



# Interim Management Statement

## 4Q and FY-2025

Kartik Srinivasan, CEO  
Klaus H. Skovrup, CFO

February 26, 2026

# Q&A Session

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DK: +45 89 87 50 45

NO: +47 81 50 33 08

US: +1 646 787 9445

UK: +44 20 3936 2999

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# Agenda

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**Leadership  
Update**



**Market Opportunity &  
Target Segments**



**Differentiated  
Product Portfolio**



**Financial Updates &  
Outlook**

# Strengthening Napatech's Leadership with Deep Industry Expertise



Board Chairman – Lars Boilesen



CEO – Kartik Srinivasan



CFO – Klaus H. Skovrup



# BUSINESS STATUS AND OUTLOOK

# Q4 2025 and FY2025 Financial Highlights

	Q4 2025	Q4 2024	2025	2024	Q/Q	Y/Y
Revenue	\$7.9m	\$5.4m	\$22.4m	\$16.8m	48%	33%
Gross Margin	70%	65%	69%	68%	+5% points	+1% point
Staff & External Costs	DKK 40.4m	DKK 44.8m	DKK 167.1m	DKK 171.8m	-10%	-3%
Q4 EBITDA	DKK -3.8m	DKK -17.0m	DKK -58.6m	DKK -86.3m	DKK +13.2m	DKK +27.7m

Net Working Capital	Reduced from DKK 98.6m (2024) to DKK 83.2m (4Q-2025)
Net Cash Flow from operating activities	Improved to DKK 11.4m (4Q-2025) from DKK -32.9m (4Q-2024)
Cash and Equivalents	DKK 127m (4Q-2025) up from DKK 117m (3Q-2025)
Capital Raise	NOK 200m / DKK 130.7m private placement to support expanding design win pipeline

# Disciplined Execution Driving Scalable Growth

- **Technology Leadership**

  - Launched DPUs and SmartNICs for next wave of AI networking
  - Extended collaboration with Altera and Intel for programmable NICs
  - Developed complete solutions in high growth segments of AI, storage, cybersecurity
  - R&D delivering on-time and to specifications to NRE-SOW specifications for key accounts
  
- **Scalable Growth**

  - Core business strengthening across network packet monitoring, security, and storage
  - AI Infrastructure momentum building in inference networking
  - Expanded ecosystem of ISVs and OEMs extending go-to-market reach and demand generation
  - Solutions increasingly repeatable and scalable across customer segments
  
- **Design Win Focus**

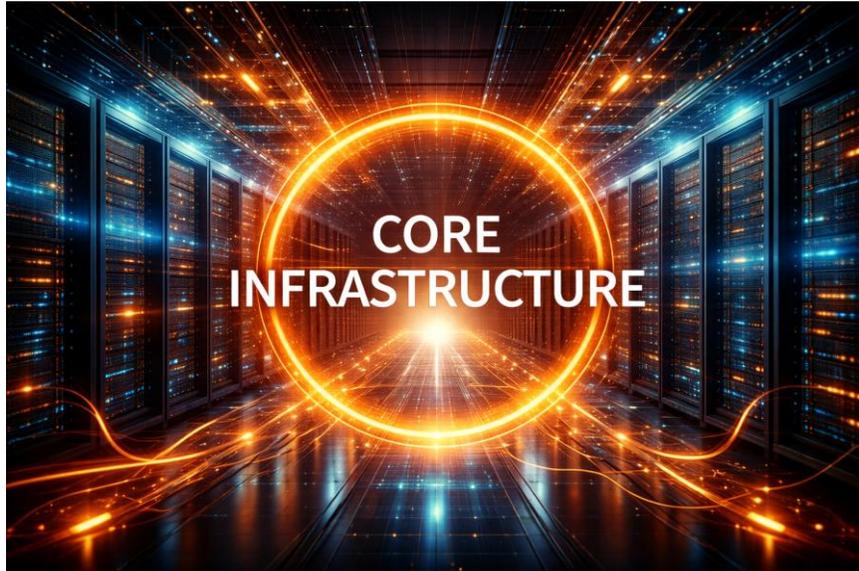
  - Continued pipeline building in opportunities of transformational scale
  - New customers, projects, applications and use-cases regularly emerging
  - Pipeline growth driven by both direct engagement and partner ecosystem
  - Secured 27 new design wins in 2025
  
