

## **COMPANY ANNOUNCEMENT NO. 02/2025**

### **cBrain intends to take lead in COTS for government industry**

Copenhagen, February 20, 2025

cBrain (NASDAQ: CBRAIN) revenue grew by +12% to DKK 268m in 2024, up from DKK 239m in 2023. Earnings before tax (EBT) grew to DKK 86m in 2024, up from DKK 81m in 2023, thereby reaching an EBT margin of 32%.

Results are in line with expectations, forecasting a revenue growth range of 12-13% and EBT margin of 30-32%.

Strong positive cash flow from operating activities enables an increase in dividends, investments in the growth of the company, and it reduces long-term loans on cBrain-owned buildings.

cBrain does not have a share buyback program. However, due to solid earnings, cBrain proposes to raise dividends to DKK 0,64 per share (2023: DKK 0,28 per share) corresponding to a payout ratio of approx. 20% of profit for the year.

Fueled by a lack of skilled IT resources and a growing demand for fast delivery, cBrain sees a rapidly emerging IT industry, referred to as Commercial Off-The-Shelf (COTS) for government. COTS for government, leveraging new technologies and platforms such as the F2 Digital Platform, enables digital transformation at higher speed and lower costs that outperform traditional IT modernization.

For cBrain the accelerated market shift represents new strategic opportunities. cBrain wants to fully take advantage of this, and cBrain is therefore currently in the process of evaluating and potentially adjusting its international growth strategy.

With the goal of being an internationally leading vendor in the emerging COTS for government industry, the strategy process includes evaluating organizational readiness, market and product development strategies.

As a result of the strategy process, cBrain expects to implement a number of changes to the growth plan during the spring of 2025. Consequently, cBrain forecasts expected revenue growth in 2025 of 10-15% and earnings before tax (EBT) of 18-23%.

The revenue forecast takes into account that e.g. developing new channel strategies may shortly delay revenue. The earnings forecast is based on significantly increased investments into international growth, across the African region, USA, Germany, and India, as well as increased investments into developing the F2-for-Partners concept.

Best regards

Per Tejs Knudsen, CEO

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