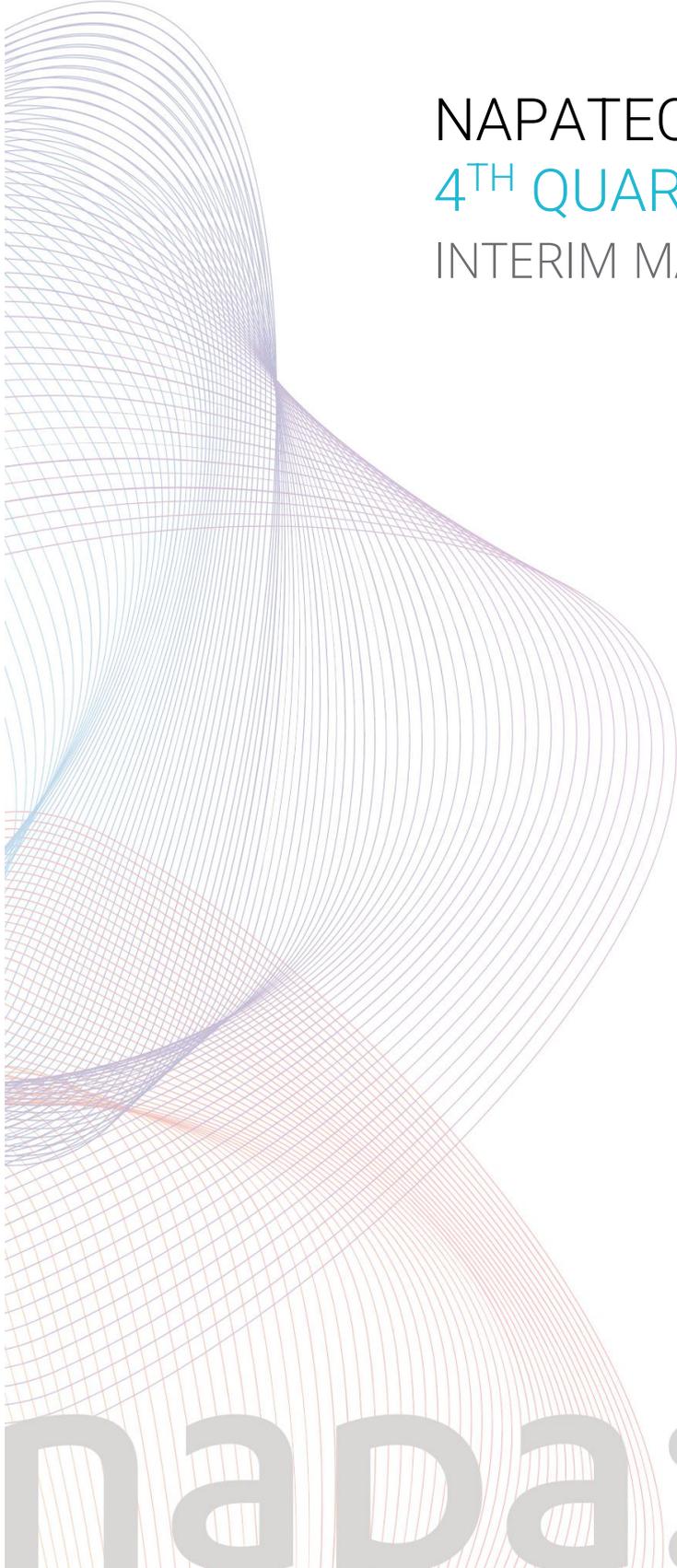


NAPATECH
4TH QUARTER 2025
INTERIM MANAGEMENT STATEMENT



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MANAGEMENT'S REPORT

Dear Readers,

2025 was a defining year for Napatech. We set out to transform the company into an indispensable acceleration platform for the AI data center era—and our results show that this strategy is working. We delivered strong financial improvement, expanded our technology leadership, deepened our ecosystem, and strengthened our foundation for scalable, long-term growth.

We closed the year with momentum behind strong financial execution, delivering Q4 revenue of \$7.9m, up 48% year-over-year and 26% sequentially. Full-year revenue reached \$22.4m, growing 33% over 2024. In 2025, gross margins remained robust at 69.5%, reflecting the strength of our product mix and disciplined execution.