- **Culture of Execution**

  - Strengthened leadership team aligned to segmented market strategy and solution focus
  - Operating discipline centered on revenue alignment, feature velocity, and scalable delivery

# MARKET UPDATE

Powering Critical Infrastructure for Performance & Efficiency

# Focused Market Strategy Across Core and AI Infrastructure



**Cybersecurity | Network Monitoring  
Capture and Replay | Deep Packet Inspection  
Telco Infrastructure | Financial Services**

**SAM (2026 – 2030)\*  
\$6.5b → \$10b @ 12% CAGR**



**Inference Pipeline Acceleration (MoE, RAG)  
Scale Up/Out Networking | Checkpoint Acceleration  
Storage Acceleration | Multi-Tenant Security**

**SAM (2026 – 2030)\*  
\$6b → \$20b @ 35% CAGR**

\* Source: Dell'Oro Group; Grand View Research; Light Reading; Mordor Intelligence; Napatech market modeling

# Structured Solutions Driving Scale and Strategic Growth



## Turnkey Solutions

Full-stack offerings  
Easier deployment  
Repeatable revenue  
Strong moat

## Frontier Solutions

Advanced performance-driven solutions  
Deep technical collaboration with customer  
Higher revenue & absolute margins  
Leveraging partner ecosystem

**Both Solutions will serve Core & AI Infrastructure Markets**  
**Idea is to transition cutting edge solutions from Frontier to Turnkey over time**

# PIPELINE SPOTLIGHTS

# AI Infrastructure: Networking for AI Inferencing



“Napatech’s Altera programmable NIC enables d-Matrix to deliver efficient **ultra-low latency** distributed inference across multiple servers.

Our customers get the benefit of deploying an industry-standard Ethernet-based scale-out solution while taking advantage of [d-Matrix’s] Corsair’s blazing fast inference speeds.”

Sree Ganesen, VP, d-Matrix

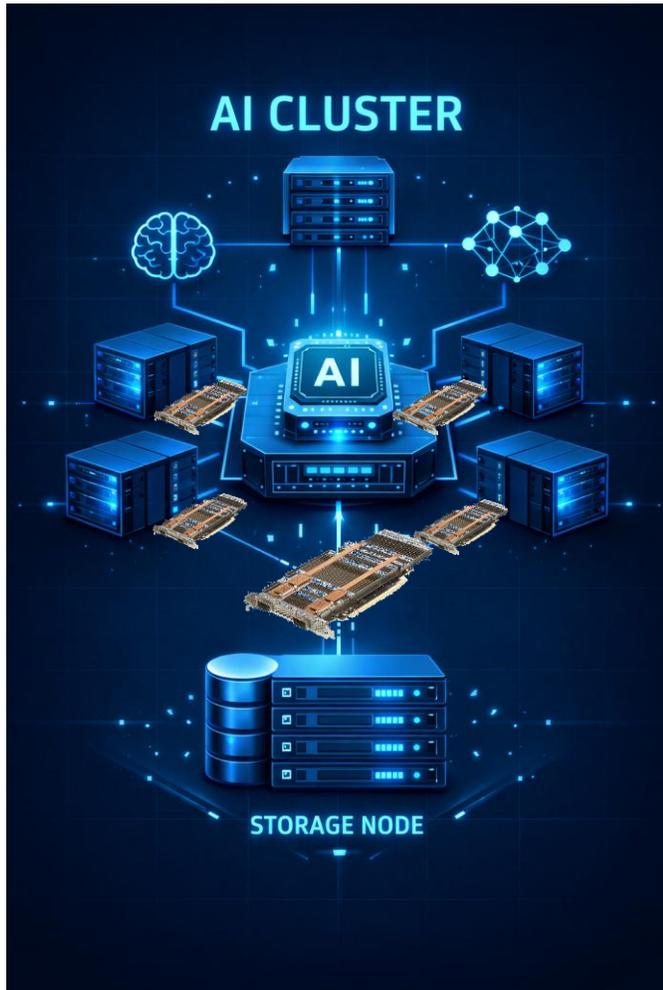


SOURCE: ALTERA INNOVATOR DAY

## Napatech Value Proposition

- **Ethernet based scale-out solution**
- **Line-rate performance under real-world load**
- **Flow-aware traffic steering and congestion control**
- **Hardware-accelerated traffic steering and flow control**
- **CPU offload and in-network processing**

