

CLOSING THE TIME GAP

From Decision to Delivery

Highlights from
Annual Report 2022

Contents



About this report

This report is an extract from the annual report for cBrain A/S for the fiscal year 2022. The annual report (in Danish) can be downloaded at www.cbrain.dk/aarsrapporter/2022

All official information about cBrain's board, corporate governance, annual reports, general assembly, and access to our investor portal is available at www.cbrain.dk

About cBrain

cBrain is a Danish software company listed on NASDAQ OMX Nordic (Symbol: CBRAIN). Share code: DK0060030286.

Headquarter is placed in Copenhagen, Denmark, with offices in Europe, the USA, and UAE.

Our mission is to help governments transform from paper-based bureaucracies to digitized working environments, contributing to create efficient, accountable, and transparent government institutions.

We believe in a society based on democracy and digitization being the enabler for a new generation of strong, transparent, and efficient government institutions.

Please see our Corporate Sustainability report "Closing the Time Gap from Decision to Delivery" and SDG commitment to help develop strong and accountable institutions available on www.cbrain.com/csr-reports.

Inquiries regarding the company's relationships with investors and the market can be directed to:

Ejvind Jørgensen

CFO & Head of Investor Relations
E-mail: ir@cbrain.com

From Decision to Delivery

cBrain has successfully initiated the next steps of the international growth plan

cBrain is pleased to report a good year, maintaining solid organic growth and high earnings, while moving into new premises and initiating the next steps in the company's international growth plan.

Based on the positive results achieved through purely organic growth, cBrain launched several new initiatives in autumn 2022 as part of its growth plan, as the goal of the strategy is to lift – in the long term - annual growth to 30%. The key elements of the expanded growth plan, which covers the period 2023-2025, are an increased focus on F2 Climate Software and the establishment of a partner channel (F2 for Partners).

cBrain provides solutions for public digitalization. Public digitalization is one of the world's largest markets, but the market is characterized by a large number of vendors providing individual customized solutions. cBrain challenges the market by instead offering standard software, based on a unique technology and product architecture, marketed under the F2 brand.

F2 provides customers with several benefits, as it is both faster and takes fewer hours to deliver solutions when based on standard software. It also gives cBrain a significant competitive advantage.

cBrain's international growth plan is based on exploiting this competitive advantage, combined with a strong reference position in Denmark. In Denmark, more than 75 authorities use F2 as their digital platform, including almost all Danish

ministries, and cBrain continues to build on its Danish reference position. In 2022, cBrain has thus announced agreements with a number of new Danish customers.

Across the world, politicians and governments are struggling to accelerate climate action. Unfortunately, policy decisions often take too long to implement, not least because it takes a long time to develop and deliver the necessary IT systems. This opens up a large international market for cBrain, because F2 allows IT solutions to be delivered quickly, shortening the time it normally takes to implement policy decisions.

cBrain calls this type of solution climate software for authorities. Climate software solutions support, for example, the administration of the many different grant schemes, inspections and permits that are crucial to government climate action, from nature restoration and prevention to greenhouse gas emission reduction.

As a provider of climate software, cBrain can play an important role and contribute directly to the global fight against climate change. But at the same time, cBrain sees climate software as an international door-opener and accelerator for exports. In 2022, cBrain could thus announce agreements in California, Egypt, Ghana, and Kenya, where cBrain will deliver climate software.

cBrain's library of climate solutions continues to grow. In early 2023, cBrain announced agreements with the Danish Energy Agency to deliver several new solutions with

international potential.

Furthermore, as part of the expanded strategic plan, cBrain's goal is to lift growth without having to increase the number of employees accordingly. Customers take on some of the consulting tasks in connection with the implementation of F2 that cBrain or external consultants currently perform. cBrain calls this "F2 for Partners", and it is cBrain's plan to continuously release more F2 tools, enabling customers and external consultants to take over an increasing part of cBrain's consulting tasks. By moving consulting tasks out to customers and partners, cBrain expects to accelerate software sales by enabling more projects to be delivered.

cBrain sees the development, including both the increased sales of software and the lower sales of hourly services as a positive development, in line with the expanded growth plan. In addition, cBrain's experts, particularly in the climate field, are increasingly supporting the international climate effort rather than providing traditional consulting services.

cBrain is well positioned going into 2023 and is pleased to have successfully initiated the next steps in its international growth plan.