We continued to improve operational efficiency:

- EBITDA improving DKK 13m year-over-year in Q4
- Positive free cash flow of DKK 10m in Q4
- Net working capital reduced from DKK 99m to DKK 83m
- Cash position strengthened to DKK 127m from DKK 64m

These results were achieved while successfully completing a NOK 200m capital raise, enabling us to support a rapidly expanding design-win pipeline.

2025 marked a major step forward in our product and technology leadership. We expanded our product portfolio and launched new SmartNICs and DPUs powered by Altera and Intel, including solutions specified by a tier-1 server OEM. Our collaboration with d-Matrix for AI network interface cards has positioned Napatech at the center of high-volume, next-generation AI inferencing architectures.

Across AI, storage, networking, cybersecurity, and fintech, our R&D team consistently delivered on time and to specification—meeting demanding requirements from our lead customers.

We have established scalable growth across multiple markets. Our traditional use cases remain strong, while industry megatrends in AI and data-centric computing are expanding our opportunity set. We added new customers in high-growth segments, including AI inferencing, FinTech, cybersecurity and others, validating the competitiveness of our solutions.

We also strengthened our ecosystem with partners such as Broadcom-Symantec, Eideticom, Myrtle.ai, Xelera, Kontron, Supermicro, A5G, Truminds, and others—extending our reach and enabling complete, market-defining solutions.

Design wins driving our future revenue and consequently we remained laser-focused on building and converting our design-win pipeline. In 2025, we secured 27 unique design wins, creating a durable foundation for multi-year revenue growth. New opportunities continue to emerge organically and through our partners, reinforcing the scalability of our model.

To support our next phase of growth, we strengthened our leadership and governance by adding seasoned industry veterans to our board of directors, executive team, and leadership ranks—bringing decades of proven success in scaling businesses like ours, focused on modern datacenters.

Looking ahead Napatech enters 2026 with confidence, momentum, and a clear path to sustained value creation. Our financial discipline, expanding customer base, deepening ecosystem, and accelerating design-win pipeline position us to lead in the AI data center era. We are executing with purpose, investing with conviction, and building a company designed to scale.

We are just getting started.

Thank you for your continued support and belief in our vision. The best is yet to come!

Best regards,



Kartik Srinivasan
Chief Executive Officer

Highlights Q4:

- Revenue in USD amounted to 7.9m in Q4 2025, an increase of 48% compared to Q4 2024. In DKK, revenue amounted to 51.1m, an increase of 36% compared to Q4 2024.
- The gross margin in Q4 2025 was 70%, an increase of 5%-points compared to Q4 2024.
- Staff costs and Other external costs in Q4 2025 amounted to DKK 40.4m compared to DKK 44.8m in Q4 2024.
- EBITDAC in Q4 2025 amounted to negative DKK 4.7m compared to negative DKK 20.1m in Q4 2024.
- EBITDA in Q4 2025 amounted to negative DKK 3.8m compared to negative DKK 17.0m in Q4 2024.
- Depreciation, amortization, and impairment for Q4 2025 were DKK 4.8m compared to DKK 6.8m in Q4 2024.
- Net Cash flow from operating activities in Q4 2025 was positive DKK 11.4m compared to negative DKK 32.9m in Q4 2024.
- Net cash used in investing activities in Q4 2025 amounted to DKK 1.3m compared to DKK 3.9m in Q4 2024.

Highlights Full-year 2025:

