.

Note 2 Operating segment

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is the function responsible for allocating resources and assessing the performance of the operating segments. In the Group, this function has been identified as the Chief Executive Officer.

The Group's operating segments are divided into Nordic, International and North America. The geographical segments share the same business model and are responsible for the sale and delivery of software, software-related consulting services and expert services. Group common items and eliminations include Group development and administration.

Operating segments are assessed on the basis of net sales and earnings based on a measure called EBITDA. This measure is defined as operating income (EBIT) before depreciation and amortisation of intangible and tangible assets.

Intercompany costs are reported net at the Group level. For the segments, the item internal costs consists of transactions relating to the use of resources between the different segments.

Items affecting comparability relate to IPO preparation activities.

2019-01-01 - 2019-12-31	Nordics	International	North America	Total Segment	Group common items	The Group
Software	23,775	39,518	19,692	82,985	0	82,985
Software-related services	13,170	23,036	5,015	41,220	0	41,220
Expert services	49,285	5,114	0	54,399	0	54,399
Other revenues	1,262	619	-150	1,730	-808	923
Total revenues	87,491	68,288	24,556	180,335	-808	179,528
External costs	-81,181	-38,361	-11,920	-131,462	-17,611	-149,073
Internal costs	24,140	7,149	351	31,640	-31,640	0
Total expenses	-57,041	-31,212	-11,569	-99,822	-49,250	-149,073
EBITDA	30,450	37,075	12,988	80,513	-50,058	30,455
Depreciation					-13,052	-13,052
Amortisation					-8,421	-8,421
Items affecting comparability					0	0
Financial income and expenses					-2,255	-2,255
Adjusted profit before tax	30,450	37,075	12,988	80,513	-73,786	6,727

2020-01-01 - 2020-12-31	Nordics	International	North America	Total Segment	Group common items	The Group
Software	20,213	48,508	17,412	86,134	0	86,134
Software-related services	28,340	24,107	5,290	57,737	0	57,737
Expert services	38,658	2,764	0	41,422	0	41,422
Other revenues	441	1,062	0	1,503	30	1,533
Total revenues	87,653	76,442	22,702	186,796	30	186,826
External costs	-53,445	-36,716	-10,850	-101,011	-49,014	-150,025
Internal costs	-4,528	2,706	4,291	2,469	-2,469	0
Total expenses	-57,972	-34,010	-6,559	-98,541	-51,483	-150,025
EBITDA	29,680	42,432	16,143	88,255	-51,454	36,802
Depreciation					-12,751	-12,751
Amortisation					-10,995	-10,995
Items affecting comparability					0	0
Financial income and expenses					-3,333	-3,333
Adjusted profit before tax	29,680	42,432	16,143	88,255	-78,532	9,723
2021-01-01 - 2021-12-31	Nordics	International	North America	Total Segment	Group common items	The Group
Software	16,123	47,978	95,419	159,520	0	159,520
Software-related services	16,683	29,839	4,746	51,268	0	51,268
Expert services	46,611	3,839	0	50,450	0	50,450
Other revenues	223	2,298	-13	2,508	3	2,510
Total revenues	79,639	83,955	100,152	263,746	3	263,748
External costs	-52,406	-51,196	-19,088	-122,691	-67,847	-190,538
Internal costs	-4,608	8,330	9,630	13,352	-13,352	0
Total expenses	-57,015	-42,866	-9,458	-109,339	-81,199	-190,538
EBITDA	22,624	41,088	90,694	154,406	-81,196	73,210
Depreciation					-12,252	-12,252
Amortisation					-13,840	-13,840
Items affecting comparability					2,503	2,503
Financial income and expenses					2,540	2,540
Adjusted profit before tax	22,624	41,088	90,694	154,406	-102,246	52,160

Assets and liabilities

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

In 2021, two customers' revenues will exceed 10% of the Group's total revenue. The revenue from one customer amounts to SEK 94,700 thousand and is attributable to the North America segment and the revenue from the other customer amounts to SEK 35,800 thousand and is attributable to the International segment.

Geographic region	2021-01-01 - 2021-12-31	2020-01-01 - 2020-12-31	2019-01-01 - 2019-12-31
Sweden	76,602	85,205	82,968
The United Kingdom	62,533	59,113	36,566
The United States	102,593	23,084	23,707
Rest of the world	19,509	17,891	35,364
Total	261,238	185,293	178,605

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

Note 3 Revenues from contracts with customers

Geografisk region	2021-01-01 - 2021-12-31	2020-01-01 - 2020-12-31	2019-01-01 - 2019-12-31
Type of service			
Software	159,520	86,134	82,985
Software-related services	51,268	57,737	41,220
Expert services	50,450	41,422	54,399
Revenue from contracts with customers	261,238	185,293	178,605
Contract assets	2021-12-31	2020-12-31	2019-12-31
Opening balance	35,905	36,080	44,386
Changes attributable to ordinary activities	16,704	-174	-8,306
Closing balance	52,609	35,905	36,080
Contract liabilities	2021-12-31	2020-12-31	2019-12-31
Opening balance	15,886	19,052	8,866
Contractual liabilities recognized as income	-14,466	-13,322	-
Additional contracts	23,099	10,156	-
Changes attributable to ordinary activities*	-	-	10,186
Closing balance	24,519	15,886	19,052

*During the financial year 2020, the Company switched to reporting in accordance with IFRS, wherefore there is no information to disclose regarding recognized contractual liabilities versus additional contracts. In view of the above, the change in Contractual liabilities is reported net for the financial year 2019

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

In terms of the company's commitments at contract level, the company has agreed with customers that payment will be made over the duration of the contract. The contracts relate both to components

delivered at a specific time and to commitments delivered over time. Thus, there is no financing component.