# AI Infrastructure: Storage Acceleration



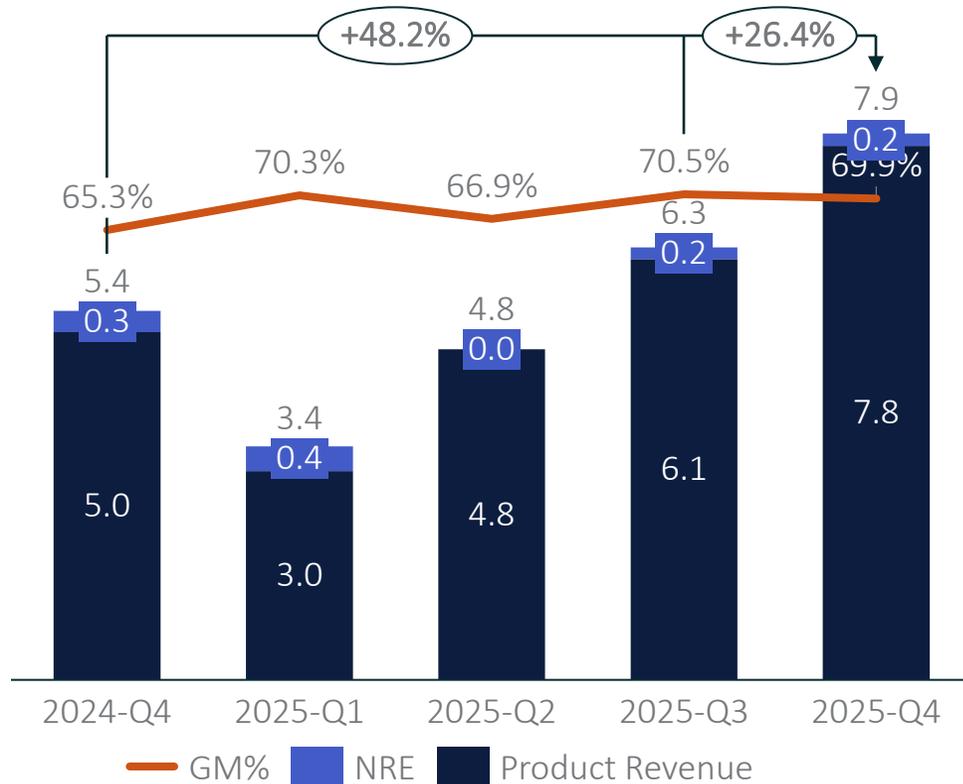
## Napatech Value Proposition

- Inline hardware-accelerated data reduction
- Deterministic low-latency data movement
- Flow-aware traffic steering and congestion control
- Offloaded security and data integrity processing
- CPU offload and in-network processing

