

COMPANY ANNOUNCEMENT NO. 10/2024

cBrain lowers expected yearly revenue growth to 10-15%, but maintains EBT margin of 24-28%

Copenhagen, November 28, 2024

cBrain (NASDAQ: CBRAIN) is executing its international growth plan with a financial goal of reaching total revenue of 350 million DKK in 2025. This goal is anchored in two primary revenue streams, referred to as "Base" and "Stepping stones".

The "Base" stream aims to achieve annual revenue growth of 10-15% by strengthening and expanding existing operations and customer relationships. In parallel, the "Stepping Stones" initiative aims to lift annual revenue growth to 30%, by increasing contract values and winning larger international contracts.

cBrain continues to execute its growth strategy, building a robust pipeline of major opportunities. This is facilitated by a growing number of international pilot projects that set the stage for significant "Stepping Stones" achievements.

In early 2024, cBrain anticipated some of these opportunities, particularly in Germany and the U.S., to yield significant revenue in the second half of the year. cBrain remains highly active in these pursuits and has added further opportunities during the year.

However, not unusually with larger government procurement, delays in decision making mean that cBrain estimates less than a 50% likelihood of substantial revenue from larger international projects materializing in Q4. Consequently, cBrain adjusts its 2024 revenue growth forecast to 10-15%, down from the initial estimate of 20-25%.

In alignment with business planning, cBrain has earmarked financial investments to support "Stepping Stones" projects in Germany and the U.S. Since these projects have not yet materialized, these reserved funds have not been deployed. This provides a positive impact on earnings. cBrain, therefore, maintains its EBT (Earnings Before Tax) guidance at 24-30%.

Larger international projects are often structured so that F2 standard software licenses form the majority of the contract value. Due to financial standards for software revenue recognition, larger international orders may, as a result, introduce greater variability in revenue patterns over time.

As cBrain is currently pursuing global opportunities across the USA, Europe, Africa, the UAE, and India, some of these opportunities may still materialize during the fourth quarter, with a positive affect on this year's revenue.

Best regards

Per Tejs Knudsen, CEO

Inquiries regarding this Company Announcement may be directed to

Ejvind Jørgensen, CFO & Head of Investor Relations, cBrain A/S, ir@cbrain.com, +45 2594 4973