

NAPATECH  
HALF-YEAR REPORT 2025

napa:tech:

## MANAGEMENT'S REPORT

We've made significant progress executing against key milestones in our strategic roadmap, reinforcing our position as an early leader in the emerging mass market for Network Interface Cards (NICs). Over the past year, we've strengthened our core business and advanced toward critical design wins that support our goal of scaling to 60,000–80,000 units annually at peak production. These developments are tracking to plan, and compared to this time last year, our position is markedly stronger. Together, these gains enhance our visibility into the timing and magnitude of our transformation—while simultaneously reducing risk across our growth trajectory.

Our second quarter financial results include revenue of \$4.9M US dollars, an increase of 43% year-over-year, that lifts our first-half 2025 revenue above 1H-2024 by 26%. Our 2Q gross margins remained healthy at 67%, up 2% compared to 2Q-2024, at finished 1H-2025 at 68.4%. While we will never be pleased with negative earnings and cashflow, we are pleased to report significant improvements in both of those areas, and to report we foresee further improvements in 3Q-2025. We've also continued our focus on improvements to net working capital, and have begun to see marked results.

In support of the significant steps forward with our current customers and expanding design-win pipeline, Napatech successfully completed a private placement capital raise of 210M NOK. The Placement attracted interest from high-quality investors, including dedicated support from existing shareholders. ABG Sundal Collier ASA (?) and SpareBank 1 Markets AS (?) served as managers for the placement, with SB1 initiating coverage on Napatech. The proceeds will be used to finance the growth opportunity arising from the announced partnerships, pipeline and design wins.

We also were fortunate to augment our board of directors with new members holding key executive positions from respected companies, with proven success in with customers in the markets that Napatech is navigating today.

We are inspired by the success we have in building a pipeline for our new products and solutions, that exceeds anything we have had in place from our base business. Our partnership with Intel-Altera continues to play a critical role in our strategy, by helping to contribute to valuable, high-volume opportunities to our pipeline from leading high-growth applications and use cases. In recent updates we had noted our expectation of growth from our base business, and we are pleased to report definitive results in that area, along with improved visibility to additional improvements in the second half of 2025. An important part of that strengthening was the increase in sales to our top customers, along with forecasts and commitments from those top customers for increased unit demand over the next 4 quarters. The improving base business, plus constantly expanding pipeline of opportunities and early success in new design wins provides great optimism towards realizing our growth ambitions.

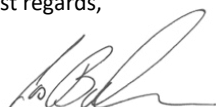
Last year we announced a design win with Intel-Altera and a tie-1 server OEM to build next generation solutions to their specification for high volume use cases, as well as the general market. I am glad to report we consistently met the hardware mileposts ahead of plan and exceeded their expectations. We are intimately involved in the next stage of their process, which includes the development and integration of key software to meet their deployment requirements. We are excited that our efforts to date have resulted in expanding our cooperation to additional use cases and opportunities, all of which represent potentially transformational unit volumes to Napatech.

We are equally excited today to share more information about our latest high-volume design win in Artificial Intelligence inferencing for hyperscale cloud, next-wave cloud, and enterprise datacenters. Our Intel-Altra programmable NIC delivers efficient ultra-low latency distributed inferencing across many AI servers. Customers get the benefit of deploying an industry-standard ethernet-based scale-out solution to take advantage of blazing fast inference speeds, all at massive scale. We are on track with our initial design win, and actively replicating this design by pursuing others in need of AI infrastructure.

Finally, we recently disclosed other winning solutions across an array of applications and services by leading companies in their respective vertical markets, including a cyber security solution with Broadcom Symantec, a Network and Server Infrastructure solution with Eideticon, and Artificial Intelligence solution with Myrtla.AI and Xelera for ultra-low latency transactions in financial services markets. These are all examples of Napatech expanding its business to large or high-growth segments that require our programmable NICs. We're also pleased that one of our 5G Packet Core design wins, has secured their first design win from a north American 5G operator, that is expected to lead to our first production deployment in late 2025.

On behalf of Napatech we thank you for your interest in our business and hope you share our enthusiasm about our future.

Best regards,



Lars Boilesen  
Chief Executive Officer

**Highlights H1:**

- Revenue in USD amounted to 8.2m in H1 2025, an increase of 26% compared to H1 2024. In DKK, revenue amounted to 55.4m, an increase of 24% compared to H1 2024.
- The gross margin in H1 2025 was 68.4%, an increase of 0.2%-points compared to H1 2024.
- Staff costs and Other external costs in H1 2025 amounted to DKK 91.5m compared to DKK 83.9m in H1 2024.
- EBITDAC<sup>1</sup> in H1 2025 amounted to negative DKK 53.6m compared to negative DKK 53.4m in H1 2024.
- EBITDA in H1 2025 amounted to negative DKK 48.7m compared to negative DKK 51.7m in H1 2024.
- Depreciation, amortization, and impairment for H1 2025 were DKK 12.3m compared to DKK 15.6m in H1 2024.
- Net Cash flow from operating activities in H1 2025 was negative DKK 44.3m compared to negative DKK 47.4m in H1 2024.
- Net working capital end of H1 2025 amounted to DKK 95.2m compared to DKK 65.2m end of H1 2024 and DKK 98.6m end of 2024.
- Net cash used in investing activities in H1 2025 amounted to DKK 6.3m compared to DKK 3.7m in H1 2024.
- Cash and cash equivalents at the end of H1 2025 amounted to DKK 133.4m compared to DKK 103.2m at the end of H1 2024.