Per Tejs Knudsen
CEO





REVENUE (DKK)

188m

REVENUE GROWTH

22%

EBT MARGIN

26%

SOFTWARE SALES

72%

EXPORT SALES

33%

Financial Highlights

cBrain welcomes the best result in the company's history, with continued progress in both Denmark and internationally. At the same time, cBrain has taken a number of important steps as a supplier of software that supports the global fight against climate change.

Financial results

The financial statement for 2022 shows a solid progress, both in relation to revenue and earnings. This is based on a market increase in exports combined with increased software sales.

- Revenue grew by 22%, from mDKK 155 in 2021 to mDKK 188 in 2022. The progress is based on purely organic growth.
- Earnings before tax (EBT) grew by 26%, from mDKK 39 in 2021 to mDKK 49 in 2022, whereby cBrain reaches EBT margin of 26% in 2022.
- cBrain notes with satisfaction that exports have grown by 68%, from mDKK 37 in 2021 to mDKK 62 in 2022, which means that exports now account for 33% of total revenue.
- Software sales have grown by 41%, from mDKK 96 in 2021 to mDKK 135 in 2022, and thus make up 72% of total revenue.

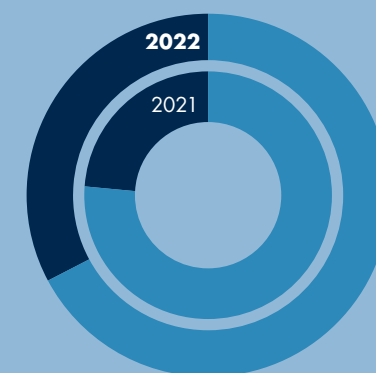
cBrain's growth plan is based on organic growth. Most of the growth has been achieved through increased software sales.

By far the largest part of cBrain's costs is fixed and consists of staff costs, including costs related to sales, development, and consulting services as well as administration.

As cBrain's growth plan is based on purely organic growth, cBrain's balance sheet does not contain any goodwill items. In 2022, cBrain took out a loan with a carrying value of mDKK 100 to finance the building that is being used as new headquarters.

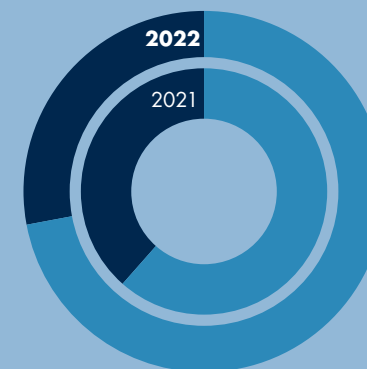
The purchase of the building also means that cBrain has reduced its cash. At the end of 2022, the cash and cash equivalents and receivables from customers total mDKK 43. cBrain thus has a solid financial position and the financial strength to maintain its growth plans, both in Denmark and internationally.

REVENUE BREAKDOWN BY GEOGRAPHY



■ Sales in Denmark ■ International sales

REVENUE BREAKDOWN BY REVENUE STREAM



■ Software ■ Services

Contributing to the UN Sustainable Development Goals

The global community has embarked on a journey with the Sustainable Development Goals as the blueprint for the future. As 2030 draws closer, it is clear that we are in a race against time to deliver on the goals. We believe that technology is one of the main vehicles to achieve the goals. Much of the action needed starts in the government toolbox of license and permitting, incentivizing, and policing the regulation.

