COMPANY ANNOUNCEMENT NO. 01/2026

cBrain announces next phase growth plan and short-term financial targets for 2026

Copenhagen, January 19, 2026

cBrain® (NASDAQ: 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 (COTS) software for government.

We have finalized our three-year plan ending in 2025, and both our customers and markets are evolving in ways that support our global ambitions. Building on a strong product and customer foundation, cBrain is therefore excited to announce the next cycle of its long-term growth plan, covering the period 2026–2028.

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.

The overall market opportunity and ambitions remain unchanged

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

We expect this market to undergo a significant structural shift, as governments move away from complex, custom-built IT solutions toward standardized platforms and commercially available standard software. The market shift towards Commercially-Off-The-Shelf (COTS) standard software for government thereby represents one of the largest untapped opportunities of our time.

cBrain intends to capitalize on this opportunity.

cBrain has invested more than 15 years and 500,000 hours in building the integrated cBrain F2® platform, and F2 is uniquely positioned to serve the new emerging market of standard COTS software for government.

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 the new emerging market.

Ready to enter the next growth cycle

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 has been essential to drive product development, but it is also characterized by long sales cycles and limited predictability, which impacted license revenue in 2025 as new forecasted customer projects were delayed.

At the beginning of 2025, cBrain allocated investments to support international market development in the USA and Germany. 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 in parallel 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.

Building on early successes achieved 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. During 2026-2028 cBrain will focus on market and sales development with the aim of scaling growth through standard software sales.

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, cBrain expects that the contract with Aarhus Municipality will 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 the work with large strategic customers. This builds on the pipeline of potential large customers, established over the recent years, and in parallel it supports the 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 expanded sales strategy. While these investments and organizational changes are likely to impact business in the short term, cBrain expects to see initial positive effects from the investments during 2026.

Consequently, cBrain forecast revenue of DKK 275–290 million, corresponding to organically revenue growth of 10-15% in 2026, with an EBT margin (earnings before tax) of 15–20%.

The 2026 forecast is based on revenue growth driven by expansion within selected market segments, working with partners, and by increased sales to existing customers. The shift toward partner-led sales is expected to accelerate throughout the 2026-2028 plan period as partner training and support structures are 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. This has been demonstrated by revenue growth of 27% from 2022 to 2023, and a revenue decline of approximately 6% from 2024 to 2025.

Due to the limited predictability and volatility, only minor revenue from new large customer contracts have been included in the short-term financial forecast, and such larger wins therefore represent upside to the 2026 revenue outlook and beyond.

While large customer contracts have shown short-term volatility, cBrain's underlying business demonstrates solid and sustainable growth based on long-term software subscriptions.

Software subscription revenue has shown steady growth over recent years, with an average yearly growth rate of approximately 20% from 2022 to 2025.

In 2025, long-term software subscriptions represent approximately two-thirds of total revenue. This provides cBrain with a sustainable and resilient business foundation, based on a strong positive cash flow.

The long-term market opportunity

Market analysts estimate the global government software market to exceed 50 billion USD billion. While the market is growing, driven by continued digitalization at national, regional and local government levels, it is also undergoing a significant structural shift, as governments move away from complex, custom-built IT solutions toward standardized platforms and commercially available standard software.

Standard, commercially available software products (COTS) built for government represents one of the largest untapped opportunities of our time, as governments around the world are replacing fragmented, custom-built IT systems with modern, standard platforms that improve efficiency, transparency, compliance, and scalability.

cBrain is addressing this market opportunity with the ambition of achieving long-term high revenue growth while maintaining solid earnings. The 2026–2028 plan is designed to accelerate growth through repeatable and scalable sales of standard software, while paving the way for a new category of enterprise software purpose-built for government.

cBrain is paving the way for a new type of enterprise software, purpose-built 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 platforms purpose-built for government.

Similar to the shift decades ago when integrated ERP systems replaced fragmented financial point solutions, 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.

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.

Divided into four main areas of functionality, the F2 standard (COTS) software offers out-of-the-box all functionality which is needed to support government operations:

- Services, supporting case management and workflows
- Self-services for citizens and companies
- Registries enabling any type of government registries
- Mass operation functionality which enables high scale operations on multiple cases from communications with large citizen groups to financial operations.

Proven and deployed by government organizations across the world

Today the Danish ministries and more than 75 Danish government organizations use F2 as their digital platform.

Internationally, the Danish F2 platform has successfully been deployed by government organizations in 5 continents, including the Emirates, Germany, Ghana, Guyana, Kenya, Romania, Thailand, UK, and USA. This demonstrates that governments around the world operate according to the same fundamental principles of bureaucracy, and it proves that digital government best practices can be successfully reused and adapted internationally.

During 2023-2025, cBrain has developed and proven the F2 platform across multiple types of government customers and solution areas, deployed for large-scale IT modernization projects across the world:

- The **Danish EPA** has digitized more than 150 mission-critical processes end-to-end, from grants management to permitting to inspections, all stored and maintained at the F2 open source Process library

- During the spring 2025, **Deutsche Rentenversicherung** went live on the F2 platform with more than 4.500 new users, supporting auditing and compliance

- In 2025, cBrain delivered a new national **Danish hunting license system**, supporting hunters license management end-to-end, from self-service to case processing and filing. Fully automated, this system is now supporting approximately 200.000 hunters, based on mobile and self-services, from applications and license renewal to courses, payments, and game reporting

- The **Danish tax** uses F2 as the digital platform tax for managing dividend returns. With a high volume of transactions, the system pays out several billions DKK of dividends, based on self-service applications and automated case processing

- The **Ministry of Finance in the UAE** uses the F2 platform within multiple instances. cBrain has delivered an integrated solution for OECD reporting, supporting more than 350 users

across 25 entities, with English and Arabic language self-service. In 2025 cBrain delivered an AI based solution for the ministry, to support the new Peppol electronic invoicing standards

- In the autumn 2025, cBrain signed a contract with **Aarhus Municipality** to adapt the F2 platform for local government. Initially the municipality plans to deploy F2 to 5.000 users, with a potential of up to 20.000 users as more institutions are enrolled on the platform.

Best regards

Per Tejs Knudsen, CEO

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