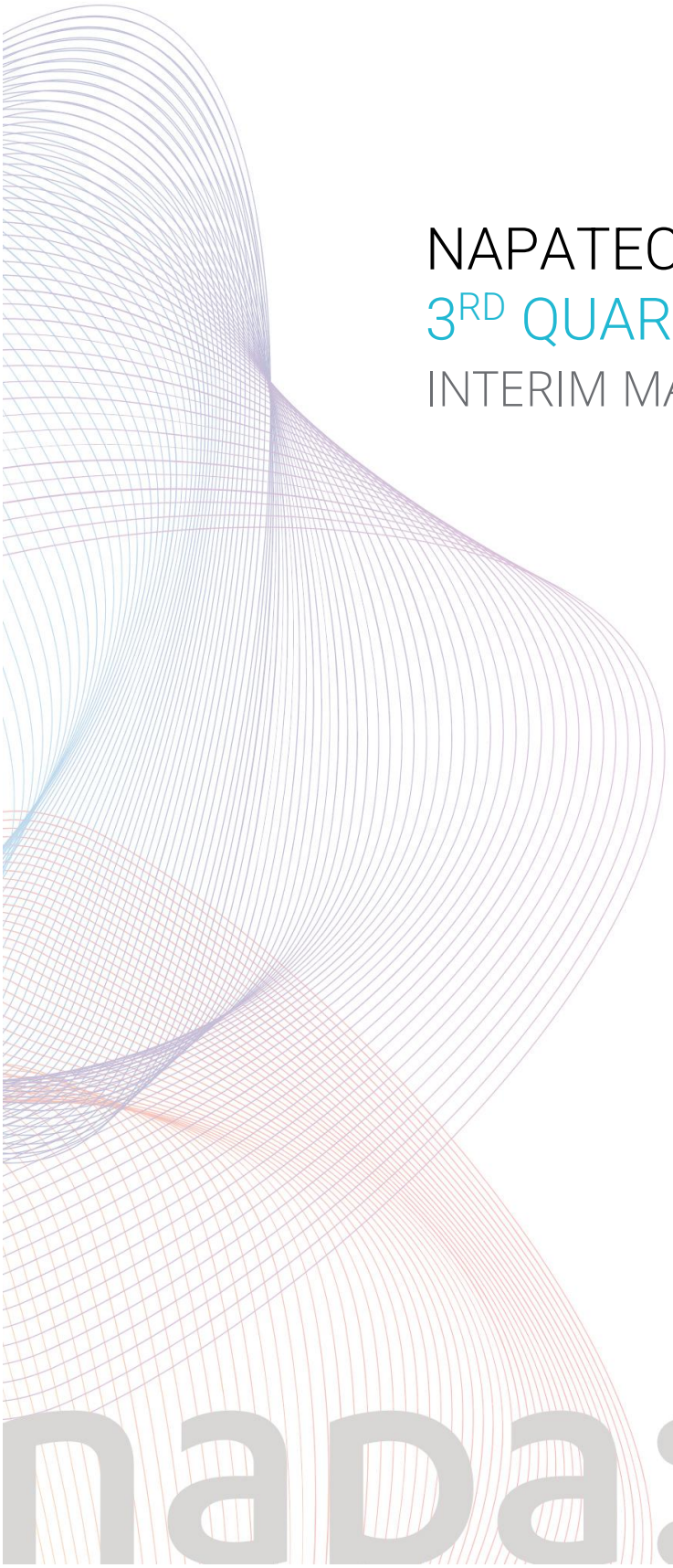
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RECONFIGURABLE COMPUTING

NAPATECH

3RD QUARTER 2026

INTERIM MANAGEMENT STATEMENT



MANAGEMENT'S REPORT

The third quarter of 2026 marked an important milestone in Napatech's transformation, with our first AI Infrastructure production shipments complementing continued Core Infrastructure growth. This represents tangible progress in translating our AI strategy into commercial results. We are experiencing momentum within AI Infrastructure engagements building a pipeline for the future.