- Revenue in 2025 in USD amounted to 22.4m, an increase of 33% compared to 2024. In DKK, revenue amounted to 146.6m, an increase of 26% compared to 2024.
- The gross margin in 2025 was 69%, an increase of 1%-point compared to 2024.
- Staff costs and Other external costs in 2025 amounted to DKK 167.1m compared to DKK 171.8m in 2024.
- EBITDAC in 2025 amounted to negative DKK 65.2m compared to negative DKK 92.5m in 2024.
- EBITDA in 2025 amounted to negative DKK 58.6m compared to negative DKK 86.3m in 2024.
- Depreciation, amortization, and impairment in 2025 were DKK 22.1m compared to DKK 29.3m in 2024.
- Net Cash flow from operating activities in 2025 was negative DKK 32.9m compared to negative DKK 102.8m in 2024.
- Net working capital at the end of 2025 amounted to DKK 83.2m compared to DKK 98.6m at the end of 2024.
- Net cash used in investing activities in 2025 amounted to DKK 9.3m compared to DKK 11.1m in 2024.
- Cash and cash equivalents at the end of 2025 amounted to DKK 127.5m compared to DKK 64.3m at the end of 2024.
- Napatech issued its guidance for 2025 on February 26, 2025, and reiterated it on November 5, 2025. Revenue of USD 22.2 million in 2025 was within our latest expectations, whereas the revenue of DKK 146.6 million in 2025 was slightly below the latest guidance of DKK 150-190 million provided in November 2025 mainly due to foreign exchange and a few orders being postponed into 2026. The gross margin was 69% within the latest guidance of 69-71%. Staff costs & Other external costs amounted to DKK 167.1 million being below the latest guidance of DKK 170-180 million due to various cost saving initiatives implemented. This also impacted the staff costs transferred to development costs which amounted to DKK 6.6 million and ended below the latest guidance of DKK 8-12 million. EBITDA of DKK -58.6m ended within the derived guidance due to the lower Staff costs & Other external costs.

Key figures¹:

	Q4 2025	Q4 2024	YTD 2025	YTD 2024
Revenue USD m	7.9	5.4	22.4	16.8
Growth YoY USD m	48%	-36%	33%	-36%
Revenue DKK m	51.1	37.7	146.6	116.4
Growth YoY DKK m	36%	-35%	26%	-36%
Gross Margin	70%	65%	69%	68%
EBITDAC DKK m	-4.7	-20.1	-65.2	-92.5
EBITDA DKK m	-3.8	-17.0	-58.6	-86.3
Net Cash Flow from Operating Activities DKK m	11.3	-32.9	-33.0	-102.8
Net Working Capital, end of period DKK m	83.2	98.6	83.2	98.6
Cash and cash equivalents, end of period DKK m	127.5	64.3	127.5	64.3

¹ 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*Full-year 2025*

Napatech reports revenue of DKK 146.6m in 2025 compared to DKK 116.4m in 2024, equivalent to an increase of 26%. In USD, revenue was up 33% compared to 2024.

The gross margin in 2025 was 69% compared to 68% in 2024.

Q4

Napatech reports revenue of DKK 51.1m in Q4 2025 compared to DKK 37.7m in the same period in 2024, equivalent to an increase of 36%.

The gross margin in Q4 2025 was 70% compared to 65% in Q4 2024.

Costs*Full-year 2025*

Staff costs and Other external costs in 2025 amounted to DKK 167.1m, compared to DKK 171.8m in 2024. The lower level is mainly due to reduced costs of subcontractors and personnel during 2025 to balance costs to the revenue.

Operating expenses after the transfer of staff costs to capitalized development costs in 2025 amounted to DKK 160.5m, compared to DKK 165.6m in 2024.

Q4

Staff costs and Other external costs in Q4 2025 amounted to DKK 40.4m, compared to DKK 44.8m in Q4 2024.

Operating expenses after the transfer of staff costs to capitalized development costs in Q4 2025 amounted to DKK 39.5m, compared to DKK 41.6m in Q4 2024.

EBITDAC and EBITDA*Full-year 2025*

Earnings before Interest, Tax, Depreciation, Amortization, and Capitalization of development cost (EBITDAC) amounted to negative DKK 65.2m in 2025 compared to negative DKK 92.5m in 2024.

EBITDA in 2025 was negative DKK 58.6m compared to negative DKK 86.3m in 2024.

Q4

EBITDAC amounted to negative DKK 4.7m in Q4 2025 compared to negative DKK 20.1m in Q4 2024.

EBITDA in Q4 2025 was negative DKK 3.8m compared to negative DKK 17.0m in Q4 2024.

Depreciation, amortization, and impairment*Full-year 2025*

Depreciation, amortization, and impairment in 2025 were DKK 22.1m compared to DKK 29.3m in 2024.