**Highlights Q2:**

- Revenue in USD amounted to 4.8m in Q2 2025, an increase of 43% compared to Q2 2024. In DKK, revenue amounted to 31.6m, an increase of 36% compared to Q2 2024.
- The gross margin in Q2 2025 was 67%, an increase of 2%-points compared to Q2 2024.
- Staff costs and Other external costs in Q2 2025 amounted to DKK 42.6m compared to DKK 43.3m in Q2 2024.
- EBITDAC in Q2 2025 amounted to negative DKK 21.5m compared to negative DKK 28.2m in Q2 2024.
- EBITDA in Q2 2025 amounted to negative DKK 19.6m compared to negative DKK 27.4m in Q2 2024.
- Depreciation, amortization, and impairment for Q2 2025 were DKK 5.9m compared to DKK 7.7m in Q2 2024.
- Net Cash flow from operating activities in Q2 2025 was negative DKK 18.6m compared to negative DKK 41.9m in Q2 2024.
- Net cash used in investing activities in Q2 2025 amounted to DKK 2.5m compared to DKK 2.7m in Q2 2024.

**Key figures<sup>2</sup>:**

|  | Q2 2025 | Q2 2024 | YTD 2025 | YTD 2024 |
|--|---------|---------|----------|----------|
| Revenue USD m                                  | 4.8     | 3.4     | 8.2      | 6.5      |
| Growth YoY USD m                               | 43%     | -39%    | 26%      | -40%     |
| Revenue DKK m                                  | 31.6    | 23.2    | 55.4     | 44.7     |
| Growth YoY DKK m                               | 36%     | -39%    | 24%      | -40%     |
| Gross Margin                                   | 67%     | 65%     | 68%      | 68%      |
| EBITDAC DKK m                                  | -21.5   | -28.2   | -53.6    | -53.4    |
| EBITDA DKK m                                   | -19.6   | -27.4   | -48.7    | -51.7    |
| Net Cash Flow from Operating Activities DKK m  | -18.6   | -41.9   | -44.3    | -47.4    |
| Net Working Capital, end of period DKK m       | 95.2    | 65.2    | 95.2     | 65.2     |
| Cash and cash equivalents, end of period DKK m | 133.4   | 103.2   | 133.4    | 103.2    |

**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](http://www.napatech.com/investor).

<sup>1</sup> EBITDAC: Earnings before depreciation, amortization and impairment, and cost transferred to development projects.

<sup>2</sup> 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****H1**

Napatech reports revenue of DKK 55.4m in the first half of 2025 compared to DKK 44.7m in the same period in 2024, equivalent to an increase of 24%. In USD, revenue was up 26% compared to H1 2024.

The gross margin in H1 2025 was 68.4% compared to 68.2% in H1 2024.

**Q2**

Napatech reports revenue of DKK 31.6m in Q2 2025 compared to DKK 23.2m in the same period in 2024, equivalent to an increase of 36%. In USD, revenue grew 43% compared to Q2 2024.

The gross margin in Q2 2025 was 67% compared to 65% in Q2 2024.

**Costs****H1**

Staff costs and Other external costs in H1 2025 amounted to DKK 91.5m, compared to DKK 83.9m in H1 2024.

Operating expenses after transferal of staff costs to capitalized development costs in H1 2025 amounted to DKK 86.6m, compared to DKK 82.2m in H1 2024.

**Q2**

Staff costs and Other external costs in Q2 2025 amounted to DKK 42.6m, compared to DKK 43.3m in Q2 2024.

Operating expenses after transferal of staff costs to capitalized development costs in Q2 2025 amounted to DKK 40.8m, compared to DKK 42.4m in Q2 2024.

**EBITDAC and EBITDA****H1**

Earnings before Interest, Tax, Depreciation, Amortization, and Capitalization of development cost (EBITDAC) amounted to negative DKK 53.6m in H1 2025 compared to negative DKK 53.4m in H1 2024.

EBITDA in H1 2025 was negative DKK 48.7m compared to negative DKK 51.7m in H1 2024.

**Q2**

EBITDAC amounted to negative DKK 21.5m in Q2 2025 compared to negative DKK 28.2m in Q2 2024.

EBITDA in Q2 2025 was negative DKK 19.6m compared to negative DKK 27.4m in Q2 2024.

**Depreciation, amortization, and impairment****H1**

Depreciation, amortization, and impairment in H1 2025 were DKK 12.3m compared to DKK 15.6m in Q2 2024.

**Q2**

Depreciation, amortization, and impairment in Q2 2025 were DKK 5.9m compared to DKK 7.7m in Q2 2024.

**Financial Items****H1**

Financial items for H1 2025 were negative DKK 4.0m compared to a negative DKK 0.7m in H1 2024.

**Q2**

Financial items for Q2 2025 were negative DKK 2.7m compared to a negative DKK 0.7m in Q2 2024.

**Taxes****H1**

Taxes for H1 2025 amounted to a cost of DKK 0.1m compared to a an income of DKK 0.7m in H1 2024.

**Q2**

Taxes for Q2 2025 amounted to a cost of DKK 0.1m compared to an income of DKK 0.7m in Q2 2024.

**Investments****H1**

The total net cash used in investing activities in H1 2025 was DKK 6.3m, of which DKK 5.7m was invested in new product development. In H1 2024, the total net cash used in investing activities was DKK 3.7m, of which DKK 1.9m was invested in new product development.