Q3 revenue reached $10.3M (DKK 66.9M), up 64% in USD and 67% in DKK year-on-year. A growth of 39% quarter-over-quarter and the highest third quarter revenue in Napatech history. Nine-month revenue increased to $23.4M (DKK 151.6M), up 62% in USD and 59% in DKK. Year-to-date gross margin was 62.6%, compared with 69.3% in 2025, reflecting a growing contribution from AI Infrastructure. Q3 gross margin was 55.4%. This was due to a one-time temporary lag in repricing of the initial ramp order within AI Infrastructure. A revised pricing structure takes effect in Q4 improving our gross margin considerably, supporting our unchanged full-year revenue and gross-margin guidance.

Core Infrastructure remains our profitable foundation, generating $20.9M in the first nine-month revenue. We secured 13 design wins across enterprise, telecommunications and cybersecurity.

In AI Infrastructure, we commenced shipments against the previously announced 1,000-unit production order from our first customer in this segment, bringing year-to-date revenue to $2.6M. This marks a significant step in our commercialization journey.

As AI inference increasingly spans CPUs, GPUs and specialized accelerators, efficient data movement is becoming critical to system performance, utilization and infrastructure economics. Napatech's adaptive AI NICs combine programmable hardware and software to optimize networking, data movement and infrastructure offloads across heterogeneous AI systems.

Our AI opportunities continue to expand through customer engagements and technical qualifications. Converting these into design wins remains a priority. We are strengthening supply planning to support anticipated ramps. Despite volatile component lead times and pricing, we do not currently see supply availability as a constraint to our revenue outlook due to long-term planning. Further, we are adjusting customer pricing where appropriate.

Operating performance improved, with Q3 EBITDA close to break-even versus negative DKK 6.1M last year. Year-to-date EBITDA improved to negative DKK 24.8M from negative DKK 54.8M. Staff costs and other external costs totaled DKK 124.2M, compared with DKK 126.7M, reflecting continued cost discipline.

Free cash flow was negative DKK 16.9M in Q3 due to increased working capital and negative DKK 58.0M year-to-date, compared with negative DKK 52.3M in the first nine months of 2025. Net working capital reached DKK 116.1M, reflecting backloaded invoicing and higher inventories. Quarter-end cash was DKK 45.5M, with total available liquidity of DKK 67.1M, including undrawn committed facilities.

Our 2026 revenue guidance remains unchanged at DKK 200–240M, with gross margin guidance of 60–70%.

With a strong Core business and AI Infrastructure entering commercial production, Napatech is positioned for its next phase of growth. Our focus remains on scaling customer programs, converting opportunities into revenue, and delivering sustainable, profitable growth.

Thank you to our employees, customers, partners and shareholders for your continued support.

Best regards,



Kartik Srinivasan
Chief Executive Officer

Highlights YTD:

- Revenue YTD Q3 2026 in USD amounted to 23.4M, an increase of 62% compared to 2025. In DKK, revenue amounted to 151.6M, an increase of 59% compared to 2025.
- The gross margin YTD Q3 2026 was 62.6%, a decline of 6.7%-points compared to 2025.
- Staff costs and Other external costs YTD Q3 2026 amounted to DKK 124.2M compared to DKK 126.7M in 2025.
- EBITDAC[1] YTD Q3 2026 amounted to negative DKK 29.3M compared to negative DKK 60.5M in 2025.
- EBITDA YTD Q3 2026 amounted to negative DKK 24.8M compared to negative DKK 54.8M in 2025.
- Depreciation, amortization, and impairment YTD Q3 2026 were DKK 8.4M compared to DKK 17.3M in 2025.
- Net Cash flow from operating activities YTD Q3 2026 was negative DKK 52.2M compared to negative DKK 44.3M in 2025.
- Net working capital end of Q3 2026 amounted to DKK 116.1M compared to DKK 91.2M end of Q3 2025 and DKK 83.2M end of 2025.
- Net cash used in investing activities YTD Q3 2026 amounted to DKK 5.8M compared to DKK 8.0M YTD Q3 2025.
- Cash and cash equivalents at the end of Q3 2026 amounted to DKK 45.5M compared to DKK 117.7M at the end of Q3 2025.
- Cash available at the end of Q3 2026 amounted to DKK 67.1M compared to DKK 118.9M at the end of Q3 2025 .