Q4

Depreciation, amortization, and impairment in Q4 2025 were DKK 4.8m compared to DKK 6.8m in Q4 2024.

Financial Items*Full-year 2025*

Financial items in 2025 amounted to negative DKK 4.4m compared to negative DKK 1.5m in 2024.

Q4

Financial items in Q4 2025 amounted to negative DKK 0.2m compared to positive DKK 0.2m in Q4 2024.

Taxes*Full-year 2025*

Taxes in 2025 amounted to an income of DKK 4.5m compared to an income of DKK 5.8m in 2024.

Q4

Taxes for Q4 2025 amounted to an income of DKK 4.6m compared to an income of DKK 5.1m in Q4 2024.

Investments*Full-year 2025*

The total net cash used in investing activities in 2025 was DKK 9.3m, of which DKK 8.1m was related to new product development. In 2024, the total net cash used in investing activities was DKK 11.1m, of which DKK 6.7m was related to new product development.

Q4

The total net cash used in investing activities in Q4 2025 was DKK 1.3m, of which DKK 1.3m was related to new product development. In Q4 2024, the total net cash used in investing activities was DKK 3.9m, of which DKK 3.4m was related to new product development.

Cash Flow*Full-year 2025*

Net cash flow from operating activities in 2025 was negative DKK 32.9m compared to negative DKK 102.8m in 2024.

Free cash flow in 2025 amounted to negative DKK 42.2m compared to negative DKK 114.0m in 2024.

Net cash from financing activities in 2025 was positive DKK 107.7m compared to positive DKK 136.7m in 2024. Napatech did a capital raise in May 2025 raising DKK 130.7 million in gross proceeds from a private placement of 10,000,000 shares

Cash and cash equivalents at the end of 2025 were DKK 127.5m compared to DKK 64.3m at the end of 2024.

Q4

Net cash flow from operating activities in Q4 2025 was positive DKK 11.4m compared to negative DKK 32.9m in Q4 2024.

Free cash flow in Q4 2025 amounted to positive DKK 10.1m compared to negative DKK 36.9m in Q4 2024.

Net cash from financing activities in Q4 2025 was negative DKK 0.0m, compared to negative DKK 1.0m in Q4 2024.

Events after the end of the period

No material events have occurred after the end of the reporting period.

Outlook for 2026

Napatech's financial expectations for 2026 are as follows:

	Guidance
Units sold	8,700-10,700
Revenue	DKK 200 - 240m
Gross margin	60 - 70%
Staff expenses & Other external costs	DKK 170 - 180m
Staff costs transferred to capitalized development costs	DKK 5 - 8m

With performance in the middle of the guided ranges, EBITDA would be negative around DKK 25m, and units sold would be around 9,700 which is slightly lower than earlier communicated following a shift to high value products coming with a higher average selling price.

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 most of our customers also located in the US, we do not feel overly exposed. However, the lack of predictability and uncertainty surrounding tariff increases is a concern, and we will be monitoring the development closely.

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 December 31, 2025

DKK'000	4th quarter		YTD Dec.	
	2025	2024	2025	2024
Revenue	51,056	37,678	146,609	116,408
Cost of goods sold	(15,369)	(13,069)	(44,733)	(37,049)
Gross profit	35,687	24,609	101,876	79,359
Staff costs	(28,184)	(27,521)	(118,181)	(111,226)
Other external costs	(12,246)	(17,230)	(48,906)	(60,618)
EBITDAC	(4,743)	(20,142)	(65,211)	(92,485)
Transferred to capitalized development costs	928	3,153	6,609	6,232
EBITDA	(3,815)	(16,989)	(58,602)	(86,253)
Depreciation, amortization and impairment	(4,787)	(6,762)	(22,132)	(29,326)
Operating result (EBIT)	(8,602)	(23,751)	(80,734)	(115,579)
Finance income	421	1,184	1,069	2,315
Finance costs	(668)	(959)	(5,454)	(3,823)
Result before tax	(8,849)	(23,526)	(85,119)	(117,087)
Income tax	4,557	5,075	4,464	5,830
Result for the period	(4,292)	(18,451)	(80,655)	(111,257)

