

COMPANY ANNOUNCEMENT NO. 03/2026

cBrain delivers a solid EBT margin of 22% and increases dividends by 56%

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cBrain is paving the way for a new type of enterprise software, built for government

cBrain[®] (NASDAQ: CBRAIN) cBrain is at a strategic crossroads. Now taking the next step in its long-term journey toward leadership in the large and emerging global market for standard Commercial-Off-The-Shelf (COTS) software for government, cBrain has announced the next growth plan, covering 2026-2028.

In spite of 2025 results, the overall market opportunity and the company ambitions remain unchanged. The 2026-2028 plan focuses on accelerating sustainable growth through scalable sales of standard software, combining a segment-focused go-to-market approach with a partner-led delivery and scaling model.

Market analysts estimate the global government software market to exceed USD 50b. This market will undergo a significant structural shift, as governments move away from complex, custom-built IT solutions toward standardized platforms and (COTS) standard software.

With the F2 Digital platform, cBrain is paving the way for a new generation of integrated enterprise software, purpose-built for government operations. cBrain believes that integrated standard software for government - easy to configure and designed to support digital transformation at scale - will outperform and replace custom-built solutions and standard products tailored to specific functional areas.

A key milestone for cBrain in 2025 was the completion of full AI enablement. AI is now embedded as a native, production-ready capability across the F2 Digital platform, seamlessly integrated into core workflows and case processes.

This positions F2 as a fully AI-enabled COTS platform for government - driving higher productivity, enhanced decision support, and scalable automation, while preserving standardization, transparency, and regulatory compliance. The completed AI enablement reinforces cBrain's long-term competitive advantage and supports the scalability and margin potential of the 2026-2028 growth plan

2025 results

In 2025, revenue decreased by 6%, from DKK 268m to DKK 251m, in line with our December 22, 2025, expectation of approximately DKK 250m. The decrease from prior year reflects the volatility associated with cBrain's strategic focus during the 2023-2025 period on building business with large government customers. Characterized by long sales cycles and limited short-term predictability, this focus impacted license revenue in 2025 as several forecasted customer projects were delayed.

While volatility related to large customers affected overall growth, the underlying business based on long-term software subscriptions delivered solid growth of approximately 18%. In 2025, software subscriptions accounted for 66% of total revenue, providing cBrain with a solid financial foundation and strategic flexibility.

cBrain maintains solid earnings, with earnings before tax (EBT) of DKK 56m, corresponding to an EBT margin of 22%. This is above our December 22, 2025, expectation of approximately DKK 45m, corresponding to 18%. The stronger-than-expected EBT is driving by a combination of accounting-related effects across several items.

The results show a continued strong positive cash flow from operating activities. This enables an increase in dividends and investments in the growth of the company.

Consequently, the Board of Directors proposes a 56% increase in the dividend to DKK 1,00 per share in 2025, up from DKK 0,64 per share in 2024. This corresponds to a total dividend payment of DKK 20m, compared to DKK 13m in 2024.

2025 evolved into a year focused on piloting and preparing for growth

At the beginning of 2025, cBrain allocated investments to support international market development in the USA and Germany. These investments were, however, not fully realized. Instead, 2025 evolved into a year focused on piloting and preparing for a broader go-to-market approach.

Investments were made in two pilot initiatives targeting selected market segments - paperless ministries and environmental permitting - and in piloting collaboration with selected partners as preparation for a partner-led strategy.

This included investments into further developing the F2 ServiceBuilder. The F2 ServiceBuilder is a key enabler for establishing a partner channel. It supports customers in rapid workflow automation while ensuring full data and process sovereignty. In addition, it opens new revenue opportunities across the existing customer base.

While developing the F2 ServiceBuilder, cBrain has also invested in AI technology and, in the near term, expects to announce embedded AI capabilities. This will further strengthen and differentiate the F2 ServiceBuilder offering by providing sovereignty and flexibility, enabling customers to fully control and maintain both their own processes and AI prompts without reliance on external providers.

In parallel, cBrain delivered a number of significant customer projects that further consolidated its market position. This included the delivery of a new national Danish hunting license system serving approximately 200.000 users, as well as going live with more than 4.500 users at Deutsche Rentenversicherung in Germany. In the autumn cBrain signed a contract with Aarhus Municipality, the second largest Danish city, initially supporting 5.000 users with an option to grow to 20.000 users. Also, in 2025 cBrain delivered a complete digital grant management solution supporting Denmark's largest-ever reforestation grant program.

cBrain has announced its strategy plan for 2026–2028

With the completion of the 2023–2025 plan, cBrain now takes the next step in its long-term journey toward leadership in the large and emerging global market for standard (COTS) software for government.

The 2026–2028 plan focuses on accelerating sustainable growth through scalable sales of standard software, driven by selected market segments and a partner-led go-to-market model.

The global market opportunity

Market analysts estimate the global government software market to exceed USD 50 billion, driven by continued digitalization at national, regional, and local government levels.

