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Press release  
11 May 2022, Stockholm, Sweden

## **4C Strategies intends to list the Company's shares on Nasdaq First North Premier Growth Market**

**4C Group AB (publ) ("4C Strategies" or the "Company"), a fast-growing provider of organisational readiness and training management solutions globally, today announces the intention to launch an initial public offering of its shares to the public in Sweden and to qualified investors in Sweden and internationally (the "Offering") and to list the Company's shares on Nasdaq First North Premier Growth Market (the "Listing"). The Offering is expected to consist of new shares issued by the Company and existing shares in the Company offered by certain existing shareholders.**

Since its inception in Sweden in 2000, 4C Strategies has built a global offering of organisational readiness and training management solutions for customers in the defence, public and corporate sectors. Today, 4C Strategies serves over 150 customers, with users in more than 100 countries, from its offices in Sweden, the UK, and the US. Its customers include some of the world's most high-profile public institutions, global enterprises and several NATO allied armed forces.

4C Strategies provides an integrated offering of organisational readiness and training management solutions in mission-critical environments, consisting of its software platform Exonaut as well as expert services and software-related services. Exonaut is compliant with the strictest demands on security and data integrity and is accredited by NATO.

In recent years, 4C Strategies has expanded into new regions and attracted new customers, resulting in strong underlying growth. As a result of the Company's growth initiatives, net sales increased from SEK 179 million in 2019 to SEK 261 million in 2021 with an adjusted EBIT margin increasing from 5 percent in 2019 to 19 percent in 2021.

To support the Company in managing its continued expansion and growth, 4C Strategies' Board of Directors and Management together with its two major shareholders, Priveq, and founder Andreas Hedskog, have agreed to apply for a listing of the Company's shares on Nasdaq First North Premier Growth Market. The Offering and Listing would provide 4C Strategies access to the Swedish and international capital markets supported by a broad and long-term shareholder base, which the Board of Directors and Management consider favourable to 4C Strategies' growth strategy. A listing would also contribute to building the Company's profile and brand, and thereby to attract and retain customers, employees, and management team members.

Nasdaq Stockholm AB has informed that 4C Strategies fulfils the listing requirements on Nasdaq First North Premier Growth Market and that an eventual application for admission to trading of the Company's shares on Nasdaq First North Premier Growth Market will be approved provided that certain conditions are met. Such conditions concern e.g. that the Company submits an application for the admission to trading and that the distribution requirement are met no later than on the first day of trading of the Company's shares. The Listing and the Offering is expected to be completed during the second quarter of 2022, subject to market conditions and approval by Nasdaq Stockholm AB.

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 have, subject to certain conditions, undertaken to acquire shares in the Offering of up to SEK 335 million based on a valuation of up to approximately SEK 1,187 million (total value of all outstanding shares following the Offering).

**Magnus Bergqvist, CEO, comments:**

*“4C Strategies has built a software platform that is setting the gold standard in resilience tech globally, enabling organisations in mission-critical environments to increase their readiness and responsiveness in case of crises through effective training and risk management. We are now looking forward to the next step in the development of 4C Strategies as a listed company and in our pursuit to combine the power of digital innovation with industry expertise to build a safer society.”*

**Andreas Hedskog, Founder and Chairman of the Board of Directors, comments:**

*“4C Strategies has come a long way in creating a leading software platform for organisational readiness and training management, attracting some of the most high-profile organisations in the world. We have a scalable model with multiple levers for future growth as well as a visionary management team with a strong track record. It is the Board’s view that a public listing of 4C Strategies would further strengthen the company’s position and its opportunities for future growth. We are now very much looking forward to continuing our support to the management team in their work to develop and grow 4C Strategies, creating long-term shareholder value in a listed environment.”*

**Mats Hjerpe, Board member of 4C Strategies and Partner at Priveq, comments:**

*“I am both proud of, and impressed by, the team at 4C Strategies and the journey the company has been on since our entry in 2016. Their hard work, dedication to their mission and their ability to grow and expand the business organically, with increasing profitability, has exceeded our expectations. 4C Strategies’ state-of-the-art software platform is supporting organisations to improve resilience and organisational readiness, develop internal capabilities as well as training in mission-critical environments. We share 4C Strategies’ strong commitment to addressing some of the biggest resilience challenges facing organisations today and believe that the company is perfectly positioned and equipped to solve these. We look forward to welcoming new shareholders to become part of 4C Strategies’ continued growth journey as a listed company.”*