**Q2**

The total net cash used in investing activities in Q2 2025 was DKK 2.5m, of which DKK 2.2m was invested in new product development. In Q2 2024, the total net cash used in investing activities was DKK 2.7m, of which DKK 0.9m was invested in new product development.

**Cash Flow****H1**

Net cash flow from operating activities in H1 2025 was negative DKK 44.3m compared to negative DKK 47.4m in H1 2024.

Free cash flow in H1 2025 amounted to negative DKK 50.6m compared to negative DKK 51.1m in H1 2024.

Net cash from financing activities in H1 2025 was positive DKK 121.6m, compared to positive DKK 111.7m in H1 2024.

Cash and cash equivalents at the end of H1 2025 was DKK 133.4m compared to DKK 103.2m at the end of H1 2024.

**Q2**

Net cash flow from operating activities in Q2 2025 was negative DKK 18.6m compared to negative DKK 41.9m in Q2 2024.

Free cash flow in the quarter amounted to negative DKK 21.2m compared to negative DKK 44.6m in Q2 2024.

Net cash from financing activities in Q2 2025 was positive DKK 121.1m, compared to a positive DKK 120.2m in Q2 2024.

### Changes in equity

The company's equity amounted to DKK 216.6m on June 30, 2025, this is an increase of DKK 63.2m from December 31, 2024. On May 27, 2025, Napatech completed a private placement of 10,000,000 shares at a subscription price of NOK 20.00 per share, raising DKK 130m in gross proceeds.

In H1 2025, Group equity decreased by the comprehensive income with DKK -67.0m and increased with DKK 130.2m by transactions with shareholders.

### Shareholders and Share Information

Napatech, as of June 30, 2025, had 110,053,880 shares, each with a nominal value of DKK 0.25. The share capital is DKK 27,513,470.00, divided among the 1,906 shareholders.

| Investor                             | Number of shares   | % of total    |
|--------------------------------------|--------------------|---------------|
| SUNDT AS                             | 13,456,941         | 12.22%        |
| VERDANE CAPITAL VIII K/S             | 10,013,618         | 9.10%         |
| ARBEJDSMARKEDETS TILLAEGSPENSION     | 7,800,000          | 7.09%         |
| J.P. MORGAN SE                       | 6,200,738          | 5.63%         |
| PRIVATE INVESTOR                     | 5,365,065          | 4.87%         |
| EXTELLUS AS                          | 4,512,992          | 4.10%         |
| BANK PICTET & CIE (EUROPE) AG        | 4,286,888          | 3.90%         |
| BROWNSKE BEVEGELSER AS               | 4,204,445          | 3.82%         |
| SKANDINAVISKA ENSKILDA BANKEN AB     | 3,822,687          | 3.47%         |
| SKANDINAVISKA ENSKILDA BANKEN AB     | 3,645,221          | 3.31%         |
| J.P. MORGAN SE                       | 2,470,548          | 2.24%         |
| SKANDINAVISKA ENSKILDA BANKEN AB     | 2,180,828          | 1.98%         |
| MANARA AS                            | 1,995,573          | 1.81%         |
| THE BANK OF NEW YORK MELLON SA/NV    | 1,992,022          | 1.81%         |
| DANSKE BANK A/S                      | 1,991,343          | 1.81%         |
| PRIVATE INVESTOR                     | 1,844,840          | 1.68%         |
| MP PENSJON PK                        | 1,730,790          | 1.57%         |
| AREPO AS                             | 1,565,200          | 1.42%         |
| NORDNET BANK AB                      | 1,408,658          | 1.28%         |
| THE BANK OF NEW YORK MELLON          | 1,379,749          | 1.25%         |
| <b>Total number owned by top 20</b>  | <b>81,868,146</b>  | <b>74.37%</b> |
| <b>Total 1886 other shareholders</b> | <b>28,185,734</b>  | <b>25.63%</b> |
| <b>Total Number of shares</b>        | <b>110,053,880</b> | <b>100%</b>   |

### Events after the end of the period

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

### Outlook for 2025

Napatech's financial expectations for 2025 remain unchanged:

|  | Guidance       |
|--|----------------|
| Revenue  | DKK 150 - 190m |
| Gross margin   | 69 - 71%       |
| Staff expenses & Other external costs                    | DKK 170 - 180m |
| Staff costs transferred to capitalized development costs | DKK 8 - 12m    |

With performance in the middle of the guided ranges, EBITDA would be negative DKK 46m.

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, 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, 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 those expressed or implied in such statements.

## MANAGEMENT STATEMENT

The Board of Directors and the Executive Management have considered and adopted the interim report of Napatech Group for the period from January 1 to June 30, 2025

The interim report has been prepared in accordance with IAS 34 Interim Financial Reporting, as adopted by the EU, and additional Danish interim reporting requirements for listed companies.

In our opinion, the interim report gives a true and fair view of the Group's assets, liabilities, and financial position on June 30, 2025, and of the results of the Group's operations and cash flows for the period January 1 to June 30, 2025.

We find that the Management's commentary provides a fair statement of developments in the activities and financial situation of the Group, financial results for the period, and the general financial position of the Group, and describes the major risks and elements of uncertainty faced by the Group. The term Company below refers as well to the Group.

The interim report is unaudited and has not been reviewed by the company's auditors.