Highlights Q3:

- Revenue in USD amounted to 10.3M in Q3 2026, an increase of 64% compared to Q3 2025. In DKK, revenue amounted to 66.9M, an increase of 67% compared to Q3 2025.
- The gross margin in Q3 2026 was 55%, compared to 70% in Q3 2025.
- Staff costs and Other external costs in Q3 2026 amounted to DKK 38.6M compared to DKK 35.1M in Q3 2025.
- EBITDAC in Q3 2026 amounted to negative DKK 1.5M compared to negative DKK 6.9M in Q3 2025.
- EBITDA in Q3 2026 amounted to negative DKK 0.0M compared to negative DKK 6.1M in Q3 2025.
- Depreciation, amortization, and impairment for Q3 2026 were DKK 2.5M compared to DKK 5.0M in Q3 2025.
- Net Cash flow from operating activities in Q3 2026 was negative DKK 15.3M compared to negative DKK 0.0M in Q3 2025.
- Net cash used in investing activities in Q3 2026 amounted to DKK 1.6M compared to DKK 1.7M in Q3 2025.

Key figures[2]:

	Q3 2026	Q3 2025	YTD 2026	YTD 2025
Revenue USD M	10.3	6.3	23.4	14.5
Growth YoY USD M	64%	25%	62%	26%
Revenue DKK M	66.9	40.1	151.6	95.6
Growth YoY DKK M	67%	18%	59%	21%
Gross Margin	55%	70%	63%	69%
EBITDAC DKK M	-1.5	-6.9	-29.3	-60.5
EBITDA DKK M	0.0	-6.1	-24.8	-54.8
Net Cash Flow from Operating Activities DKK M	-15.3	0.0	-52.2	-44.3
Net Working Capital, end of period DKK M	116.1	91.2	116.1	91.2
Cash and cash equivalents, end of period DKK M	45.5	117.7	45.5	117.7
Unused credit facilities, end of period DKK M	21.6	1.2	21.6	1.2
Cash available, end of period DKK M	67.1	118.9	67.1	118.9

This is Napatech

Napatech is a Danish tech company developing high-performance, programmable network interface cards and software for programmable NICs. The Napatech software suite ensures broad compatibility and seamless integration for our family of FPGA-based SmartNICs. With support for all major systems and a common API that easily integrates with custom-developed, open-source, or commercial applications, we enable significantly reduced time-to-market for new products. Additional information is available at www.napatech.com\investor.

[1] EBITDAC: Earnings before depreciation, amortization and impairment, and cost transferred to development projects.

[2] Definitions: Gross Margin is calculated as 'Gross Profit' / 'Revenue'; EBITDAC is calculated as 'Earnings Before Interest, Taxes, Depreciation and Amortization' before staff costs transferred to capitalized development costs; EBITDA is calculated as 'Earnings Before Interest, Taxes, Depreciation and Amortization'; Net working capital represents the value of inventories, trade receivables of other current operating assets less trade payables and other current operating liabilities. Cash and cash equivalents and income tax receivable or payable are not part of the net working capital; Cash flows from operating activities are profit or loss before tax added or deducted changes in the net working capital, added or deducted changes in provisions and added the yearly depreciation and amortization; Free cash flow is net cash flow from operating activities added or deducted investing activities.

Revenue and Gross Margin

Q3
Napatech reports revenue of DKK 66.9M in Q3 2026 compared to DKK 40.1M in the same period in 2025, equivalent to an increase of 67%. In USD, revenue grew 64% compared to Q3 2025.

