

COMPANY ANNOUNCEMENT No. 10/2025

Building on strong results – preparing for the next growth cycle

Copenhagen, November 5, 2025

cBrain® (NASDAQ: CBRAIN) maintains the execution of its fundamental growth strategy, which is built on four pillars:

1. Developing individual large customers
2. Taking positions in selected niches
3. Building subscriptions
4. Developing a partner channel

Large Customers

In Q3, cBrain secured its largest individual agreement in Denmark by signing a contract with Aarhus Municipality. Aarhus is Denmark's second-largest city, and once fully implemented, the city is expected to have 20,000 users on the F2 platform.

Additionally, cBrain signed an agreement with Kompetencesekretariatet to deliver a national F2-based grant management system for the Danish Secretariat for Competence Development.

Within just four months, cBrain delivered a grant management system for Denmark's largest-ever reforestation grant program. The program marks the beginning of a DKK 20 billion investment to plant 230,000 hectares of new forest - an essential part of Denmark's strategy to achieve its climate goals.

Niches

Earlier this year, cBrain announced its intention to develop positions within two global market niches: **environmental permitting** and **paperless ministries**.

In **environmental permitting**, cBrain is initially focusing on the US market, using this niche as an entry point. The company is investing significant resources into this area but recognizes that entering the US market is both a major opportunity and a long-term challenge.

In the **paperless ministry** niche, cBrain is packaging its F2 product specifically for this segment and has started building a pipeline. In parallel, the company is observing a much larger potential market than initially anticipated.

Having built a strong position in its home market, cBrain first delivered F2 as a digital platform for paperless ministries in Denmark. This offering has since expanded, and today F2 serves as an electronic case and document management platform for more than 75 Danish government entities.

As cBrain begins focusing on international ministries, we see a growing interest from a broader range of government organizations. Across Europe, many governments are struggling to implement electronic case and document management systems. For example, in Germany, the government appears to be extending its target for implementing e-Akte, the national standard for digital government document management.

This development presents a new opportunity for cBrain, which is now positioning F2 to serve the broader government case and document management market. We thereby see that paperless ministries become a door opener to a much larger market.

Subscriptions

In its half-year results, cBrain reported that subscription revenue grew by 24% and now represents 61% of total revenue. This growth is driven by long-term contracts with more than 100 government customers, underscoring the sustainability and resilience of cBrain's business model.

Growth Perspectives

All market indicators suggest that cBrain is addressing a vast global market by delivering standard software—often referred to as *Commercial Off-The-Shelf* (COTS) solutions - for government use.

Based on the continued development of its existing business, cBrain expects an underlying long-term growth rate of 10–15%. The company aims to elevate this through success with large customers, niche positions, and partnerships.

cBrain anticipates that individual large customer agreements can create growth peaks, as seen in 2023. Building strong positions in selected market niches can accelerate sales through shorter sales cycles and faster delivery, due to minimal configuration and implementation needs.

Such peaks related to larger customers are exemplified by fluctuations in cBrain's revenue. In 2022, cBrain grew by 22%, and in 2023, growth increased to 27% - driven by large one-time license sales to a major customer. As a result, as the German business has stabilized, the first half of 2025 showed a 5% decline in revenue, and even with 5–15% growth expected in the second half of 2025, the full year is projected to show total growth in the range of 0–5%. With the current size of cBrain, such peaks are likely to appear, but as cBrain grows and reaches next level revenue, fluctuations related to single large customer contracts will be less significant.

Finally, developing a partner network can further accelerate growth by providing access to a significantly broader customer base. cBrain is pleased to see continued progress with its Romanian partner, who is currently delivering a new pension system for Romania using F2 as an integrated case, process, and document platform, while also working on new potential customer contracts. In other countries - including Germany, the US, Kenya, and Ghana - cBrain is actively working to establish partnerships. However, the company remains patient, recognizing that building strong partnerships and developing a solid pipeline takes time.

Strategic Outlook

cBrain is finalizing the execution of its 2023–2025 growth plan. During this period, cBrain achieved total growth of approximately 50%, maintained earnings before tax (EBT) above 25%, and taken initial steps to build an international business, which now accounts for roughly one-third of total revenue.

cBrain is now preparing the next three-year growth plan for 2026–2028. This new plan will build on the strong results already achieved and aims to accelerate long-term growth as ongoing investments in market niches and partnerships begin to contribute more significantly to the business.

Product and Positioning

Rooted in Denmark, cBrain holds a unique international position. Denmark is widely recognized as one of the world's most advanced digital governments, and cBrain's F2 platform has been a key enabler of this transformation.

Across the world, governments are investing heavily in digital transformation and in Electronic Case and Document Management (ECDM) systems that digitize administrative workflows and records. While the goals are clear - improving efficiency, transparency, and compliance - many countries have discovered that implementation is far more complex than expected.

Denmark achieved a breakthrough with F2 by reversing the traditional logic: instead of starting with archiving and compliance, the Danish approach began with users and productivity. By focusing on how public employees actually work - and by automating compliance as a natural by-product - Denmark created a model where digital government drives both efficiency and quality.

The results are remarkable. In Denmark, a complete digital platform for a new ministry can be configured and ready to go live within just 3 weeks. Recently, the Danish ministerial model was replicated and adapted for the Kenyan Ministry of ICT in only 10 weeks. Today, the Danish cBrain F2® platform has been deployed by government organizations on five continents, including in the United Arab Emirates, Germany, Ghana, Guyana, Kenya, Romania, the United Kingdom, and the United States.

The speed of delivery and early international results demonstrate 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.

Leveraging a strong reference position

The new growth plan leverages the Danish success and the roots of F2 as the foundation for building the international business. Developing business in the government sector takes time, as entry barriers are high.

However, rather than focusing solely on consolidating existing markets in Denmark, cBrain has prioritized building strategic footholds - "bridgeheads" - around the world during 2023-2025. These international positions now provide a solid foundation for the next growth plan, which will operate across defined business lines focused on specific segments to drive growth and win new large customers. In parallel, the F2 electronic case and document management platform will serve as the foundation for building a strong international partner channel.

The F2 COTS for government blueprint

A core element of this strategy is continued product innovation. During Q2–Q3 2025, cBrain defined a blueprint for the F2 COTS for Government platform, which supports the full scope of digital government - from citizen portals and services to registers and records management. In the autumn, cBrain strengthened its focus on taking a leadership position within COTS for Government by establishing a new strategic product function dedicated to driving and developing the product blueprint.

A key strength of the F2 platform lies in its ability to adapt to customer needs without programming, using configuration tools such as the F2 ServiceBuilder, and in its open architecture that ensures full interoperability.

The F2 ServiceBuilder forms the foundation for supporting cBrain's partner in Romania, and in Q3 cBrain announced a project with the Danish Ministry of Digital Government (formerly the Ministry of ICT), enabling the ministry to support Collabora open-source document editing in parallel with existing systems. This project represents an important first step toward greater digital sovereignty in the Danish public sector.

The further development of the F2 COTS for Government platform, technology as well as the product blueprint, will be a key pillar of the next growth plan, as cBrain seeks to leverage its strong roots, its leading Danish reference position, and its proven ability to successfully reuse Danish experiences across the world.

Best regards

Per Tejs Knudsen, CEO

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