Søborg, August 26, 2025

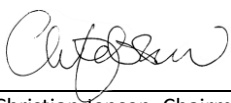
Executive Management



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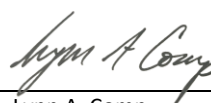
Lars Boilesen, CEO

Board of Directors



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Christian Jepsen, Chairman



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Lynn A. Comp



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Patricia Kummrow



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Shannon John Poulin



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Svenn Tore Larsen



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Zane Ball



**INCOME STATEMENT**

For the period ended June 30, 2025

| DKK'000                                      | Note | 2nd quarter     |                 | H1              |                 |
|--|------|-----------------|-----------------|-----------------|-----------------|
|  |      | 2025            | 2024            | 2025            | 2024            |
| Revenue                                      | 3    | 31,571          | 23,176          | 55,420          | 44,718          |
| Cost of goods sold                           |      | (10,445)        | (8,105)         | (17,523)        | (14,217)        |
| <b>Gross profit</b>                          |      | <b>21,126</b>   | <b>15,071</b>   | <b>37,897</b>   | <b>30,501</b>   |
| Staff costs                                  |      | (29,443)        | (28,581)        | (64,502)        | (56,339)        |
| Other external costs                         |      | (13,165)        | (14,726)        | (27,011)        | (27,562)        |
| <b>EBITDAC</b>                               |      | <b>(21,482)</b> | <b>(28,236)</b> | <b>(53,616)</b> | <b>(53,400)</b> |
| Transferred to capitalized development costs |      | 1,843           | 867             | 4,926           | 1,716           |
| <b>EBITDA</b>                                |      | <b>(19,639)</b> | <b>(27,369)</b> | <b>(48,690)</b> | <b>(51,684)</b> |
| Depreciation, amortization and impairment    |      | (5,870)         | (7,699)         | (12,327)        | (15,643)        |
| <b>Operating result (EBIT)</b>               |      | <b>(25,509)</b> | <b>(35,068)</b> | <b>(61,017)</b> | <b>(67,327)</b> |
| Finance income                               |      | 182             | 373             | 209             | 1,206           |
| Finance costs                                |      | (2,907)         | (1,112)         | (4,241)         | (1,869)         |
| <b>Result before tax</b>                     |      | <b>(28,234)</b> | <b>(35,807)</b> | <b>(65,049)</b> | <b>(67,990)</b> |
| Income tax                                   |      | (100)           | 747             | (94)            | 745             |
| <b>Result for the period</b>                 |      | <b>(28,334)</b> | <b>(35,060)</b> | <b>(65,143)</b> | <b>(67,245)</b> |

| Earnings / (loss) per share: | 4 | H1     |        |
|------------------------------|---|--------|--------|
|                              |   | 2025   | 2024   |
| Basic, DKK                   |   | (0.64) | (0.73) |
| Diluted, DKK                 |   | (0.64) | (0.73) |

**STATEMENT OF COMPREHENSIVE INCOME**

For the period ended June 30, 2025

| DKK'000   | H1              |                 |
|---|-----------------|-----------------|
|   | 2025            | 2024            |
| <b>Result for the period</b>  | <b>(65,143)</b> | <b>(67,245)</b> |
| <i>Items that may be reclassified to profit and loss in subsequent periods:</i> |                 |                 |
| Exchange differences on translation of foreign operations                       | (1,835)         | 400             |
| <b>Other comprehensive income after tax</b>                                     | <b>(1,835)</b>  | <b>400</b>      |
| <b>Total comprehensive income</b>   | <b>(66,978)</b> | <b>(66,845)</b> |

**CASH FLOW STATEMENT**  
**For the period ended June 30, 2025**

| DKK'000   | 2nd quarter     |                 | H1              |                 |
|---|-----------------|-----------------|-----------------|-----------------|
|   | 2025            | 2024            | 2025            | 2024            |
| <b>Operating activities</b>   |                 |                 |                 |                 |
| Income/Loss before tax  | (28,234)        | (35,807)        | (65,049)        | (67,990)        |
| <b>Adjustments to reconcile profit before tax to net cash flows</b> |                 |                 |                 |                 |
| Finance income  | (182)           | (373)           | (209)           | (1,206)         |
| Finance costs   | 2,907           | 1,112           | 4,241           | 1,869           |
| Depreciation, amortisation and impairment                           | 5,870           | 7,699           | 12,327          | 15,643          |
| Share-based payment expense   | 2,049           | 2,693           | 4,815           | 4,707           |
| <b>Working capital adjustments</b>                                  |                 |                 |                 |                 |
| Change in inventories   | 15              | 3               | (4,994)         | (17,342)        |
| Change in trade and other receivables and prepayments               | 478             | (11,881)        | 3,006           | 14,775          |
| Change in trade and other payables and contract liabilities         | (870)           | (4,434)         | 2,694           | 3,477           |
| Interest received   | 182             | 201             | 209             | 266             |
| Interest paid   | (754)           | (1,072)         | (1,253)         | (1,495)         |
| Income tax received, net  | (104)           | (79)            | (104)           | (80)            |
| <b>Net cash flows from operating activities</b>                     | <b>(18,643)</b> | <b>(41,938)</b> | <b>(44,317)</b> | <b>(47,376)</b> |
| <b>Investing activities</b>   |                 |                 |                 |                 |
| Purchase of tangible assets   | (248)           | (1,740)         | (555)           | (1,740)         |
| Investments in intangible assets                                    | (2,232)         | (896)           | (5,671)         | (1,905)         |
| Investments in leasehold deposits                                   | (56)            | (46)            | (56)            | (46)            |
| <b>Net cash used in investing activities</b>                        | <b>(2,536)</b>  | <b>(2,682)</b>  | <b>(6,282)</b>  | <b>(3,691)</b>  |
| <b>Free cash flow</b>   | <b>(21,179)</b> | <b>(44,620)</b> | <b>(50,599)</b> | <b>(51,067)</b> |
| <b>Financing activities</b>   |                 |                 |                 |                 |
| Capital increase  | 129,943         | 144,671         | 130,243         | 144,791         |
| Transaction costs on issue of shares                                | (4,874)         | (5,188)         | (4,874)         | (5,188)         |
| Increase (decrease) through treasury share transactions             | -               | -               | -               | 1,491           |
| Payment of financial lease liabilities                              | (678)           | (873)           | (1,587)         | (1,746)         |
| Proceeds from borrowings  | (1,144)         | -               | -               | -               |
| Repayment of borrowings   | (2,185)         | (18,449)        | (2,185)         | (27,621)        |
| <b>Net cash flows from financing activities</b>                     | <b>121,062</b>  | <b>120,161</b>  | <b>121,597</b>  | <b>111,727</b>  |
| <b>Net change in cash and cash equivalents</b>                      | <b>99,883</b>   | <b>75,541</b>   | <b>70,998</b>   | <b>60,660</b>   |
| Net foreign exchange difference                                     | (1,070)         | 147             | (1,928)         | 179             |
| Cash and cash equivalents at the beginning of the period            | 34,598          | 27,518          | 64,341          | 42,367          |
| <b>Cash and cash equivalents at the end of the period</b>           | <b>133,411</b>  | <b>103,206</b>  | <b>133,411</b>  | <b>103,206</b>  |