Contract liabilities relate to advance payments from customers for which performance commitments have not been met. Contract liabilities are recognised as revenue when the contractual performance obligations are (or have been) fulfilled. The Group has contract liabilities of SEK 24,519 thousand (SEK 15,886 thousand) of which SEK 19,969 thousand (SEK 14,466 thousand) is expected to be recognised as income within one year.

Note 4 Auditor's fees

	2021-01-01 - 2021-12-31	2020-01-01 - 2020-12-31	2019-01-01 - 2019-12-31
Ernst & Young AB			
Audit assignment	684	550	400
Tax advisory services	-	12	-
Other services	1,115	368	150
Total	1,799	930	550
	2021-01-01 - 2021-12-31	2020-01-01 - 2020-12-31	2019-01-01 - 2019-12-31
Harmer Slater			
Audit assignment	31	50	45
Tax advisory services	6	6	-
Other services	21	1	6
Total	57	57	51

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

Note 5 Employees and personnel costs

	2021-01-01 - 2021-12-31		2020-01-01 - 2020-12-31		2019-01-01 - 2019-12-31	
Average number of employees	Average number of employees	Of whom women, %	Average number of employees	Of whom women, %	Average number of employees	Of whom women, %
Parent company	63	25	56	28	45	22
<i>Subsidiaries in:</i>						
Sweden	43	35	43	35	54	38
The United Kingdom	34	12	25	12	23	13
The United States	14	7	5	0	2	0
Norway	0	0	0	0	-	-
Total, Group	154	23	130	26	124	27

	2021-01-01 - 2021-12-31		2020-01-01 - 2020-12-31		2019-01-01 - 2019-12-31	
Gender distribution, board of directors and senior executives	Average number of employees	Of whom women, %	Average number of employees	Of whom women, %	Average number of employees	Of whom women, %
Board members	5	0	5	0	6	0
CEO and other senior executives	10	10	7	0	6	0
Total, Group	15	0	12	0	12	0

Personnel costs	2021-01-01 - 2021-12-31	2020-01-01 - 2020-12-31	2019-01-01 - 2019-12-31
Parent company			
<i>Board of directors and other senior executives</i>			
Salaries and other benefits	8,484	6,555	5,198
Social security contributions	2,666	2,060	1,633
Pension costs	1,736	1,174	875
Other personnel costs	-	-	-
Total	12,886	9,789	7,706
<i>Other employees</i>			
Salaries and other benefits	35,640	32,103	22,022
Social security contributions	10,360	9,070	7,080
Pension costs	5,864	5,478	3,896
Other personnel costs	64	47	38
Total	51,927	46,697	33,036
<i>Subsidiaries</i>			
<i>Board of directors and other senior executives</i>			
Salaries and other benefits	7,496	4,735	3,813
Social security contributions	877	908	627
Pension costs	402	669	465
Other personnel costs	159	105	-
Total	8,934	6,418	4,905
<i>Other employees</i>			
Salaries and other benefits	61,147	50,167	52,830
Social security contributions	12,214	10,185	11,048
Pension costs	6,336	4,981	5,833
Other personnel costs	102	42	449
Total	79,798	65,375	70,160
Total, Group	153,545	128,279	115,808
Other personnel costs not categorised to the respective group company	5,569	3,306	3,269
Carrying amount	159,114	131,585	119,077

Remuneration to senior executives

The chair of the board and the board members shall be remunerated in accordance with the decision of the annual general meeting. At the annual general meeting held on 23 June 2021, it was resolved that the board of director's remuneration for 2021 shall not exceed SEK 50,000 (fifty thousand SEK) to each member. The total board of director's fee paid amounts to SEK 50,000 (SEK 100,000). For information on remuneration to other senior executives, see the previous table on personnel expenses.

Severance pay

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

Warrant programs

The Group has four share warrant programs for employees and executives.

Warrant program 2017/2023

Program 2017/2023 comprises a maximum number of 35,000 warrants, which can be redeemed for shares in 4C Group AB. The premium earned on the warrants was equal to the market value calculated using the Black-Scholes model. The warrants can be exercised during the period 1/12 2023 - 31/12 2023. Each warrant

enables the right to subscribe for one share in the company. The quotient value is SEK 0.109 per share and thus the increase in the company's share capital can amount to a maximum of SEK 3,821 upon full exercise of the warrants.

Warrant program 2019/2024

Includes a maximum of 28,000 warrants. Exercise can take place during the period 1/3 2024 - 31/3 2024. The quota value is SEK 0.109 per share and thus the increase in the company's share capital can amount to a maximum of SEK 3 056 upon full exercise of the warrants.

Warrant program 2020/2025

Includes a maximum of 750 warrants. Redemption can take place during the period 5/4 2025 - 5/5 2025. The quota value is SEK 0.109 per share and thus the increase in the company's share capital can amount to a maximum of SEK 191 upon full exercise of the warrants.

Warrant program 2021/2026

Includes a maximum of 50,750 warrants. Exercise can take place during the period 16/1 2026 - 16/2 2026. The quota value is SEK 0.109 per share and thus the increase in the company's share capital can amount to a maximum of SEK 191 upon full exercise of the warrants.