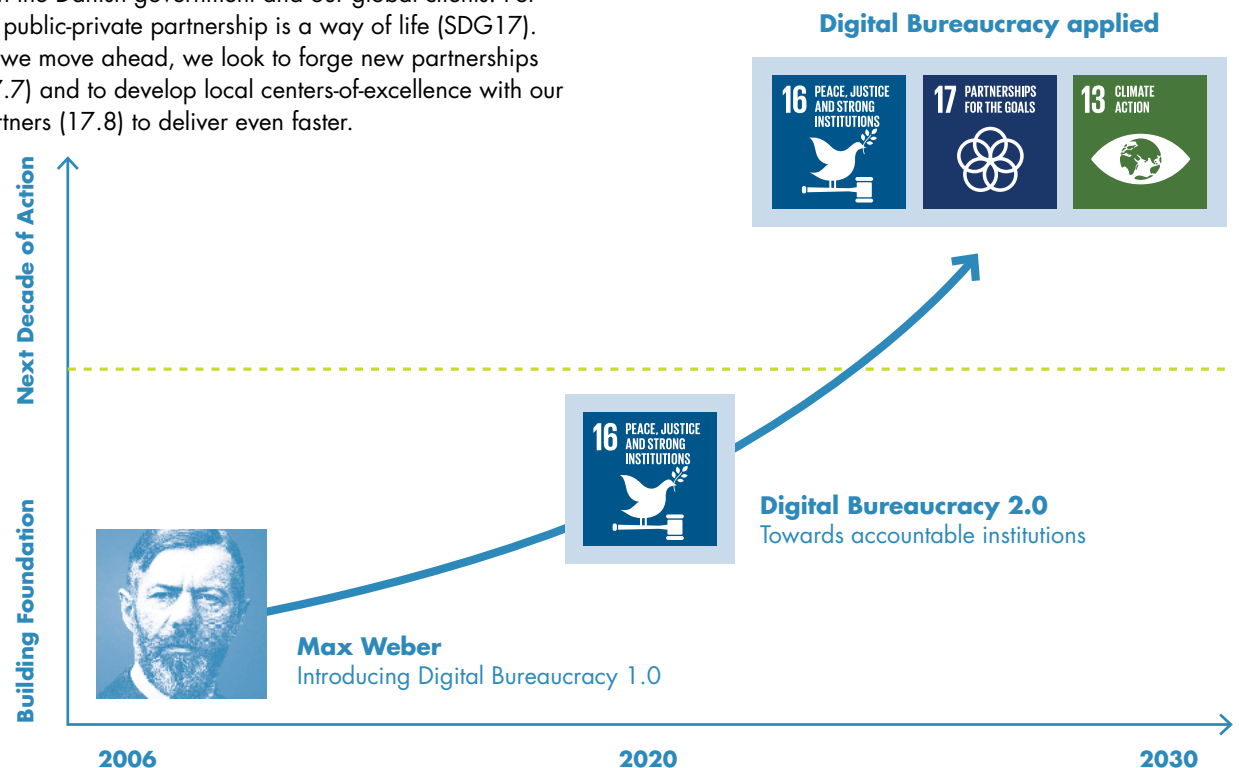
Understanding the nature of how governments work and applying the right technology to serve their needs is the core of cBrain's business. This is reflected in our SDG journey, starting with the digital bureaucracy platform and SDG 16 that defines the next generation of digital government. Our platform has been a success in the Danish public sector, currently ranked the most transparent and digital public administration in the world and the least corrupt country*. And it has been successfully deployed on five continents helping to increase efficiency and accountability (16.6), combat corruption (16.5) and protect fundamental freedoms (16.10).

Climate change is not only a threat to human life, but to all life on the planet. We have asked ourselves how our technology can best serve the fight against climate change (SDG 13). The answer is digital climate governance. Software built to help governments enact transformative measures towards preventing, mitigating, or adapting to climate change (13.1, 13.2, 13.3, 13.5).

*United Nations E-Government Survey and Transparency International's annual Corruption Perception Index.

With temperatures rising, we saw that applying our experience in good governance to the climate area could enable authorities to go from political decision to execution with the speed needed to achieve their goals in time.

Our experience comes from a long-standing partnership with the Danish government and our global clients. For us, public-private partnership is a way of life (SDG17). As we move ahead, we look to forge new partnerships (17.7) and to develop local centers-of-excellence with our partners (17.8) to deliver even faster.