**BALANCE SHEET****ASSETS**

| DKK'000                           | Note     | 30 June<br>2025 | 31 Dec.<br>2024 | 30 June<br>2024 |
|-----------------------------------|----------|-----------------|-----------------|-----------------|
| Development projects, completed   |          | 10,516          | 19,764          | 24,804          |
| Development projects, in progress |          | 9,940           | 4,269           | 4,131           |
| Patents                           |          | 855             | 1,042           | 1,424           |
| <b>Intangible assets</b>          | <b>5</b> | <b>21,311</b>   | <b>25,075</b>   | <b>30,359</b>   |
| Plant and equipment               |          | 4,005           | 4,765           | 4,146           |
| Right-of-use assets               |          | 7,840           | 9,200           | 6,250           |
| Leasehold improvements            |          | 487             | 441             | 378             |
| <b>Tangible assets</b>            | <b>6</b> | <b>12,332</b>   | <b>14,406</b>   | <b>10,774</b>   |
| Leasehold deposits                |          | 1,643           | 1,587           | 1,587           |
| <b>Other non-current assets</b>   |          | <b>1,643</b>    | <b>1,587</b>    | <b>1,587</b>    |
| <b>Non-current assets</b>         |          | <b>35,286</b>   | <b>41,068</b>   | <b>42,720</b>   |
| Inventories                       | <b>7</b> | 74,870          | 69,876          | 52,914          |
| Trade receivables                 |          | 18,051          | 19,381          | 19,193          |
| Prepayments                       |          | 4,525           | 5,153           | 3,594           |
| Other receivables                 |          | 19,814          | 23,762          | 19,461          |
| Income tax receivable             |          | 6,253           | 6,345           | 6,729           |
| Cash and cash equivalents         |          | 133,411         | 64,341          | 103,206         |
| <b>Current assets</b>             |          | <b>256,924</b>  | <b>188,858</b>  | <b>205,097</b>  |
| <b>Total assets</b>               |          | <b>292,210</b>  | <b>229,926</b>  | <b>247,817</b>  |

# EQUITY AND LIABILITIES

| DKK'000                                 | Note | 30 June<br>2025 | 31 Dec.<br>2024 | 30 June<br>2024 |
|---|------|-----------------|-----------------|-----------------|
| Share capital                           | 8    | 27,513          | 24,999          | 24,904          |
| Share premium                           |      | 606,169         | 483,062         | 481,025         |
| Treasury shares                         | 9    | (619)           | (619)           | (619)           |
| Foreign currency translation reserve    |      | (1,282)         | 553             | 129             |
| Share-based payment reserve             |      | 23,468          | 18,946          | 14,555          |
| Retained earnings                       |      | (438,619)       | (373,518)       | (329,515)       |
| <b>Equity</b>                           |      | <b>216,630</b>  | <b>153,423</b>  | <b>190,479</b>  |
| Interest-bearing loans and borrowings   |      | 5,929           | 6,806           | 8,223           |
| Other non-current financial liabilities |      | 4,624           | 4,540           | 4,571           |
| Non-current lease liabilities           |      | 5,000           | 6,406           | 3,225           |
| Non-current contract liabilities        |      | 2,058           | 1,550           | 3,306           |
| <b>Non-current liabilities</b>          |      | <b>17,611</b>   | <b>19,302</b>   | <b>19,325</b>   |
| Interest-bearing loans and borrowings   |      | 34,706          | 36,098          | 8,123           |
| Current lease liabilities               |      | 3,214           | 3,124           | 3,275           |
| Trade payables                          |      | 5,247           | 5,789           | 8,277           |
| Other payables                          |      | 11,438          | 8,953           | 11,048          |
| Contract liabilities                    |      | 3,364           | 3,237           | 7,290           |
| <b>Current liabilities</b>              |      | <b>57,969</b>   | <b>57,201</b>   | <b>38,013</b>   |
| <b>Total liabilities</b>                |      | <b>75,580</b>   | <b>76,503</b>   | <b>57,338</b>   |
| <b>Total equity and liabilities</b>     |      | <b>292,210</b>  | <b>229,926</b>  | <b>247,817</b>  |