	Average exercise price per warrant	Number of warrants
Number of outstanding as of 2019-01-01	223	46,000
Allocated	274	28,000
Redeemed	145	-11,000
Outstanding as of 31 December 2019	260	63,000
Redeemable 31 December 2019	260	63,000
Number of outstanding as of 2020-01-01	260	63,000
Allocated	266	1,750
Outstanding as of 31 December 2020	260	64,750
Redeemable 31 December 2020	260	64,750
Number of outstanding as of 2021-01-01	260	64,750
Allocated	356	50,750
Outstanding as of 31 December 2021	302	115,500
Redeemable 31 December 2021	302	115,500

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

Date of allocation	Expiry date	Exercise price	Warrant premium	Warrants 2021-12-31	Warrants 2020-12-31	Warrants
2017-12-01	2023-12-31	248.0	6.3	35,000	35,000	35,000
2019-03-01	2024-03-31	274.0	4.5	28,000	28,000	28,000
2020-04-05	2025-05-05	266.0	4.3	1,750	1,750	-
2021-02-16	2026-02-16	356.0	5.8	50,750	-	-
Total				115,500	64,750	63,000

Remaining weighted average contractual life of outstanding options at the end of the period expressed in number of years: 3.0 3.1

Range of exercise prices for outstanding warrants at the end of the period: SEK 248-356 SEK 248-274

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

	Warrant program 2021/2026	Warrant program 2020/2025	Warrant program 2019/2024	Warrant program 2017/2023
Exercise price	356	266	274	248
Expected volatility (%)	25	25	24	25
Expected maturity (years)	5	5	5	6
Weighted average share price	178	133	137	123.75
Expected dividend yield (%)	0	0,7	0	0
Risk-free interest rate (%)	-0.30	-0.36	-0.20	-0.10
Average weighted fair value at valuation date	5.8	4.3	4.5	6.3
Model	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes

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

Note 6 Financial income

Financial income consists of interest income and any realised gains on financial assets. Interest income is recognised using the effective interest method, which is the rate that discounts estimated future cash receipts and payments through the expected life of a financial instrument to the net carrying amount of the financial asset or liability.

The calculation includes all fees paid or received by the counterparties that are part of the effective interest rate, transaction costs and all other premiums and discounts. Financial income is recognised in the period to which it relates.

	2021-01-01 - 2021-12-31	2020-01-01 - 2020-12-31	2019-01-01 - 2019-12-31
<i>Assets measured at amortised cost:</i>			
Interest income, accounts receivables			
Interest income, other financial assets	-	-	-
Total interest income in accordance with effective interest rate method	2	174	-
<i>Other financial income:</i>	2	174	0
Exchange rate differences - income, financial items	7,385	1,250	1,548
Total	7,385	1,250	1,548
Total financial income	7,387	1,425	1,548

Note 7 Financial expenses

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

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

	2021-01-01 - 2021-12-31	2020-01-01 - 2020-12-31	2019-01-01 - 2019-12-31
<i>Liabilities measured at fair value:</i>			
Interest expense, liabilities to credit institutions	1	27	58
Interest expense, other financial liabilities	978	1,679	1,881
Total interest expense in accordance with effective interest rate method	979	1,706	1,939
<i>Other financial expenses:</i>			
Exchange rate differences - expenses, financial items	2,545	1,978	1,333
Interest expense, lease liabilities	1,323	1,073	531
Total	3,868	3,052	1,864
Total financial expenses	4,847	4,758	3,803

Note 8 Other revenue and operating expenses

Other revenue	2021-01-01 - 2021-12-31	2020-01-01 - 2020-12-31	2019-01-01 - 2019-12-31
Exchange rate profits of operating nature	2,510	1,533	923
Total	2,510	1,533	923
<i>Other revenue</i>			
Exchange rate losses of operating nature	-1,458	-4,383	-310
Total	-1,458	-4,383	-310

Note 9 Tax

Current tax	2021-01-01 - 2021-12-31	2020-01-01 - 2020-12-31	2019-01-01 - 2019-12-31
Current tax on net profit for the year	6,784	613	336
Adjustments for previous years	-1	23	64
Total current tax	6,782	636	400
<i>Deferred tax</i>			
Deferred tax attributable to temporary differences	1,920	881	79
Deferred tax on tax losses	1,967	853	-1,661
Total deferred tax	3,887	1,735	-1,582
Recognised tax in profit or loss	10,669	2,371	-1,182

Reconciliation of effective tax rate	2021-01-01 - 2021-12-31	2020-01-01 - 2020-12-31	2019-01-01 - 2019-12-31
Profit before tax	49,658	9,723	6,727
Tax according to applicable tax rate for the parent company (20,6%)	10,230	2,081	1,440
Tax effect of:			
Non-deductible expenses	508	152	220
Revaluation of tax loss carry-forwards	-117	180	-
Additional tax losses not recognised as an asset	-	-	-2,258
Difference in tax rates between countries	75	-14	24
Change of tax rate	-	-35	82
Adjustment of tax from previous year	-26	7	-690
Recognised tax	10,669	2,371	-1,182
Effective tax rate, %	21	24	Neg

In June 2018, the Swedish Parliament decided on a two-step reduction of the corporate tax rate, whereby the corporate tax rate in the first step has been reduced from 22% down to 21.4% for financial years starting on or after 1 January 2019. In step two, the corporate tax rate will be reduced to 20.6% from financial years beginning on or

after 1 January 2021. The Group has assessed the period in which the deferred tax will be settled and used the tax rate applicable for that period. In the main, settlement is expected to take place over the next three years.

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

Disclosures on deferred tax assets and liabilities

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

Deferred tax assets	Right-of-use assets	Deduction of tax losses	Total
Opening carrying amount 2021-01-01	131	2,708	2,838
Through profit or loss	309	-1,964	-1,655
Other comprehensive income	-	-	0
Closing carrying amount 2021-12-31	440	744	1,183

Deferred tax assets	Right-of-use assets	Deduction of tax losses	Total
Opening carrying amount 2020-01-01	76	4,000	4,075
Through profit or loss	55	-1,292	-1,237
Other comprehensive income	-	-	0
Closing carrying amount 2020-12-31	131	2,708	2,838

Deferred tax assets	Right-of-use assets	Deduction of tax losses	Total
Opening carrying amount 2019-01-01	-	2,842	2,842
Through profit or loss	76	1,158	1,233
Other comprehensive income	-	-	0
Closing carrying amount 2019-12-31	76	4,000	4,075

Deferred tax assets	Intangible assets	Accrual fund	Total
Opening carrying amount 2021-01-01	8,719	0	8,719
Through profit or loss	296	1,932	2,228
Other comprehensive income	-	0	0
Closing carrying amount 2021-12-31	9,015	1,932	10,947