Making climate action happen

Digital Climate Governance

Climate governance consists of measures aimed at steering social systems toward preventing, mitigating or adapting to climate change. Good climate governance needs to be fast, agile, and accountable. Climate software for governments is the digitalization of climate governance.

Within the Digital Cooperation Roadmap, UN Secretary General António Guterres recognizes the importance of digital technologies for accelerating environment and climate action:

“The digital revolution can be steered to combat climate change and advance global sustainability, environmental stewardship and human well-being.”

Digital climate governance systematically reduces the lead time from decisions taken to environmental impact on the ground and in the atmosphere we share.

This entails three interdependent goals of climate action: preventing climate change by reducing greenhouse gas emissions; protecting nature and biodiversity; and adapting to inevitable climate change to safeguard living conditions in the most vulnerable parts of the world.

Rapid deployment of green best practice ready for reuse

Our climate software solutions are an evolving process library of green best practice ready to be reused. We have developed best practice digital models for licensing, approvals, grant management and inspections and applied them to a score of different climate and environmental challenges.

Based on our models, we make blueprints of the climate and environmental processes our clients need and deploy them on our standard platform. This means implementation is now done in a matter of weeks rather than months and years. And this delivers results where they are most needed. Many of these processes are under international or regional regulation. The best-practice blueprints are therefore copied and adapted from agency to agency and country to country. This reduces risk, cost, and implementation time even further.

By building the institutional capacity to monitor, control, manage, permit, and govern the use of natural resources, pollution, land use, etc., agencies take charge of their own mandate. This increases their ability to implement new measures at a very high pace and, in turn, leads directly to reduced emissions and better protection of nature.

cBrain's climate mission is to use digitalization to close the time gap from political decision to execution.



Best-practice process libraries facilitate fast delivery

In Denmark, more than 75 government institutions, including nearly all ministries, now base their work on the Digital Bureaucracy model. This has significantly improved productivity, data, and process control. Likewise, many different citizen-facing processes are now digitally supported, end-to-end, based on the Digital Bureaucracy model and standard software. This includes processes like citizenship, divorce, reclaiming dividend tax and protection of natural habitats. Solutions are typically delivered within 3-6 months from start to finish, from analyzing work processes to configuring the standard software and going live.

Based on Danish public-private partnership and extensive research, we have developed a fundamentally new approach to government digitization based on formalized methods and standards. Digitizing all types of work processes and services, from internal to citizen-facing, it is based on executable process libraries and a new, combined process-driven and data-centric software architecture designed for digital bureaucracy.

Our “processes first” approach not only allows governments to reclaim and take back control of work processes. By introducing the Digital Bureaucracy model, it also enables a new fast track approach to digitalization.

The approach is based on three elements: a formalized model, an implementation method for government work, which are both independent of technology, and standard

software called F2, which supports the model and method. Unique to our software is the concept of process templates. A process template describes a specific government process end-to-end, from citizen-facing self-service to case processing and archiving.

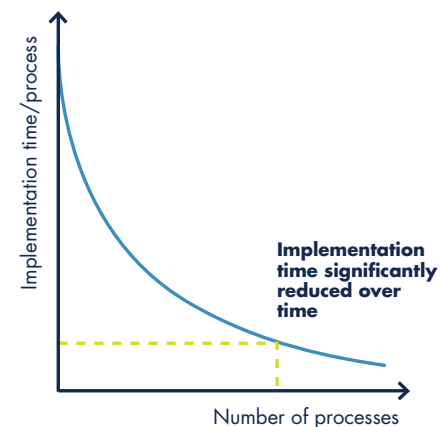
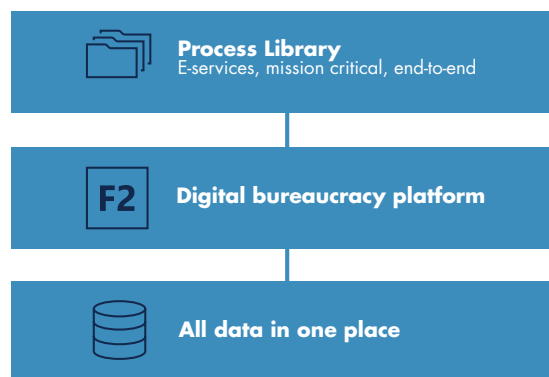
Technically, a process template is a declaration which is stored in the process library and linked to a case type. A process template is “open source” and can be reused simply by copying the template and adjusting it.