**The Offering in brief**

Should the Company and the main owners proceed with the Offering, the Offering is expected to comprise a combination of new shares issued by the Company and existing shares in the Company offered by certain existing shareholders. The new shares to be issued by the Company are expected to provide 4C Strategies with proceeds of approximately SEK 100 million before deduction of costs related to the Offering. The Company intends to use the net proceeds from the Offering for expansion to new markets and customers, as well as research and development in relation to 4C Strategies’ software platform Exonaut.

Should the Company proceed with the Listing, the shares in the Offering will be offered to the general public in Sweden as well as institutional investors in Sweden and abroad. The Offering to institutional investors will only be made to certain institutional investors outside the United States, pursuant to Regulation S under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”).

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 have, subject to certain conditions, undertaken to acquire shares in the Offering of up to SEK 335 million based on a valuation of up to approximately SEK 1,187 million (total value of all outstanding shares following the Offering).

Full terms, conditions and instructions for the Offering will be included in the prospectus that is expected to be published by the Company in connection with the contemplated Offering and the Listing. The prospectus will, if published, be published on 4C Strategies’ website, [www.4cstrategies.com](http://www.4cstrategies.com).

## About 4C Strategies

4C Strategies was founded in 2000 and is a leading global provider of software solutions and expert services for organisational readiness, training, and crisis management, with a unique<sup>1</sup> 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 is based in Sweden and has a global presence with +150 customers, and users in +100 countries.

## Strengths and competitive advantages

### 1. First-mover advantage in a fast-growing and non-cyclical market

- The market for organisational readiness and training management is expected to grow by 15 percent per year until 2025.<sup>2</sup>
- Increasingly complex and uncertain environment for companies and organisations, including geopolitical tensions, cyber threats, and supply-chain challenges. Growing need to mitigate risks and improve resilience in operations.
- Increasing digital adoption in the area for organisational readiness and training management.
- New regulations, increasing the need for technology to ensure compliance.

### 2. Global provider of resilience tech with high-profile customers in a broad range of industries

- Over 150 customers, including some of the world's most high-profile public institutions, enterprises, and armed forces.
- Global offering with established offices in Sweden, the UK, and the US.
- Listed by the global research and advisory firm Gartner as a Representative Vendor in its *"Market Guide for Crisis/Emergency Management (C/E M) Solutions"*.

### 3. Long-standing customer relationships and low churn

- Solutions for mission-critical environments that are deeply integrated with customers' operations.
- Complete customisability to each customer's organisation, creating stickiness and barriers to entry.

### 4. Well-invested, scalable, and highly secure software platform – accredited by NATO

- Developed over 20 years in close collaboration with customers in the defence, public and corporate sectors.
- High security level with accreditation by NATO.
- Technology that is compliant with the strictest demands on security and data integrity of governments, critical infrastructure providers and armed forces.
- 100% ownership of IPs.

### 5. Broad software offering able to solve broad range of complex challenges with significant revenue potential

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<sup>1</sup> Source: Market study conducted by Arthur D. Little ("ADL market study") dated December 2021. Defined as having the broadest offering of comparable companies in the market for organisational readiness and training in the defence, public and corporate sectors

<sup>2</sup> Source: ADL market study

- Modular offering catering to customers in several industries.
- Upselling possibilities through additional software modules as well as support and maintenance agreements.
- Integrated solutions, providing cross-selling possibilities between software and expert services.

#### 6. Strong position to accelerate expansion on a global scale

- Expanding the Exonaut platform with additional software modules, AI and machine learning.
- Further expanding the corporate vertical in relevant sectors such as energy, finance and telecom.
- Building customer pipeline locally in more markets by expanding geographical footprint.

#### 7. Highly experienced management team with a proven track record

- Deep industry expertise and know-how from other software businesses.
- Clear strategic vision, having expanded the Company organically since its inception.

### Financial highlights

The financial information below has not been audited or reviewed by the Company's auditor, unless otherwise stated.