Deferred tax assets	Intangible assets	Accrual fund	Total
Opening carrying amount 2020-01-01	7,773	-	7,773
Through profit or loss	946	-	946
Other comprehensive income	-	-	0
Closing carrying amount 2020-12-31	8,719	0	8,719

Deferred tax assets	Intangible assets	Total
Opening carrying amount 2019-01-01	8,125	8,125
Through profit or loss	-353	-353
Other comprehensive income	-	0
Closing carrying amount 2019-12-31	7,773	7,773

There are tax loss carry-forwards amounting to SEK 2,934 thousand (SEK 12,684 thousand for 2020) for which deferred tax assets have been recognised in the balance sheet and they relate to the US and

Norway and have no time limitation. Deferred tax assets have been recognised for these items as it is probable that the Group will utilise them against future taxable profits.

Note 10 Intangible assets

Principles of depreciation

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

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

Internally generated intangible assets 5 years

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

Cost	Internally generated intangible assets	Licenses	Total intangible assets
As of 1 January 2019	68,414	23	68,437
Acquired separately	-	-	-
Internally generated	13,816		13,816
As of 31 December 2019	82,230	23	82,253
As of 1 January 2020	82,230	23	82,253
Acquired separately	-	-	-
Internally generated	17,374		17,374
As of 31 December 2020	99,605	23	99,627
Acquired separately	-	-	0
Internally generated	17,946		17,946
Acquisition cost adjustment	-4,257	0	-4,257
As of 31 December 2021	113,294	23	113,316

Cost	Internally generated intangible assets	Licenses	Total intangible assets
As of 1 January 2019	-31,481	-9	-31,491
Amortisation for the year	-13,048	-5	-13,052
As of 31 December 2019	-44,529	-14	-44,543
As of 1 January 2020	-44,529	-14	-44,543
Amortisation for the year	-12,751	-5	-12,755
As of 31 December 2020	-57,280	-18	-57,298
Årets avskrivningar	-14,641	-4	-14,646
Depreciation reversal	2,389	0	2,389
As of 31 December 2021	-69,532	-23	-69,555

Cost	Internally generated intangible assets	Licenses	Total intangible assets
Closing carrying amount as of 2019-12-31	37,701	9	37,710
Closing carrying amount as of 2020-12-31	42,325	4	42,329
Closing carrying amount as of 2021-12-31	43,762	0	43,762

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

Uncompleted assets

The value of the assets that have not been put into service amounts to SEK 7,717 thousand (SEK 3,447 thousand in 2020 and SEK 5,524 thousand in 2019).

Impairment testing

The Group tests intangible assets not yet in use for impairment purposes at least annually. During the year, impairment losses on internally generated intangible assets not yet in use amounted to SEK 0 thousand (SEK 0 thousand in 2020 and SEK 0 thousand in 2019).

Other

After the end of the year, the company has been granted a reduction in employer's contributions for persons working in research and development (R&D) for the years 2014-2020 for a total amount of SEK 4,257 thousand. An adjustment of the cost value has therefore had to be made, as well as a reversal of previous depreciation of SEK 2,389 thousand.

Note 11 Tangible assets

Principles of depreciation

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

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

Machinery and equipment	5 years
Computers	3-5 years

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

Cost	Rights-of-use assets	Machinery and equipment	Total tangible assets
As of 1 January 2019		3,184	3,184
Acquisitions for the year		357	357
Translation effects		44	44
As of 31 December 2019		3,585	3,585
As of 1 January 2020		3,585	3,585
Acquisitions for the year		391	391
Reclassifications		0	0
Omräkningseffekter		-13	-13
As of 31 December 2020		3,963	3,963
Acquisitions for the year		2,161	2,161
Reclassifications		0	0
Translation effects		0	0
As of 31 December 2021		6,123	6,123

Cost	Rights-of-use assets	Machinery and equipment	Total tangible assets
As of 1 January 2019		-2,548	-2,548
Depreciation for the year		-420	-420
As of 31 December 2019		-2,969	-2,969
As of 1 January 2020		-2,969	-2,969
Depreciation for the year		-362	-362
Translation effects		4	4
As of 31 December 2020		-3,326	-3,326
Depreciation for the year		-237	-237
Försäljningar och utrangeringar			0
Reclassifications			0
Translation effects		21	21
As of 31 December 2021		-3,543	-3,543

Cost	Rights-of-use assets	Machinery and equipment	Total tangible assets
Machinery and equipment			
Closing carrying amount as of 31 December 2019		616	616
Closing carrying amount as of 31 December 2020		636	636
Closing carrying amount as of 31 December 2021		2,581	2,581

Note 12 Leases

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

	Right-of-use assets			Total right-of-use assets	Lease liabilities
	Premises	Vehicles	IT equipment		
Opening balance 2019-01-01	6,737	269	1,390	8,396	8,396
Additional leases	15,294	834	6,995	23,123	23,123
Depreciation	-6,304	-283	-1,426	-8,013	
Interest expenses					531
Lease payments					-8,177
Closing balance 2019-12-31	15,727	820	6,959	23,507	23,873
Of which current liabilities					9,711
Of which non-current liabilities					14,162
Opening balance 2020-01-01	15,727	820	6,959	23,507	23,873
Additional leases	8,215	570	723	9,508	9,508
Depreciation	-8,023	-421	-2,021	-10,466	
Interest expenses					1,073
Lease payments					-11,272
Closing balance 2020-12-31	15,919	968	5,661	22,549	23,183
Of which current liabilities					10,786
Of which non-current liabilities					12,396
Opening balance 2021-01-01	15,919	968	5,661	22,549	23,183
Additional leases	8,472	647	1,830	10,950	10,950
Depreciation	-10,818	-472	-2,336	-13,626	
Completed leases	0	-90	0	-90	-90
Interest expenses					1,323
Lease payments					-16,166
Closing balance 2021-12-31	13,573	1,054	5,155	19,783	19,200
Of which current liabilities					9,776
Of which non-current liabilities					9,424

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

	2021-01-01 - 2021-12-31	2020-01-01 - 2020-12-31	2019-01-01 - 2019-12-31
Depreciation of right-of-use assets	-13,626	-10,629	-8,001
Interest expenses on lease liabilities	-1,323	-1,073	-531
Total	-14,949	-11,702	-8,531

The Group recognised a cash outflow attributable to leases amounting to SEK 14,843 thousand in amortisation and SEK 1,323 thousand in interest payments for the financial year 2021 (SEK 10,199 thousand in amortisation and SEK 1,073 thousand in interest payments for 2020).