Sales of solutions for public digitization constitute one of the world’s largest markets. In Denmark alone, it is estimated that

the public sector purchases IT for more than DKK 20 billion per year. But at the same time, the market is characterized by a very large number of suppliers, who typically provide individual solutions based on integration and customization of software components.

cBrain’s business and international growth plan is to challenge this market by offering a fully integrated standard digital platform for the public sector with an “open source” process library facilitating that governments can digitalize with an unheard of short lead time from decision to delivery.

F2 - Integrated production platform



International Growth

Today cBrain is increasingly an international company with customers in Europe, the Middle East, Africa, and the Americas. Strong export growth is testament to the fact that our software with its roots in Denmark can be reused successfully across continents and cultures.



cBrain won a new customer in Germany

In 2022, cBrain won a public EU tender at Investitionsbank Schleswig-Holstein, a state-owned bank.

cBrain will provide an F2 solution that will support the administration of EU funds in connection with the so-called European Regional Development Fund (ERDF), which is managed by Investitionsbank Schleswig-Holstein.

cBrain has developed the offered F2 solution in collaboration with Danish authorities, i.e. The Danish Environmental Protection Agency, which uses F2 as a digital platform for a large number of subsidy schemes. The project at Investitionsbank Schleswig-Holstein is thus a good example of how standard software and solutions at Danish authorities can be exported and reused.

cBrain delivered climate software in Egypt

In 2022, cBrain delivered a solution to the Environmental Compliance Office (ECO), which is a division of the Federation of Egyptian Industries (FEI).

The F2 solution supports the issuance of loans to Egyptian companies in relation to energy efficiency.

The new F2 solution in Egypt was delivered within a short period of time, and was at the same time delivered as a cloud service.

The agreement thus supports cBrain's position and commitment as a supplier of climate software, including cBrain's ability to deliver solutions in a short time.

cBrain to supply climate software in Kenya

In 2022, cBrain provided a national digital platform to support extended producer responsibility and circular economy.

Circular economy, reduced plastic pollution and extended producer responsibility are important areas in the global climate agenda, and areas that more and more countries and the EU are working on.

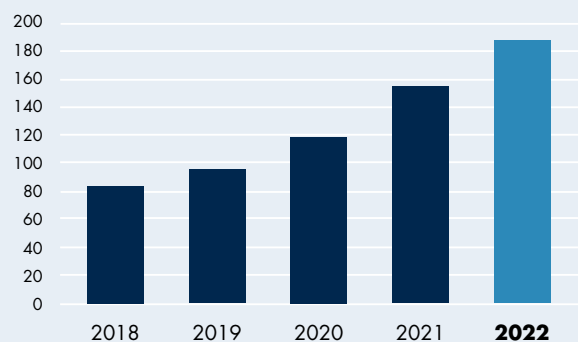
cBrain's digital solution supports the entire value chain, including registration of all actors, payment of material and waste taxes and payment of subsidies to the actors who ensure recycling. At the same time, the new digital platform that was completed in 5 months will be able to deliver national market figures for the circular economy, including volumes and recycling.