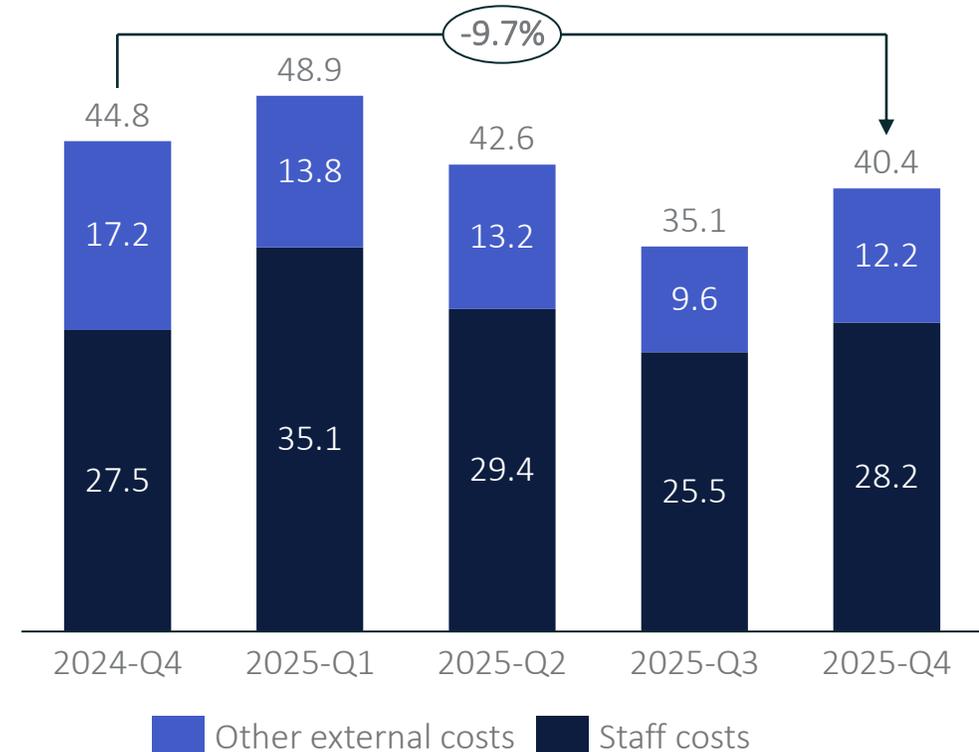
# Financial Review and Outlook

# Quarterly Revenue and OPEX development

Revenue mUSD & GM%



OPEX mDKK



# Consolidated Income Statement Q4 & FY 2025

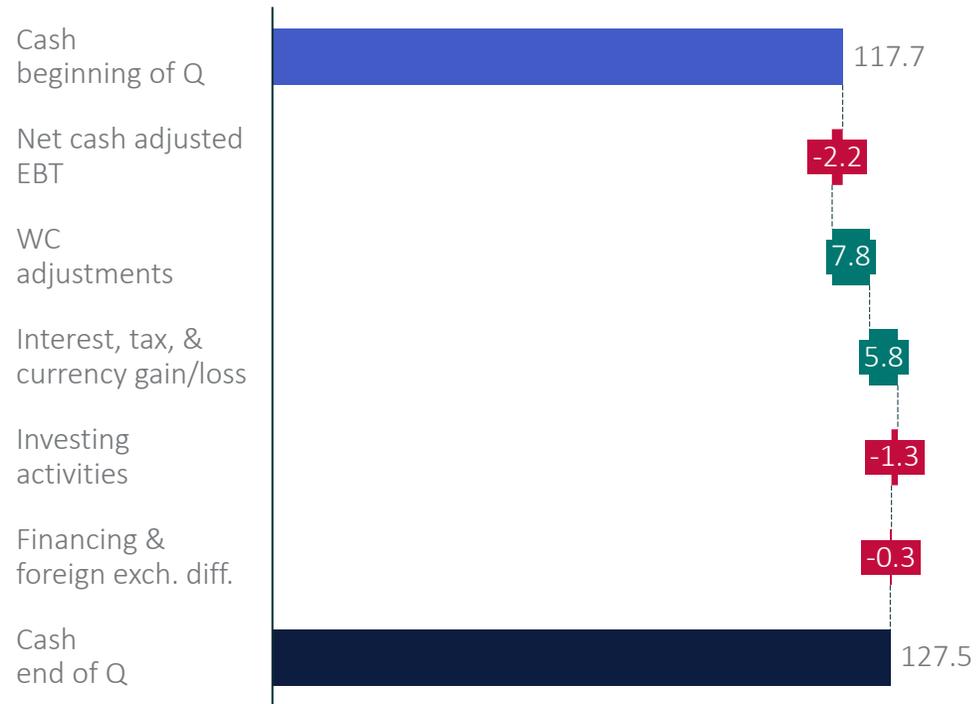
DKK'000	4th quarter		YTD Dec.		Q4	YTD
	2025	2024	2025	2024	Δ	Δ
<b>Revenue</b>	<b>51,056</b>	<b>37,678</b>	<b>146,609</b>	<b>116,408</b>	<b>36%</b>	<b>26%</b>
Cost of goods sold	(15,369)	(13,069)	(44,733)	(37,049)		
<b>Gross profit</b>	<b>35,687</b>	<b>24,609</b>	<b>101,876</b>	<b>79,359</b>	<b>45%</b>	<b>28%</b>
<b>GM%</b>	<b>69.9%</b>	<b>65.3%</b>	<b>69.5%</b>	<b>68.2%</b>		
Staff costs	(28,184)	(27,521)	(118,181)	(111,226)	<b>2%</b>	<b>6%</b>
Other external costs	(12,246)	(17,230)	(48,906)	(60,618)	<b>-29%</b>	<b>-19%</b>
<b>EBITDAC</b>	<b>(4,743)</b>	<b>(20,142)</b>	<b>(65,211)</b>	<b>(92,485)</b>	<b>-76%</b>	<b>-29%</b>
Transferred to capitalized development costs	928	3,153	6,609	6,232	<b>-71%</b>	<b>6%</b>
<b>EBITDA</b>	<b>(3,815)</b>	<b>(16,989)</b>	<b>(58,602)</b>	<b>(86,253)</b>		
Depreciation, amortization and impairment	(4,787)	(6,762)	(22,132)	(29,326)	<b>-29%</b>	<b>-25%</b>
<b>Operating result (EBIT)</b>	<b>(8,602)</b>	<b>(23,751)</b>	<b>(80,734)</b>	<b>(115,579)</b>		
Finance income	421	1,184	1,069	2,315	<b>0%</b>	<b>0%</b>
Finance costs	(668)	(959)	(5,454)	(3,823)	<b>-30%</b>	<b>43%</b>
<b>Result before tax</b>	<b>(8,849)</b>	<b>(23,526)</b>	<b>(85,119)</b>	<b>(117,087)</b>		
Income tax	4,557	5,075	4,464	5,830		
<b>Result for the period</b>	<b>(4,292)</b>	<b>(18,451)</b>	<b>(80,655)</b>	<b>(111,257)</b>	<b>-77%</b>	<b>-28%</b>