## STATEMENT OF CHANGES IN EQUITY

| DKK'000   | Share capital | Share premium  | Treasury shares | Foreign currency translation reserve | Share based payment reserve | Retained earnings | Total equity     |
|---|---------------|----------------|-----------------|--------------------------------------|-----------------------------|-------------------|------------------|
| <b>2025</b>   |               |                |                 |                                      |                             |                   |                  |
| <b>Equity at January 1</b>                              | <b>24,999</b> | <b>483,062</b> | <b>(619)</b>    | <b>553</b>                           | <b>18,946</b>               | <b>(373,518)</b>  | <b>153,423</b>   |
| Result for the period                                   | -             | -              | -               | -                                    | -                           | (65,143)          | (65,143)         |
| Total other comprehensive income                        | -             | -              | -               | (1,835)                              | -                           | -                 | (1,835)          |
| <b>Total comprehensive income for the period</b>        | <b>-</b>      | <b>-</b>       | <b>-</b>        | <b>(1,835)</b>                       | <b>-</b>                    | <b>(65,143)</b>   | <b>(66,978)</b>  |
| <b>Transactions with shareholders</b>                   |               |                |                 |                                      |                             |                   |                  |
| Issue of shares   | 2,514         | 127,729        | -               | -                                    | -                           | -                 | 130,243          |
| Transaction costs                                       | -             | (4,874)        | -               | -                                    | -                           | -                 | (4,874)          |
| Reversal, exercised and lapsed options                  | -             | 252            | -               | -                                    | (293)                       | 42                | 1                |
| Share-based payments                                    | -             | -              | -               | -                                    | 4,815                       | -                 | 4,815            |
| <b>Equity at June 30</b>                                | <b>27,513</b> | <b>606,169</b> | <b>(619)</b>    | <b>(1,282)</b>                       | <b>23,468</b>               | <b>(438,619)</b>  | <b>216,630</b>   |
| <b>H1 2024</b>  |               |                |                 |                                      |                             |                   |                  |
| <b>Equity at January 1</b>                              | <b>22,544</b> | <b>343,064</b> | <b>(2,110)</b>  | <b>(271)</b>                         | <b>10,707</b>               | <b>(262,224)</b>  | <b>111,710</b>   |
| Result for the period                                   | -             | -              | -               | -                                    | -                           | (67,245)          | (67,245)         |
| Total other comprehensive income                        | -             | -              | -               | 400                                  | -                           | -                 | 400              |
| <b>Total comprehensive income for the period</b>        | <b>-</b>      | <b>-</b>       | <b>-</b>        | <b>400</b>                           | <b>-</b>                    | <b>(67,245)</b>   | <b>(66,845)</b>  |
| <b>Transactions with shareholders</b>                   |               |                |                 |                                      |                             |                   |                  |
| Issue of shares   | 2,360         | 142,431        | -               | -                                    | -                           | -                 | 144,791          |
| Transaction costs                                       | -             | (5,188)        | -               | -                                    | -                           | -                 | (5,188)          |
| Increase (decrease) through treasury share transactions | -             | -              | 1,491           | -                                    | -                           | -                 | 1,491            |
| Reversal, exercised and lapsed options                  | -             | 718            | -               | -                                    | (859)                       | (46)              | (187)            |
| Share-based payments                                    | -             | -              | -               | -                                    | 4,707                       | -                 | 4,707            |
| <b>Equity at June 30</b>                                | <b>24,904</b> | <b>481,025</b> | <b>(619)</b>    | <b>129</b>                           | <b>14,555</b>               | <b>(329,515)</b>  | <b>190,479</b>   |
| <b>2024</b>   |               |                |                 |                                      |                             |                   |                  |
| <b>Equity at January 1</b>                              | <b>22,544</b> | <b>343,064</b> | <b>(2,110)</b>  | <b>(271)</b>                         | <b>10,707</b>               | <b>(262,224)</b>  | <b>111,710</b>   |
| Result for the period                                   | -             | -              | -               | -                                    | -                           | (111,257)         | (111,257)        |
| Total other comprehensive income                        | -             | -              | -               | 824                                  | -                           | -                 | 824              |
| <b>Total comprehensive income for the period</b>        | <b>-</b>      | <b>-</b>       | <b>-</b>        | <b>824</b>                           | <b>-</b>                    | <b>(111,257)</b>  | <b>(110,433)</b> |
| <b>Transactions with shareholders</b>                   |               |                |                 |                                      |                             |                   |                  |
| Issue of shares   | 2,455         | 143,117        | -               | -                                    | -                           | -                 | 145,572          |
| Transaction costs                                       | -             | (5,382)        | -               | -                                    | -                           | -                 | (5,382)          |
| Increase (decrease) through treasury share transactions | -             | -              | 1,491           | -                                    | -                           | -                 | 1,491            |
| Reversal, exercised and lapsed options                  | -             | 2,263          | -               | -                                    | (2,660)                     | (37)              | (434)            |
| Share-based payments                                    | -             | -              | -               | -                                    | 10,899                      | -                 | 10,899           |
| <b>Equity at December 31</b>                            | <b>24,999</b> | <b>483,062</b> | <b>(619)</b>    | <b>553</b>                           | <b>18,946</b>               | <b>(373,518)</b>  | <b>153,423</b>   |

## NOTES TO THE FINANCIAL STATEMENTS

### 1. SIGNIFICANT ACCOUNTING POLICIES

The interim condensed consolidated financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU, and additional Danish disclosure requirements for listed companies.