CASH FLOW STATEMENT

For the period ended December 31, 2025

DKK'000	4th quarter		YTD Dec.	
	2025	2024	2025	2024
Operating activities				
Income/Loss before tax	(8,849)	(23,526)	(85,119)	(117,087)
Adjustments to reconcile profit before tax to net cash flows				
Finance income	(421)	(1,184)	(1,069)	(2,315)
Finance costs	668	959	5,454	3,823
Depreciation, amortisation and impairment	4,787	6,762	22,132	29,326
Share-based payment expense	1,605	3,028	8,095	10,899
Working capital adjustments				
Change in inventories	8,423	(1,742)	13,198	(34,304)
Change in trade and other receivables and prepayments	(8,803)	(6,552)	(9,335)	9,829
Change in trade and other payables and contract liabilities	8,169	(15,764)	8,447	(6,866)
Interest received	421	486	1,069	1,617
Interest paid	(196)	(859)	(1,794)	(3,135)
Income tax received, net	5,572	5,452	5,979	5,372
Net cash flows from operating activities	11,376	(32,940)	(32,943)	(102,841)
Investing activities				
Purchase of tangible assets	(23)	(562)	(1,157)	(4,432)
Investments in intangible assets	(1,271)	(3,365)	(8,081)	(6,665)
Investments in leasehold deposits	7	-	(49)	(46)
Net cash used in investing activities	(1,287)	(3,927)	(9,287)	(11,143)
Free cash flow	10,089	(36,867)	(42,230)	(113,984)
Financing activities				
Capital increase	199	253	130,724	145,572
Payments regarding share options	-	(246)	-	(246)
Transaction costs on issue of shares	-	1	(4,954)	(5,382)
Increase (decrease) through treasury share transactions	-	-	-	1,491
Payment of financial lease liabilities	(812)	(575)	(3,199)	(3,561)
Repayment of borrowings	602	(438)	(14,838)	(1,175)
Net cash flows from financing activities	(11)	(1,005)	107,733	136,699
Net change in cash and cash equivalents	10,078	(37,872)	65,503	22,715
Net foreign exchange difference	(263)	(649)	(2,374)	(741)
Cash and cash equivalents at the beginning of the period	117,655	102,862	64,341	42,367
Cash and cash equivalents at the end of the period	127,470	64,341	127,470	64,341

BALANCE SHEET**ASSETS**

DKK'000	31 Dec. 2025	31 Dec. 2024
Development projects, completed	6,910	19,764
Development projects, in progress	9,226	4,269
Patents	691	1,042
Intangible assets	16,827	25,075
Plant and equipment	3,401	4,765
Right-of-use assets	6,180	9,200
Leasehold improvements	404	441
Tangible assets	9,985	14,406
Leasehold deposits	1,636	1,587
Other non-current assets	1,636	1,587
Non-current assets	28,448	41,068
Inventories	56,678	69,876
Trade receivables	37,733	19,381
Prepayments	4,446	5,153
Other receivables	12,350	23,762
Income tax receivable	4,830	6,345
Cash and cash equivalents	127,470	64,341
Current assets	243,507	188,858
Total assets	271,955	229,926

EQUITY AND LIABILITIES

DKK'000	31 Dec. 2025	31 Dec. 2024
Share capital	27,535	24,999
Share premium	606,871	483,062
Treasury shares	(619)	(619)
Foreign currency translation reserve	(1,387)	553
Share-based payment reserve	25,120	18,946
Retained earnings	(452,827)	(373,518)
Equity	204,693	153,423
Interest-bearing loans and borrowings	4,678	6,806
Other non-current financial liabilities	4,652	4,540
Non-current lease liabilities	3,349	6,406
Non-current contract liabilities	1,344	1,550
Non-current liabilities	14,023	19,302
Interest-bearing loans and borrowings	23,374	36,098
Current lease liabilities	3,211	3,124
Trade payables	8,109	5,789
Other payables	12,712	8,953
Contract liabilities	5,833	3,237
Current liabilities	53,239	57,201
Total liabilities	67,262	76,503
Total equity and liabilities	271,955	229,926

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