## Key Developments

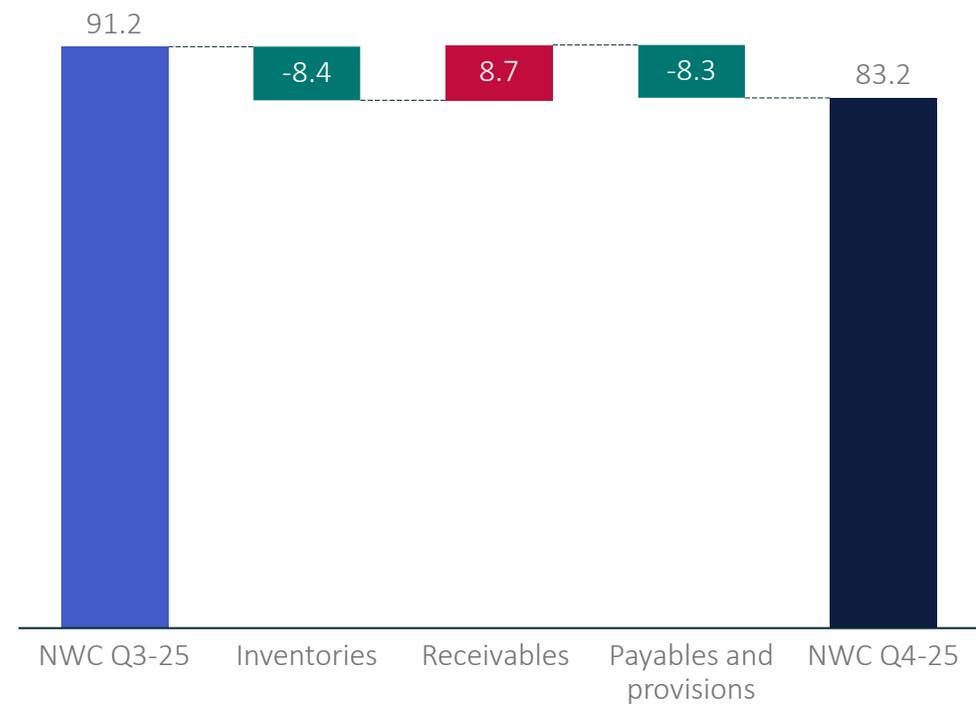
- Revenue in Q4 in USD was up 48% compared to Q4'24 (up 36% in DKK)
- Revenue in 2025 in USD up 33% compared to 2024 (up 26% in DKK)
- GM in Q4 of 69.9% was up + four basis points compared to Q4'24. GM in 2025 69.5% up 1.3 basis points compared to 2024
- Staff costs and Other external costs in Q4 were down 10% compared to Q4 2024
- Q4 EBITDA was negative of DKK 3.8m – up DKK 13.2m compared to Q4'24.