For a maturity analysis of the Group's lease liabilities, refer to Note 19 Financial risks.

Note 13 Financial instruments

Measurement of financial assets and liabilities as of 2021-12-31

Financial assets	Financial assets measured at fair value	Financial assets measured at amortised cost	Total carrying amount
Other non-current receivables	-	1,015	1,015
Accounts receivables	-	43,168	43,168
Cash and cash equivalents	-	66,026	66,026
Total	-	110,209	110,209

Financial liabilities	Financial liabilities measured at fair value	Financial liabilities measured at amortised cost	Total carrying amount
Liabilities to credit institutions	-	-	-
Overdraft facility	-	-	-
Trade payables	-	7,397	7,397
Accrued expenses	-	12,552	12,552
Non-current liabilities	-	850	850
Other current liabilities	-	41,779	41,779
Total	-	62,577	62,577

Measurement of financial assets and liabilities as of 2020-12-31

Financial assets	Financial assets measured at fair value	Financial assets measured at amortised cost	Total carrying amount
Other non-current receivables	-	582	582
Accounts receivables	-	20,832	20,832
Cash and cash equivalents	-	22,678	22,678
Summa	-	44,091	44,091

Financial liabilities	Financial liabilities measured at fair value	Financial liabilities measured at amortised cost	Total carrying amount
Liabilities to credit institutions	-	156	156
Overdraft facility	-	-	0
Trade payables	-	2,103	2,103
Accrued expenses	-	4,142	4,142
Total	-	6,402	6,402

Measurement of financial assets and liabilities as of 2019-12-31

Financial assets	Financial assets measured at fair value	Financial assets measured at amortised cost	Total carrying amount
Other non-current receivables	-	976	976
Accounts receivables	-	36,888	36,888
Cash and cash equivalents	-	12,525	12,525
Total	-	50,388	50,388

Financial liabilities	Financial liabilities measured at fair value	Financial liabilities measured at amortised cost	Total carrying amount
Liabilities to credit institutions	-	781	781
Overdraft facility	-	18,085	18,085
Trade payables	-	3,732	3,732
Accrued expenses	-	3,945	3,945
Total	-	26,543	26,543

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

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

Note 14 Other current receivables

Other current receivables	2021-12-31	2020-12-31	2019-12-31
Accrued income and prepaid expenses	4,674	5,675	5,030
Other current items	1,982	54	818
Carrying amount	6,656	5,729	5,848

Accrued income and prepaid expenses	2021-12-31	2020-12-31	2019-12-31
Prepaid insurances	86	212	119
Prepaid license costs	1,924	1,641	1,080
Prepaid rents and leasing fees	-	2,588	2,316
Other prepaid expenses	2,664	1,234	1,515
Carrying amount	4,674	5,675	5,030

Accrued income and prepaid expenses as well as Other current items (Other receivables) have been reported on separate lines in previous annual reports, wherefore an additional reconciliation table has been added. See Note 25 Changes in classification for more information.

Note 15 Cash and cash equivalents

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

Cash and cash equivalents	2021-12-31	2020-12-31	2019-12-31
Bank balances	66,026	22,678	388
Carrying amount	66,026	22,678	388

Of the Group's bank balances, SEK 0 thousand (SEK 0 thousand as at 31/12/2020, SEK 0 thousand as of 01/01/2020) consists of blocked bank funds.

Note 16 Group companies

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

Företag	Org.nummer	Säte	Kapitalandel/rösträttsandel		
			2021-12-31	2020-12-31	2019-12-31
4C GROUP AB	556706-0412	Stockholm	Parent company	Parent company	Parent company
4C Strategies AB	556598-6436	Stockholm	100%	100%	100%
4C Europe UK Limited	07450958	London	100%	100%	100%
4C North America Inc.	81-2766199	Delaware, the US	100%	100%	100%
4C International AB	556976-8905	Stockholm	100%	100%	100%
4C Strategies Norway AS	827186112	Lillehammer	100%	-	-

Note 17 Equity

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

Share capital

As of 31 December 2021, the registered share capital comprises 1,553,100 (1,542,950) shares with a par value of SEK 0.11 per share.

The share	Class A-share		
Share class	Ordinary share		
Voting value	10		
Quota value 31 December 2019	0.11		
Quota value 31 December 2020	0.11		
Quota value 31 December 2021	0.11		
	2021-01-01 - 2021-12-31	2020-01-01 - 2020-12-31	2019-01-01 - 2019-12-31
Number of shares, beginning of the year	1,542,950	1,542,600	1,537,000
Increase through new share issue	10,150	350	5,600
Number of shares outstanding at year-end	1,553,100	1,542,950	1,542,600

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

Other contributed capital

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

Reserves

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

Note 18 Earnings per share

For the purpose of accounting for earnings per share, - IAS 33 Earnings per share is applied. The calculation of earnings per share is based on the profit for the year of the Group attributable to owners of the parent and on the weighted average number of shares outstanding during the year. For the calculation of diluted earnings per share, the average number of shares is adjusted to take into account the effects of warrants issued. For more information on existing share warrant programs, see note 5.