The gross margin in Q3 2026 was 55% compared to 70% in Q3 2025.

YTD Q3
Napatech reports revenue of DKK 151.6M in the first three quarters of 2026 compared to DKK 95.6M in the same period in 2025, equivalent to an increase of 59%. In USD, revenue was up 62% compared to 2025.

The gross margin YTD Q3 2026 was 62.6% compared to 69.3% YTD Q3 2025.

Costs

Q3
Staff costs and Other external costs in Q3 2026 amounted to DKK 38.6M, compared to DKK 35.1M in Q3 2025.

Operating expenses after the transfer of staff costs to capitalized development costs in Q3 2026 amounted to DKK 37.1M, compared to DKK 34.4M in Q3 2025.

YTD Q3
Staff costs and Other external costs YTD Q3 2026 amounted to DKK 124.2M, compared to DKK 126.7M YTD Q3 2025.

Operating expenses after the transfer of staff costs to capitalized development costs YTD Q3 2026 amounted to DKK 119.7M, compared to DKK 121.0M YTD Q3 2025.

EBITDAC and EBITDA

Q3
Earnings before Interest, Tax, Depreciation, Amortization, and Capitalization of development cost (EBITDAC) amounted to negative DKK 1.5M in Q3 2026 compared to negative DKK 6.9M in Q3 2025.

EBITDA in Q3 2026 was negative DKK 0.0M compared to negative DKK 6.1M in Q3 2025.

YTD Q3
EBITDAC amounted to negative DKK 29.3M YTD Q3 2026 compared to negative DKK 60.5M YTD Q3 2025.

EBITDA YTD Q3 2026 was negative DKK 24.8M compared to negative DKK 54.8M YTD Q3 2025.

Depreciation, amortization, and impairment

Q3
Depreciation, amortization, and impairment in Q3 2026 were DKK 2.5M compared to DKK 5.0M in Q3 2025.

YTD Q3
Depreciation, amortization, and impairment YTD Q3 2026 were DKK 8.4M compared to DKK 17.3M YTD Q3 2025.

Financial Items

Q3
Financial items for Q3 2026 were positive DKK 0.1M compared to negative DKK 0.1M in Q3 2025.

YTD Q3
Financial items YTD Q3 2026 were negative DKK 0.1M compared to negative DKK 4.1M YTD Q3 2025.

Taxes

Q3
Taxes for Q3 2026 amounted to a cost of DKK 0.2M compared to an income of DKK 0.0M in Q3 2025.

YTD Q3
Taxes YTD Q3 2026 amounted to a cost of DKK 0.9M compared to a cost of DKK 0.1M YTD Q3 2025.

Investments

Q3
The total net cash used in investing activities in Q3 2026 was DKK 1.6M, of which DKK 1.4M was invested in new product development. In Q3 2025, the total net cash used in investing activities was DKK 1.7M, of which DKK 1.1M was invested in new product development.

YTD Q3
The total net cash used in investing activities YTD Q3 2026 was DKK 5.8M, of which DKK 4.7M was invested in new product development. YTD Q3 2025, the total net cash used in investing activities was DKK 8.0M, of which DKK 6.8M was invested in new product development.

Cash Flow

Q3
Net cash flow from operating activities in Q3 2026 was negative DKK 15.3M compared to negative DKK 0.0M in Q3 2025. Q3 2026 was impacted by a negative development in working capital primarily due to invoicing of sales being backloaded.

Free cash flow in the quarter amounted to negative DKK 16.9M compared to negative DKK 1.7M in Q3 2025.

Net cash from financing activities in Q3 2026 was negative DKK 0.7M, compared to a negative DKK 13.9M in Q3 2025.

YTD Q3
Net cash flow from operating activities YTD Q3 2026 was negative DKK 52.2M compared to negative DKK 44.3M YTD Q3 2025.