# Quarterly movements in cash and Net Working Capital

Cash & Cash equivalents, mDKK



Net Working Capital, mDKK



# Consolidated Cash Flow Statement Q4 & FY 2025

DKK'000	4th quarter		YTD Dec.	
	2025	2024	2025	2024
<b>Earnings before tax (EBT)</b>	<b>(8,849)</b>	<b>(23,526)</b>	<b>(85,119)</b>	<b>(117,087)</b>
Adjustments to reconcile profit before tax to net cash flows	6,639	9,565	34,612	41,733
Working capital adjustments	7,789	(24,058)	12,310	(31,341)
<b>Cash flows from operating activities</b>	<b>5,579</b>	<b>(38,019)</b>	<b>(38,197)</b>	<b>(106,695)</b>
Interest and tax	5,797	5,079	5,254	3,854
<b>Net cash flows from operating activities</b>	<b>11,376</b>	<b>(32,940)</b>	<b>(32,943)</b>	<b>(102,841)</b>
<b>Net cash used in investing activities</b>	<b>(1,287)</b>	<b>(3,927)</b>	<b>(9,287)</b>	<b>(11,143)</b>
<b>Free cash flow</b>	<b>10,089</b>	<b>(36,867)</b>	<b>(42,230)</b>	<b>(113,984)</b>
<b>Net cash flows used in financing activities</b>	<b>(11)</b>	<b>(1,005)</b>	<b>107,733</b>	<b>136,699</b>
<b>Net change in cash and cash equivalents</b>	<b>10,078</b>	<b>(37,872)</b>	<b>65,503</b>	<b>22,715</b>
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
<b>Cash and cash equivalents at the end of the period</b>	<b>127,470</b>	<b>64,341</b>	<b>127,470</b>	<b>64,341</b>

	2025	2024
<b>Net working capital</b>	<b>83,209</b>	<b>98,643</b>

## Key Developments

- Net Cash flow from operating activities in Q4 was positive DKK 11.4m – 2025 negative DKK 32.9m
- Net working capital end of 2025 DKK 83.2m
- Free cash flow in Q4 was positive DKK 10.1m – up DKK 47.0m compared to Q4'24.
- Cash and cash equivalents of DKK 127.5m end of 2025.

# Financial outlook for 2026

	Guidance
Untis 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

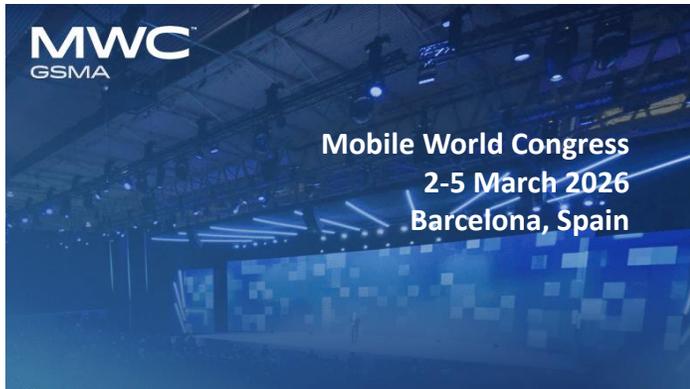
## Comments

- Napatech will continue the current momentum and first orders from AI infrastructure will come in H2
- Products for AI infrastructure comes with a lower gross margin
- Staff expenses & Other external costs to increase slightly compared to 2025, whereas staff costs transferred to capitalized development costs are in line with 2025
- With performance in the middle of the guided ranges, EBITDA would be negative 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 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.

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