Selected Key Figures and Financial Ratios for the Group

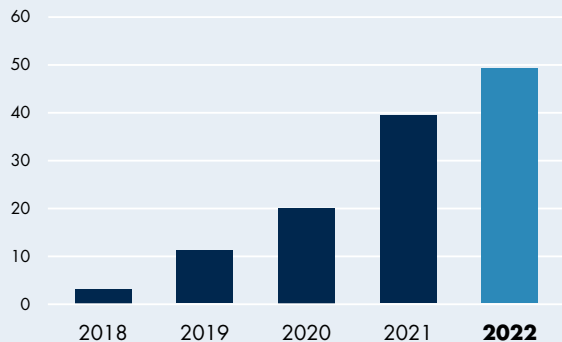
T.DKK	2022	2021	2020	2019	2018
INCOME STATEMENT					
Revenue	187.924	154.662	120.120	96.412	83.473
EBITDA	49.379	38.714	20.793	10.871	3.394
Depreciation	-18.853	-19.444	-16.360	-15.295	-11.317
Net financials	- 451	275	-696	- 71	-190
EBT	48.928	38.989	20.097	10.800	3.207
Comprehensive income	38.383	31.006	15.537	8.110	2.493
BALANCE SHEET					
Cash	2.225	72.181	50.792	31.160	25.542
Trade receivables	40.516	27.576	39.597	33.874	31.305
Total assets	322.693	215.851	155.100	121.026	104.578
Total equity	169.502	134.877	105.927	91.887	85.295

T.DKK	2022	2021	2020	2019	2018
CASH FLOWS FROM					
Operating activities	62.312	50.231	43.754	27.408	18.665
Investing activities	- 226.443	- 20.447	- 18.123	- 15.275	- 24.982
Financing activities	94.175	- 8.396	- 5.999	- 6.516	- 2.413
FINANCIAL RATIOS					
Revenue growth rate	22%	29%	25%	16%	4%
EBT margin	26%	25%	17%	11%	4%
Liquidity ratio	102%	303%	294%	371%	499%
PER SHARE RATIOS					
Book value per share	8,48	6,74	5,3	4,59	4,26
Earnings per share (EPS)	1,92	1,55	0,78	0,41	0,12

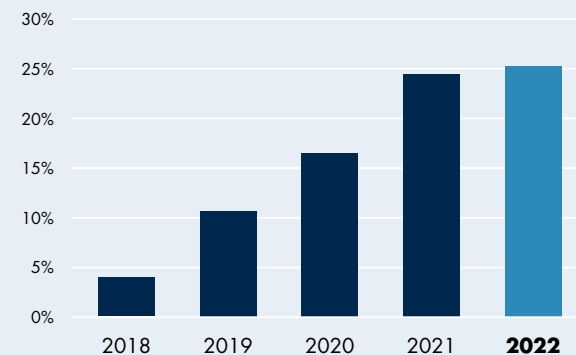
REVENUE
M.DKK



EARNINGS BEFORE TAX (EBT)
M.DKK



EBT MARGIN



Applied Climate Software for Governments

<p>F2</p>	<p>Energy Efficiency</p>	 <p>Home Energy Audit Denmark</p>	 <p>Energy Efficiency in Companies Egypt</p>	 <p>Inflation Cash Assistance Denmark</p>	 <p>Heat Pump Grant Denmark</p>
<p>Sustainable Land Use</p>	 <p>Climate Lowlands Denmark</p>	 <p>Sustainable Land Initiative USA</p>	 <p>Climate Forest Grants Denmark</p>	<p>Protection of Biodiversity</p>	 <p>Licensing of Trade Endangered Species (CITES) Denmark & Guyana</p>
 <p>EU Natura 2000 Protected Areas Denmark</p>	 <p>Urban Roof-top Gardening Denmark</p>	 <p>Wildlife Regulation Denmark</p>	<p>Circular Economy and Waste</p>	 <p>Extended Producer Responsibility Kenya</p>	 <p>International Waste Export and Import Denmark</p>
<p>Protection of Nature</p>	 <p>Dredging Denmark</p>	 <p>Lake and Stream Restoration Denmark</p>	 <p>Environmental Support in the Arctic Denmark</p>	<p>Genetic Resources</p>	 <p>License and Control of Genetically Modified Organisms Denmark</p>
 <p>Access Benefit Sharing Nagoya-convention Denmark</p>	<p>Clean water and air</p>	 <p>Drinking Water Protection Denmark</p>	 <p>Waste Water Control Denmark</p>	 <p>Home Woodstove Removal Denmark</p>	

cBrain Denmark

Kalkbrænderiløbskaj 2
2100 København Ø
Denmark

+ 45 7216 1811
info@cbrain.com

Nasdaq symbol: CBRAIN

www.cbrain.com