At the same time, the market is expected to undergo a significant structural shift toward standardized platforms and commercially available standard software. This shift toward standard (COTS) software for government represents one of the largest untapped market opportunities of our time.

cBrain intends to capitalize on this opportunity. Over more than 20 years and 600.000 hours, cBrain has invested in building the integrated F2 platform, which is uniquely positioned to serve this emerging market. F2 has been proven with government customers worldwide and building on strong customer references in Denmark and internationally, cBrain aims to take a global leadership position in this new market.

Scaling through standard (COTS) software sales

During the previous growth cycle, 2023–2025, cBrain's primary growth driver was building business with large customers, typically focused on configuring individual solutions. This approach was essential to drive product and technology development, but it is also characterized by long sales cycles and limited predictability, which impacted license revenue in 2025 as forecasted projects were delayed.

Building on early successes and investments made during 2025, including partner collaboration and the piloting of a segment-driven go-to-market approach, cBrain is well prepared to enter the next growth cycle and invest in market and sales development.

The sales strategy is centered around four key objectives:

- **Winning selected global market segments**, initially focused on paperless ministries and environmental permitting. Additional segments will be added over time; for example, the contract with Aarhus Municipality – Denmark's second largest municipality – is expected to open a new market segment by positioning F2 as a standard software platform for local government.
- **Accelerating the F2-for-Partners strategy**. Over the past two years, cBrain has invested significantly in the F2 ServiceBuilder, which now enables scalable partner-led delivery and global reach without proportional growth in internal capacity.
- **Expanding business across the existing customer base**, driven by AI-enabled process automation and sovereignty. Governments are under increasing pressure to improve efficiency and reduce costs, creating a significant opportunity to support customers through the F2

ServiceBuilder. This is further accelerated by embedded AI capabilities and growing demand for sovereignty.

- **Establishing a dedicated large-customer unit** to continue and further develop work with large strategic customers, building on the pipeline established in recent years and supporting continued product and technology innovation.

Short-term financial outlook

With the 2026–2028 plan, cBrain has initiated market investments and organizational development to support the sales strategy.

While investments and organizational changes are expected to impact the business in the short term, cBrain expects to see initial positive effects from these investments made during 2025. Consequently, cBrain forecasts revenue of DKK 275–290m in 2026, corresponding to organic revenue growth of 10–15%, with an EBT margin of 20–25%.

The 2026 forecast is based on revenue growth driven by expansion within selected market segments, working directly and with partners, as well as increased sales to existing customers.

The shift toward partner-led sales is expected to accelerate throughout the 2026–2028 period as partner training and support structures are further developed.

In parallel, cBrain continues to develop its pipeline of potential large customers. While this represents a significant revenue upside, it is characterized by long sales cycles and limited predictability, as demonstrated by revenue growth of 27% from 2022 to 2023 and a revenue decline of 6% from 2024 to 2025.

Due to this volatility, only limited revenue from new large customer contracts has been included in the short-term financial forecast. Larger contract wins therefore represent upside potential for the 2026 revenue outlook and beyond.

From custom-built systems to a new category of enterprise software for government

While many vendors have focused on developing standard products tailored to specific functional areas, cBrain is pioneering a new category of fully integrated enterprise platforms purpose-built for government.

Similar to the shift decades ago when integrated Enterprise Resource Planning (ERP) systems replaced fragmented financial point solutions, cBrain is paving the way for a new generation of integrated enterprise software for government operations. cBrain believes that integrated standard software for government - easy to configure and designed to support digital transformation at scale - will outperform and replace both custom-built solutions and standard products tailored to individual functional areas.

Government organizations today face substantial transition costs as they modernize operations project by project using traditional custom-built solutions and isolated point systems.

As an alternative, the F2 platform represents a new category of enterprise software purpose-built for government. F2 is a fully digital platform that enables governments to digitize and configure multiple functional areas in parallel - without modifying the standard software - using the no-code F2 ServiceBuilder and the open source Process Library.

The integrated F2 platform delivers out of the box a new type of fully integrated standard (COTS) software for government, covering all core operational needs: services supporting case management and workflows, self-services for citizens and companies, base registries, and mass-operation functionality enabling high-scale processing across large case volumes, communications, and financial operations.

Proven and deployed by government organizations worldwide

cBrain enters the next growth cycle based on a strong customer reference position. Today, the Danish ministries and more than 75 Danish government organizations use F2 as their digital platform.

Internationally, F2 has been successfully deployed by government organizations across five continents, including the Emirates, Germany, Ghana, Guyana, Kenya, Romania, Thailand, the UK, and the USA.

This demonstrates that governments around the world operate according to the same fundamental principles of bureaucracy and that digital government best practices can be successfully reused and adapted internationally.

With the 2026–2028 plan, building on a unique product foundation and a strong customer reference base, cBrain has now taken the next step in a long-term journey toward leadership in the fast-emerging global market for standard (COTS) software for government.

Best regards

Per Tejs Knudsen, CEO

Inquiries regarding this Company Announcement may be directed to

Lars Møller Christiansen, CFO & Head of Investor Relations, cBrain A/S, ir@cbrain.com, +45 24429300