	2021-01-01 - 2021-12-31	2020-01-01 - 2020-12-31	2019-01-01 - 2019-12-31
Weighted average number of shares before and after dilution			
Weighted average number of shares	1,553,100	1,542,863	1,542,600
Weighted average number of warrants at year-end	115,500	64,313	63,000
Weighted average number of shares outstanding after dilution	1,668,600	1,607,175	1,605,600
	2021-01-01 - 2021-12-31	2020-01-01 - 2020-12-31	2019-01-01 - 2019-12-31
Earnings per share			
Profit attributable to parent company's shareholders	38,989	7,352	7,909
Weighted average number of shares	1,553,100	1,542,863	1,542,600
Earnings per share before dilution (SEK)	25.10	4.77	5.13
Profit attributable to parent company's shareholders	38,989	7,352	7,909
Weighted average number of shares outstanding after dilution	1,668,600	1,607,175	1,605,600
Earnings per share after dilution (SEK)	23.37	4.57	4.93

Note 19 Financial risks

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

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

Credit risk

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

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

Credit risk for the Group is primarily found in accounts receivables and the Group's aim is to have preventive controls in place to ensure that no significant customer losses occur. The Group has established

policies to ensure that sales of products and services are made to customers with an appropriate credit history. Payment terms are normally 30 days. The Group's customers are mainly public sector entities in Sweden, the UK and the US, indicating that the risk in these receivables is virtually non-existent. In addition, the Group has a significant proportion of private companies, mainly in Sweden. However, these businesses are smaller in size and more numerous in number, so the risk in these receivables can be considered well spread. The history of customer losses in the Group is virtually non-existent.

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

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

Age analysis of accounts receivables

	Past due customer invoices				
2021-12-31	Accounts receivables not yet due	0-30 days	31-90 days	> 90 days	Total
Government customers, gross	28,217	616	0	7,532	36,365
Private companies, gross	10,175	135	70	41	10,421
Total accounts receivables, gross	38,392	751	70	7,573	46,785
Impairment	0	0	0	-3,617	-3,617
Expected loss, %	0	0	0	-48	0
2020-12-31					
Government customers, gross	7,800	612	-	6,556	14,968
Private companies, gross	5,165	528	-	171	5,864
Total accounts receivables, gross	12,965	1,140	-	6,726	20,832
Impairment	0	0	-	0	0
Expected loss, %	0	0	0	0	0
2019-12-31					
Government customers, gross	32,836	-490	-	362	32,708
Private companies, gross	3,030	640	-	80	4,104
Total accounts receivables, gross	35,867	150	-	441	36,812
Impairment	-	-	-	-	-276
Expected loss, %	0	0	0	0	-1

The credit quality of receivables that are not more than 90 days past due is deemed favourable, based on historically low customer losses and considering forward-looking factors. At the balance sheet date, the Group has one major account receivable amounting to SEK 7,235 thousand that is more than 90 days past due. Delivery has taken place

according to contract. As of 2021-12-31, the company has made an impairment assessment of SEK 3,617 thousand. The impairment has been performed through an individual estimate and assessment of the specific account receivable.

Expected credit losses for accounts receivables (simplified approach)	2021-01-01 - 2021-12-31	2020-01-01 - 2020-12-31	2019-01-01 - 2019-12-31
Opening carrying amount	0	-276	0
Impairment	-3,617	-	-276
Recognised credit losses	-	276	-
Closing carrying amount	-3,617	0	-276

Contract assets

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

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

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

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

Cash and cash equivalents

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

Loss allowance for expected credit losses (simplified approach)

For other items subject to expected credit losses, a three-step impairment method is applied. Under the general approach, the credit risk is measured for the next 12 months. The Group applies a rating-based approach where expected credit losses are measured at the product of probability of default, loss given default and exposure at default. Other known information and forward-looking factors are also taken into account in assessing expected credit losses. No significant increase in credit risk has been identified for any receivable or asset at the balance sheet date. Such assessment is based on whether payment

is 30 days or more past due, or whether significant deterioration in creditworthiness occurs, resulting in a credit rating below investment grade. In the case of a significant increase in credit risk, the credit risk is measured for the remaining life of the exposure. The Group has defined default as when payment of a receivable is 90 days or more past due, or if other factors indicate that a default exists.

Credit risk exposure and credit risk concentration

The Group's credit risk exposure consists of accounts receivables, other receivables and cash and cash equivalents. Cash and cash equivalents of SEK 66,026 thousand (SEK 22,678 thousand at 31 December 2020) are placed with financial institutions with a high credit rating. The majority of cash and cash equivalents are invested with banks rated A+ by S&P rating assessment.

The Group's accounts receivables are spread across a number of customers, with some concentration of credit risk to certain larger public sector customers. The 5 largest accounts receivables represent SEK 27,603 thousand (SEK 11,201 thousand as at 12/31/2020), which corresponds to 59% (54% as at 12/31/2020) of total accounts receivables.

Market risk

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

Interest rate risk

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

Given the interest-bearing assets and liabilities at the balance sheet date, an interest rate increase/decrease of 2 percentage points at the balance sheet date will have an impact on profit before tax of SEK -0 thousand (SEK -3 thousand at 2020-12-31) and an impact on equity after tax of SEK -0 thousand (SEK -3 thousand at 2020-12-31).

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

	Due date	Interest	Carrying amount		
			2021-12-31	2020-12-31	2019-12-31
Liabilities to credit institution Almi (SEK)	2021-03-31	4.80% - 5.70%	-	156	781
Overdraft facility (SEK)	Ongoing	STIBOR 1W + 3.03%	-	-	18,085
Total			0	156	18,866

Currency risk

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

A significant proportion of purchases and hence trade payables are in foreign currencies and are therefore exposed to currency risks. For

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

The Group aims to match purchases and sales in the same currencies where possible, but results will still be affected by exchange rate movements in the future. The Group continuously considers whether to initiate currency hedging but in 2020 and 2021 this has not been considered justified more than in a minor form, as at 2021-12-31 hedged flow in SEK amounts to SEK 1,096 thousand.