Free cash flow YTD Q3 2026 amounted to negative DKK 58.0M compared to negative DKK 52.3M YTD Q3 2025.

Net cash from financing activities YTD Q3 2026 was negative DKK 24.2M, compared to positive DKK 107.7M YTD Q3 2025.

Cash and cash equivalents end of Q3 2026 were DKK 45.5M compared to DKK 117.7M at the end of Q3 2025.

Outlook for 2026

2026 guidance remains unchanged:

Target in DKK million	Guidance
Revenue	200-240
Units sold	7,700-9,700
Gross margin	60-70%
Staff costs & Other external costs	170-180
Staff costs transferred to capitalized development costs	5-8

With performance in the middle of the guided ranges, EBITDA would be negative at around DKK 25M.

The Company is exposed to risks that might affect our ability to reach our goals, such as currency fluctuations, general market uncertainty, and material changes in our large OEMs' needs for Napatech's products.

Additionally, in 2025 and ongoing in 2026, we have seen increasing market uncertainty, particularly related to potential trade barriers, including tariff increases in the United States. With our products manufactured in the US and the majority of our customers also located in the US, the group is not significantly exposed. However, the lack of predictability and uncertainty surrounding tariff increases is a concern, and we will be monitoring the development closely. Further, we have seen an elevated risk driven by a supply-constrained, high-volatile environment across several key areas. This leads to extended and volatile lead times as well as increased prices for certain components.

Disclaimer:
This report may contain statements regarding the future in connection with Napatech's growth initiatives, profit figures, outlook, strategies, and objectives. All statements regarding the future are subject to inherent risks and uncertainties, and many factors can lead to actual profits and developments deviating substantially from what has been expressed or implied in such statements.

INCOME STATEMENT

For the period ended September 30, 2026

	3rd quarter		YTD Sep.	
DKK'000	2026	2025	2026	2025
Revenue	**66,906**	**40,133**	**151,581**	**95,553**
Cost of goods sold	(29,868)	(11,841)	(56,671)	(29,364)
Gross profit	**37,038**	**28,292**	**94,910**	**66,189**
Staff costs	(30,044)	(25,495)	(94,744)	(89,997)
Other external costs	(8,522)	(9,649)	(29,449)	(36,660)
EBITDAC	**(1,528)**	**(6,852)**	**(29,283)**	**(60,468)**
Transferred to capitalized development costs	1,494	755	4,499	5,681
EBITDA	**(34)**	**(6,097)**	**(24,784)**	**(54,787)**
Depreciation, amortization and impairment	(2,475)	(5,018)	(8,401)	(17,345)
Operating result (EBIT)	**(2,509)**	**(11,115)**	**(33,185)**	**(72,132)**
Finance income	282	439	707	648
Finance costs	(185)	(545)	(819)	(4,786)
Result before tax	**(2,412)**	**(11,221)**	**(33,297)**	**(76,270)**
Income tax	(169)	1	(890)	(93)
Result for the period	**(2,581)**	**(11,220)**	**(34,187)**	**(76,363)**