All new or amended standards (IFRS) and interpretations (IFRIC), as adopted by the EU and effective for the financial year beginning on January 1, 2025, have been adopted. The implementation of these new or amended standards and interpretations had no impact on the interim condensed consolidated financial statements.

The accounting policies are consistent with those applied to the consolidated financial statements for 2024.

The consolidated financial statements for 2024 contain a full description of accounting policies.

#### The interim condensed consolidated financial statements

The interim condensed consolidated financial statements comprise the parent company, Napatech A/S, and its subsidiary. The subsidiary is fully consolidated from the date of acquisition and/or incorporation, the date on which the parent company obtains control, until such control ceases. The subsidiary's financial statements are prepared for the same reporting period as the parent company's financial statements, using consistent accounting policies. The consolidated financial statements are prepared by consolidating the financial statements of the parent company and the subsidiary, eliminating all intragroup balances, transactions, unrealized gains and losses, and dividends.

The interim condensed consolidated financial statements are prepared on a historical cost basis.

The interim condensed consolidated financial statements are presented in thousand Danish kroner (DKK'000).

### 2. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES, AND ASSUMPTIONS

The preparation of the interim condensed consolidated financial statements requires the Management to make judgments, estimates, and assumptions that affect the reported revenues, expenses, assets, and liabilities.

The accounting judgments, estimates, and assumptions that Management makes are the same for these interim condensed consolidated financial statements as for the consolidated financial statements for 2024.

### 3. OPERATING SEGMENTS

The following tables present revenue and gross profit information about the Group's operating segments for H1 2025 and H1 2024, respectively:

#### Geographical segments

##### H1 2025

| DKK'000                     | AMERICAS      | ROW          | CONSOLIDATED  |
|-----------------------------|---------------|--------------|---------------|
| <b>Revenue</b>              |               |              |               |
| Total revenue               | 43,186        | 12,234       | 55,420        |
| - Sales of goods            | 40,417        | 11,931       | 52,348        |
| - Sales of services         | 2,769         | 303          | 3,072         |
| Cost of goods sold          | (13,880)      | (3,643)      | (17,523)      |
| <b>Segment gross profit</b> | <b>29,306</b> | <b>8,591</b> | <b>37,897</b> |

##### H1 2024

| DKK'000                     | AMERICAS      | ROW          | CONSOLIDATED  |
|-----------------------------|---------------|--------------|---------------|
| <b>Revenue</b>              |               |              |               |
| Total revenue               | 33,289        | 11,429       | 44,718        |
| - Sales of goods            | 30,834        | 11,288       | 42,122        |
| - Sales of services         | 2,455         | 141          | 2,596         |
| Cost of goods sold          | (11,828)      | (2,389)      | (14,217)      |
| <b>Segment gross profit</b> | <b>21,461</b> | <b>9,040</b> | <b>30,501</b> |

**3. OPERATING SEGMENTS (CONTINUED)**

The geographical segmentation is based on the location of the customers. Explanation of abbreviations:

AMERICAS = North & South America    ROW = Rest of the World

**Business segments****H1 2025**

| <b>DKK'000</b>              | <b>SMARTNIC<br/>PRODUCTS</b> | <b>ENGINEERING<br/>SERVICES</b> | <b>CONSOLIDATED</b> |
|-----------------------------|------------------------------|---------------------------------|---------------------|
| <b>Revenue</b>              |                              |                                 |                     |
| Total revenue               | 52,991                       | 2,429                           | 55,420              |
| - Sales of goods            | 52,348                       | -                               | 52,348              |
| - Sales of services         | 643                          | 2,429                           | 3,072               |
| Cost of goods sold          | (17,400)                     | (123)                           | (17,523)            |
| <b>Segment gross profit</b> | <b>35,591</b>                | <b>2,306</b>                    | <b>37,897</b>       |

**H1 2024**

| <b>DKK'000</b>              | <b>SMARTNIC<br/>PRODUCTS</b> | <b>ENGINEERING<br/>SERVICES</b> | <b>CONSOLIDATED</b> |
|-----------------------------|------------------------------|---------------------------------|---------------------|
| <b>Revenue</b>              |                              |                                 |                     |
| Total revenue               | 42,645                       | 2,073                           | 44,718              |
| - Sales of goods            | 42,122                       | -                               | 42,122              |
| - Sales of services         | 523                          | 2,073                           | 2,596               |
| Cost of goods sold          | (14,217)                     | -                               | (14,217)            |
| <b>Segment gross profit</b> | <b>28,428</b>                | <b>2,073</b>                    | <b>30,501</b>       |

Revenue from Engineering services is considered a separate segment from SmartNIC products due to the difference in economic characteristics and the timing of revenue recognition. According to IFRS 15, revenue from engineering service contracts is recognized in the income statement based on the stage of completion (over time), whereas the majority of revenue from SmartNIC products is recognized in the income statement at a point in time.