Currency exposure (%)	2021-01-01 - 2021-12-31		2020-01-01 - 2020-12-31		2019-01-01 - 2019-12-31	
	Operating revenue	Operating expenses	Operating revenue	Operating expenses	Operating revenue	Operating expenses
GBP	66,548	-42,140	59,529	-29,862	36,751	-29,542
USD	101,263	-18,928	28,248	-10,989	42,120	-8,206
EUR	4,778	-1,446	11,144	-375	13,987	-396
Other currencies	1,880	-	1,356	-	1,780	-

Sensitivity analysis - Exchange-rate fluctuations against SEK	2021-01-01 - 2021-12-31		2020-01-01 - 2020-12-31		2019-01-01 - 2019-12-31	
	Effect on profit before tax	Effect on equity	Effect on profit before tax	Effect on equity	Effect on profit before tax	Effect on equity
USD						
+ 10%	8,233	9,032	1,726	2,130	3,391	3,667
- 10%	-8,233	-9,032	-1,726	-2,130	-3,391	-3,667
GBP						
+ 10%	2,441	3,698	2,967	4,253	721	1,305
- 10%	-2,441	-3,698	-2,967	-4,253	-721	-1,305
EUR						
+ 10%	333	333	1,077	1,077	1,359	1,359
- 10%	-333	-333	-1,077	-1,077	-1,359	-1,359

Liquidity risk and refinancing risk

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

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

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

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

2021-12-31

Maturity analysis	<3 months	3-6 months	6-12 months	>1 year	Total
Liabilities to credit institutions	-	-	-	-	0
Overdraft facility	-	-	-	-	0
Trade payables	7,397	-	-	-	7,397
Lease liabilities	2,444	2,444	4,888	9,424	19,200
Accrued expenses	7,435	1,652	2,655	809	12,552
Other current liabilities	7,317	31,635	2,827	-	41,779
Other non-current liabilities	-	-	-	850	850
Total	24,592	35,731	10,371	11,083	81,777

2020-12-31

Maturity analysis	<3 months	3-6 months	6-12 months	>1 year	Total
Liabilities to credit institutions	156	-	-	-	156
Overdraft facility	-	-	-	-	0
Trade payables	2,103	-	-	-	2,103
Lease liabilities	2,781	2,781	5,224	12,396	23,183
Accrued expenses	52	1,109	2,981	-	4,142
Other current liabilities	-	-	-	-	0
Other non-current liabilities	-	-	-	-	0
Total	5,092	3,891	8,205	12,396	29,585

2019-12-31

Maturity analysis	<3 months	3-6 months	6-12 months	>1 year	Total
Liabilities to credit institutions	156	156	313	156	781
Overdraft facility	4,521	4,521	9,043	-	18,085
Trade payables	3,732	-	-	-	3,732
Lease liabilities	2,643	2,565	4,503	14,162	23,873
Accrued expenses	22	440	1,165	2,318	3,945
Other current liabilities	-	-	-	-	0
Other non-current liabilities	-	-	-	-	0
Total	11,075	7,682	15,023	16,636	50,416

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

	2021-12-31	2020-12-31	2019-12-31	
Overdraft facility	37,500	37,500	27,500	
of which utilised	-	-	18,085	
	No-cash changes			
Change in financial liabilities	2019-01-01	Cash flow	Change in lease liabilities	2019-12-31
Liabilities to credit institutions	1,584	-803		781
Overdraft facility	11,878	6,207		18,085
Shareholder loan	10,279	-10,279		0
Lease liabilities	8,396	-7,646	23,123	23,873
Total	32,137	-12,520	23,123	42,740
	No-cash changes			
Change in financial liabilities	2020-01-01	Cash flow	Change in lease liabilities	2020-12-31
Liabilities to credit institutions	781	-625		156
Overdraft facility	18,085	-18,085		0
Shareholder loan				0
Lease liabilities	23,873	-10,199	9,508	23,183
Total	42,740	-28,909	9,508	23,339
	No-cash changes			
Change in financial liabilities	2021-01-01	Cash flow	Change in lease liabilities	2021-12-31
Liabilities to credit institutions	156	-156		0
Overdraft facility	0	0		0
Shareholder loan	-	-		0
Lease liabilities	23,183	-16,166	12,183	19,200
Total	23,339	-16,322	12,183	19,200

Capital management

Capital is defined as total equity. The Group's objectives with respect to capital are to safeguard the Group's ability to continue its operations over the long term, so that it can continue to generate returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to keep the cost of capital low. The Group's equity ratio is 44% (42%) and the total capital revenue rate

is 1 (1). Key performance measures that the Group will continue to strive to maintain or improve. In order to maintain or adjust the capital structure, the Group may change the dividend paid to shareholders, issue new shares or sell assets to reduce debt. The board of directors and management evaluate future payment obligations on an ongoing basis and decide, based on an overall assessment, how to manage the Group's funds.