CASH FLOW STATEMENT

For the period ended September 30, 2026

	3rd quarter		YTD Sep.	
DKK'000	2026	2025	2026	2025
Operating activities				
Income/Loss before tax	(2,412)	(11,221)	(33,297)	(76,270)
Adjustments to reconcile profit before tax to net cash flows				
Finance income	(282)	(439)	(707)	(648)
Finance costs	185	545	819	4,786
Depreciation, amortisation and impairment	2,475	5,018	8,401	17,345
Share-based payment expense	2,140	1,675	6,868	6,490
Working capital adjustments				
Change in inventories	(4,402)	9,769	(28,321)	4,775
Change in trade and other receivables, contract assets and prepayments	(17,594)	(3,538)	(19,962)	(532)
Change in trade and other payables and contract liabilities	4,802	(2,416)	15,833	278
Interest received	155	439	580	648
Interest paid	(244)	(345)	(819)	(1,598)
Income tax received/paid, net	(162)	511	(1,610)	407
Net cash flows from operating activities	**(15,339)**	**(2)**	**(52,215)**	**(44,319)**
Investing activities				
Purchase of tangible assets	(138)	(579)	(1,023)	(1,134)
Investments in intangible assets	(1,421)	(1,139)	(4,739)	(6,810)
Investments in leasehold deposits	-	-	(49)	(56)
Net cash used in investing activities	**(1,559)**	**(1,718)**	**(5,811)**	**(8,000)**
Free cash flow	**(16,898)**	**(1,720)**	**(58,026)**	**(52,319)**
Financing activities				
Capital increase	1,184	282	1,924	130,525
Transaction costs on issue of shares	-	(80)	-	(4,954)
Increase (decrease) through treasury share transactions	(416)	-	(416)	-
Payment of financial lease liabilities	(799)	(800)	(2,403)	(2,387)
Repayment of borrowings	(681)	(13,255)	(23,315)	(15,440)
Net cash flows from financing activities	**(712)**	**(13,853)**	**(24,210)**	**107,744**
Net change in cash and cash equivalents	**(17,610)**	**(15,573)**	**(82,236)**	**55,425**
Net foreign exchange difference	450	(183)	277	(2,111)
Cash and cash equivalents at the beginning of the period	62,671	133,411	127,470	64,341
Cash and cash equivalents at the end of the period	**45,511**	**117,655**	**45,511**	**117,655**

BALANCE SHEET

ASSETS

DKK'000	30 Sep. 2026	31 Dec. 2025	30 Sep. 2025
Development projects, completed	13,347	6,910	9,650
Development projects, in progress	3,671	9,226	8,463
Patents	499	691	766
Intangible assets	**17,517**	**16,827**	**18,879**
Plant and equipment	1,867	3,401	3,988
Right-of-use assets	3,843	6,180	7,204
Leasehold improvements	948	404	445
Tangible assets	**6,658**	**9,985**	**11,637**
Leasehold deposits	1,685	1,636	1,643
Other non-current assets	**1,685**	**1,636**	**1,643**
Non-current assets	**25,860**	**28,448**	**32,159**
Inventories	84,999	56,678	65,101
Trade receivables	57,641	37,733	22,007
Contract assets	1,185	-	-
Prepayments	3,682	4,446	3,435
Other receivables	12,492	12,350	20,401
Income tax receivable	5,563	4,830	5,757
Cash and cash equivalents	45,511	127,470	117,655
Current assets	**211,073**	**243,507**	**234,356**
Total assets	**236,933**	**271,955**	**266,515**

EQUITY AND LIABILITIES

DKK'000	30 Sep. 2026	31 Dec. 2025	30 Sep. 2025
Share capital	27,733	27,535	27,526
Share premium	609,984	606,871	606,555
Treasury shares	(1,035)	(619)	(619)
Foreign currency translation reserve	(784)	(1,387)	(1,344)
Share-based payment reserve	22,994	25,120	24,945
Retained earnings	(479,409)	(452,827)	(449,839)
Equity	**179,483**	**204,693**	**207,224**
Interest-bearing loans and borrowings	3,143	4,678	5,459
Other non-current financial liabilities	4,172	4,652	4,624
Non-current lease liabilities	882	3,349	4,307
Non-current contract liabilities	2,058	1,344	2,243
Non-current liabilities	**10,255**	**14,023**	**16,633**
Interest-bearing loans and borrowings	2,074	23,374	21,921
Current lease liabilities	3,276	3,211	3,281
Trade payables	20,241	8,109	3,888
Other payables	17,276	12,712	10,279
Contract liabilities	4,328	5,833	3,289
Current liabilities	**47,195**	**53,239**	**42,658**
Total liabilities	**57,450**	**67,262**	**59,291**
Total equity and liabilities	**236,933**	**271,955**	**266,515**

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