The Group monitors the segments' performance at the level of gross profit. All other income statement items, as well as assets and liabilities, are managed on a group basis and therefore not allocated to individual segments.

**4. EARNINGS PER SHARE**

| <b>DKK'000</b>  | <b>H1</b>       |                 |
|---|-----------------|-----------------|
|   | <b>2025</b>     | <b>2024</b>     |
| Net profit attributable to equity holders of the parent company for basic earnings and the effect of dilution | <b>(65,143)</b> | <b>(67,245)</b> |

| <b>Thousands</b>   | <b>H1</b>      |               |
|--|----------------|---------------|
|  | <b>2025</b>    | <b>2024</b>   |
| Weighted average number of shares for basic earnings per share               | 101,536        | 92,703        |
| Effect of dilution:  |                |               |
| Share options  | -              | -             |
| <b>Weighted average number of shares adjusted for the effect of dilution</b> | <b>101,536</b> | <b>92,703</b> |

|  |       |       |
|--|-------|-------|
| Number of share options with potential effect of dilution: | 2,987 | 3,229 |
|--|-------|-------|

According to IAS 33, the effect of dilution from share options is not allowed to decrease the loss of earnings per share.

## 5. INTANGIBLE ASSETS

| DKK'000   | Development projects, completed | Development projects, in progress | Patents      | Total          |
|---|---------------------------------|-----------------------------------|--------------|----------------|
| Cost at 1 January 2025                                      | 202,647                         | 4,269                             | 5,728        | 212,644        |
| Additions in the period                                     | -                               | 5,671                             | -            | 5,671          |
| <b>Cost at 30 June 2025</b>                                 | <b>202,647</b>                  | <b>9,940</b>                      | <b>5,728</b> | <b>218,315</b> |
| Accumulated amortisation at 1 January 2025                  | 182,883                         | -                                 | 4,686        | 187,569        |
| Amortisation for the period                                 | 9,248                           | -                                 | 187          | 9,435          |
| <b>Accumulated amortisation and impairment 30 June 2025</b> | <b>192,131</b>                  | <b>-</b>                          | <b>4,873</b> | <b>197,004</b> |
| <b>Carrying amount at 30 June 2025</b>                      | <b>10,516</b>                   | <b>9,940</b>                      | <b>855</b>   | <b>21,311</b>  |

The annual impairment test for the intangible assets will be performed on December 31, 2025. As of June 30, 2025, the Management has assessed that there were no indications of impairment concerning the Group's intangible assets in the reporting period.

## 6. TANGIBLE ASSETS

| DKK'000   | Plant and equipment | Leasehold improvements | Total         |
|---|---------------------|------------------------|---------------|
| Cost at 1 January 2025                                      | 19,270              | 1,998                  | 21,268        |
| Additions in the period                                     | 432                 | 123                    | 555           |
| Presentation currency adjustment                            | (72)                | -                      | (72)          |
| <b>Cost at 30 June 2025</b>                                 | <b>19,630</b>       | <b>2,121</b>           | <b>21,751</b> |
| Accumulated depreciation and impairment at 1 January 2024   | 14,505              | 1,557                  | 16,062        |
| Depreciation for the period                                 | 1,182               | 77                     | 1,259         |
| Presentation currency adjustment                            | (62)                | -                      | (62)          |
| <b>Accumulated amortisation and impairment 30 June 2025</b> | <b>15,625</b>       | <b>1,634</b>           | <b>17,259</b> |
| <b>Carrying amount at 30 June 2025</b>                      | <b>4,005</b>        | <b>487</b>             | <b>4,492</b>  |

## 7. INVENTORIES

| DKK'000   | 30 June 2025  | 30 June 2024  |
|---|---------------|---------------|
| Consumables and components                                    | 18,771        | 15,793        |
| Finished goods and goods for resale                           | 56,099        | 37,121        |
| <b>Total inventories at 30 June</b>                           | <b>74,870</b> | <b>52,914</b> |
| <b>Carrying value of inventories recognised at fair value</b> | <b>-</b>      | <b>-</b>      |

The cost of goods sold also includes movements in inventory write-down. Movements in inventory write-down are as follows:

| DKK'000                                | 2025         | 2024         |
|--|--------------|--------------|
| Inventory write-down at 1 January      | 3,090        | 1,908        |
| Inventory write-down for the year      | -            | 144          |
| Reversal of inventory write-down       | (243)        | (35)         |
| <b>Inventory write-down at 30 June</b> | <b>2,847</b> | <b>2,017</b> |

The reversal of inventory write-down relates mainly to products sold in 2025.



**8. ISSUED SHARE CAPITAL AND RESERVES**

| <b>Authorised shares</b>                           | <b>2025</b>      | <b>2024</b>      |
|--|------------------|------------------|
|  | <i>Thousands</i> | <i>Thousands</i> |
| Ordinary shares of DKK 0.25 each at 1 January      | 99,997           | 90,175           |
| Increase in ordinary shares DKK 0.25 each          | 10,057           | 9,440            |
| <b>Ordinary shares of DKK 0.25 each at 30 June</b> | <b>110,054</b>   | <b>99,615</b>    |

**9. TREASURY SHARES**

Treasury shares have been acquired to settle share options in the Group's share option program.

**10. COMMITMENTS AND CONTINGENCIES***Collaterals*

The Group has issued a floating charge of DKK 40 million secured on receivables, inventories, patents, and plant and equipment as collateral for loans.

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