	Three months ended March 31		Year ended December 31		
<i>SEK million</i>	2022	2021	2021	2020	2019
<b>Net sales<sup>3</sup></b>	<b>76</b>	<b>36</b>	<b>261</b>	<b>185</b>	<b>179</b>
<i>Net sales growth (%)<sup>4</sup></i>	<i>110%</i>	<i>-13%</i>	<i>41%</i>	<i>4%</i>	<i>n.a.</i>
Software revenue in relation to net sales (%)	62%	31%	61%	46%	46%
<b>Adjusted EBIT<sup>5</sup></b>	<b>8</b>	<b>-9</b>	<b>50</b>	<b>13</b>	<b>9</b>
<i>Adjusted EBIT margin<sup>6</sup> (%)</i>	<i>11%</i>	<i>-24%</i>	<i>19%</i>	<i>7%</i>	<i>5%</i>

### Financial targets

Target	Description
<b>Organic net sales growth (%)</b> >20 %	4C Strategies aims to exceed an average annual FX adjusted organic net sales growth rate of 20% over the medium term
<b>Software revenue in relation to net sales (%)</b> >70%	4C Strategies aims to reach software revenue in relation to net sales exceeding 70% in the medium term
<b>Adjusted EBIT margin (%)</b> >20%	4C Strategies aims to reach an adjusted EBIT margin exceeding 20% in the medium term <sup>7</sup>

<sup>3</sup> The Key Performance Measure has been audited by the Company's auditor for the financial years 2021, 2020 and 2019 and has been reviewed for the period ended 31 March 2022.

<sup>4</sup> Change in net sales compared to the same period previous year

<sup>5</sup> Operating income (EBIT) adjusted for items affecting comparability

<sup>6</sup> Adjusted EBIT in relation to net sales

<sup>7</sup> Following completion of the Offering, the Company will increase its investments in the operations, which will have a modest negative impact on the adjusted EBIT margin in 2022

## About Priveq

Priveq invests in unlisted growth companies, targeting unique companies with a leading position rather than specific sectors. Since 1983, Priveq has invested in more than 130 Nordic companies, having successfully listed 28 of these. In addition to 4C Strategies, Priveq has also invested in companies such as QleanAir, Metenova, ROL, Equestrian Stockholm and Caybon. Visit [www.priveq.se](http://www.priveq.se) for more information.

## Advisors

ABG Sundal Collier AB ("**ABG Sundal Collier**") is acting as Sole Global Coordinator and Joint Bookrunner. Joh. Berenberg, Gossler & Co. KG ("**Berenberg**") and, together with ABG Sundal Collier AB, the "**Joint Bookrunners**") is Joint Bookrunner. Baker & McKenzie Advokatbyrå KB is the legal advisor to the Company. White & Case Advokataktiebolag is the legal advisor to ABG Sundal Collier and Berenberg.

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This press release is not a prospectus for the purposes of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") and has not been approved by any regulatory authority in any jurisdiction. A prospectus is intended to be prepared and published by the Company in connection with the Offering. The prospectus will be scrutinized and approved by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*), which is the national competent authority in Sweden under the Prospectus Regulation. Any investment decision regarding the shares

in the Company should only be made on the basis of the information in a prospectus that has been published by the Company.

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### **Forward-looking statements**

This press release contains forward-looking statements that reflect the Company's intentions, beliefs, or current expectations about and targets for the Company's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies, and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors and readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements that are expressly or implicitly contained herein speak only as of its date and are subject to change without notice. Neither the Company nor anyone else undertake to review, update, confirm or to release publicly any revisions to any

forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release, unless it is not required by law or the Nasdaq First North Growth Market Rulebook (Premier segment).

#### **Information to distributors**

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Company's securities have been subject to a product approval process, which has determined that such securities are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**EU Target Market Assessment**"). Solely for the purposes of each manufacturer's product approval process in the United Kingdom, the target market assessment in respect of the securities in the Company has led to the conclusion that: (i) the target market for such securities is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of such securities to eligible counterparties and professional clients are appropriate (the "**UK Target Market Assessment**" and, together with the EU Target Market Assessment, the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the Company's securities may decline and investors could lose all or part of their investment; the Company's securities offer no guaranteed income and no capital protection; and an investment in the Company's securities is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II or UK MiFIR; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Company's securities.

Each distributor is responsible for undertaking its own target market assessment in respect of the Company's securities and determining appropriate distribution channels.