Note 20 Other current liabilities

Other current liabilities	2021-12-31	2020-12-31	2019-12-31
Accrued expenses and prepaid income	20,479	11,919	15,457
Other current items	16,270	15,135	11,303
Carrying amount	36,749	27,053	26,760

Accrued expenses and prepaid income	2021-12-31	2020-12-31	2019-12-31
Accrued holiday pay	5,085	3,757	2,819
Accrued social security charges	3,286	2,933	7,590
Accrued salaries and fees	4,668	1,086	1,104
Accrued commissions	3,464	2,903	3,483
Other accrued expenses	3,975	1,239	462
Carrying amount	20,479	11,919	15,457

The item Other current liabilities contains current liabilities that are not interest-bearing. In the most recent annual report, the item has also included interest-bearing items, which has been adjusted in this report. Other current liabilities are now reported on separate lines in

the balance sheet, depending on whether they are interest-bearing or non-interest-bearing. See Note 25 Changes in classification for more information

Note 21 Statement of cash flows

Adjustments for non-cash items			
	2021-01-01 - 2021-12-31	2020-01-01 - 2020-12-31	2019-01-31 - 2019-12-31
Adjustments in operating income			
Depreciation for the year	26,092	23,746	21,473
Translation differences	1	10	
Reduction in capital expenditure on intangible assets due to reduction in social security contributions	4,257	-	
Total	30,350	23,756	21,473

Note 22 Pledge assets and contingent liabilities

Pledge assets and contingent liabilities			
Pledged assets for own liabilities to credit institutions	2021-12-31	2020-12-31	2019-12-31
Floating charges	37,500	37,500	27,500
Shares in subsidiaries	19,682	11,511	9,607
Total	57,182	49,011	37,107

The floating charges is provided for an approved overdraft facility.

Note 23 Transactions with related parties

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

For information on remuneration to senior executives, see Note 5 Employees and personnel costs.

Note 24 Events after the balance sheet date

At the extra general meeting of the Company held on 11 February 2022, it was resolved, in accordance with the proposal of the board of directors, to approve the number of board members, the election of the board of directors and the remuneration of the board members. At the extra general meeting of the Company held on 25 February 2022, it was resolved, in accordance with the board of director's proposal, to convert the Company from a private to a public limited liability company. In connection with this, it was resolved to carry of a bonus issue. Following the bonus issue, the share capital amounts to SEK 543,585.

Note 25 Changes in classification

In this financial report, the Company has chosen to change classification in the balance sheet compare to previously submitted annual report. This has been done to make it easier for the reader to understand the Company's financial position but also to simplify reconciliation tables for key performance measures.

Assets

The change means that the items Other receivables and Prepaid expenses are reported on one line called Other current receivables, see Note 14 Other current receivables.

Other current receivables		2021-12-31	2020-12-31	2019-12-31
Other receivables	<i>Annual report 2021</i>	1,982	53	818
Prepaid expenses	<i>Annual report 2021</i>	4,674	5,675	5,030
Reported value according to new classification		6,656	5,728	5,848

The item is reported under current assets as Other current receivables.

Liabilities

The change means that the items Other current liabilities, Liabilities to credit institutions and accrued expenses are reported on one line called Other current liabilities, see Note 20 Other current receivables.

Other current liabilities		2021-12-31	2020-12-31	2019-12-31
Other current liabilities	<i>Annual report 2021</i>	46,524	27,187	11,303
Liabilities to credit institutions	<i>Annual report 2021</i>	0	156	18,710
(-) current interest-bearing liabilities*	<i>Historical financial information 2019-2021</i>	-30,254	-12,208	-18,710
Accrued expenses	<i>Annual report 2021</i>	20,479	11,919	15,457
Reported value according to new classification		36,749	27,053	26,760

*Current interest-bearing liabilities refer to liabilities that are intended to be paid within one year.

The new classification Current interest-bearing liabilities includes items of an interest-bearing nature that have previously been classified as Other current liabilities and Liabilities to credit institutions.

Current interest-bearing liabilities include deferrals to the Swedish Tax Agency during the financial years 2020 and 2021, as well as current loans during the financial years 2019 and 2020. Current interest-bearing liabilities amounted to SEK 30,254 thousand in 2021, SEK 12,208 thousand in 2020 and SEK 18,710 thousand in 2019.

All items are reported under Current liabilities.

Effect on financial position

The change in the classification of the balance sheet has not had any effect on the Company's financial position, sub-summaries or balance sheet total.

Auditor's report on historical financial information

Independent auditor's report

To the board of directors in 4C Group AB, corporate identity number 556706-0412

Report on the consolidated accounts

Opinions

We have audited the consolidated accounts of 4C Group AB for the three years ended 31 December 2021. The consolidated accounts of the Company are included on pages F-10 - F-44 in this document.

In our opinion, the consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Group as of 31 December 2021, 31 December 2020 and 31 December 2019 and its financial performance and cash flows for each of the three years in the period ended 31 December 2021 in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's responsibility section. We are independent in relation to the Group in accordance with Swedish generally accepted auditing standards and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the board of directors

The board of directors is responsible for the preparation and fair presentation of the consolidated accounts in accordance with the Annual Accounts Act and IFRS as adopted by the EU. The board of directors is also responsible for such internal control as it determines is necessary to enable the preparation of consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated accounts, the board of directors is responsible for assessing the Company's and the Group's ability to continue as a going concern. They disclose, as applicable, conditions that may affect the ability to continue as a going concern and to use the going concern assumption. The going concern assumption is however not applied if the directors intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

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

expected to influence the economic decisions of users taken on the basis of these consolidated accounts.

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

- » Identify and assess the risks of material misstatement of the consolidated accounts, whether due to fraud or error, design and perform audit procedures, among other things, based on those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control.
- » Obtain an understanding of the Company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- » Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors.
- » Conclude on the appropriateness of the board's use of the going concern assumption in preparing the consolidated accounts. We also conclude, based on the audit evidence obtained, as to whether any material uncertainties related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the disclosures in the consolidated accounts about the material uncertainty or, if such disclosures are inadequate, to modify our opinion about the consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may make it impossible for a group to continue as a going concern.
- » Evaluate the overall presentation, structure and content of the consolidated accounts, including the disclosures, and whether the consolidated accounts represent the underlying transactions and events in a manner that achieved fair presentation.
- » Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

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

Malmö, 16 May 2022

Ernst & Young AB

Peter Gunnarsson

Authorised Public Accountant

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4C STRATEGIES