NAPATECH
HALF-YEAR REPORT 2026

MANAGEMENT'S REPORT

Dear Readers,

The first half of 2026 marked an important period of progress for Napatech. We delivered strong growth in our Core Infrastructure business, advanced our AI Infrastructure strategy from design wins toward production, and expanded the customer and partner ecosystem that supports our long-term growth ambitions.

Revenue for the first half was $13.1 million (DKK 84.7 million), representing growth of 61% in USD and 53% in DKK compared with H1 2025, while maintaining a gross margin of 68%. This performance reflects the continued strength and quality of our Core Infrastructure business, which remains a strong foundation for Napatech.

At the same time, we are seeing encouraging progress in AI Infrastructure. During the first half, a major AI inference design win progressed into production with an initial production order. Following the end of the period, we received a significant follow-on production order, signaling the start of scaling to higher production volumes. This transition validates both our technology and our strategy in AI Infrastructure.

As AI inference moves toward large-scale production, we believe the architecture of the underlying infrastructure is changing. Efficiently moving and processing data across increasingly heterogeneous compute environments is becoming critical to overall system performance. We see a differentiated role for Napatech in this evolving architecture, with our programmable NIC technology combining high-performance hardware and software to enable efficient, programmable data movement across heterogeneous AI systems.

We are also strengthening our broader customer and partner ecosystem. Our design-win pipeline is expanding across both Core and AI Infrastructure, while strategic relationships are broadening our routes to market and creating opportunities to participate in larger infrastructure deployments. Converting these opportunities into production remains one of our highest priorities.

We are making this progress while maintaining financial discipline. EBITDA improved to negative DKK 24.8 million in H1 2026 from negative DKK 48.7 million in H1 2025, while staff costs and other external costs declined to DKK 85.6 million from DKK 91.5 million. We continue to balance investment in product development and customer engagements with disciplined management of our cost base.

Free cash flow was negative DKK 41.1 million compared with negative DKK 50.6 million in H1 2025. Net working capital increased to DKK 99.1 million, primarily reflecting backloaded invoicing in Q2 and increased inventory as we prepare for expected demand in the second half. Cash available at the end of H1 was DKK 84.3 million.

Looking ahead, our 2026 revenue guidance remains unchanged. Our priorities are clear: continue the momentum in our Core Infrastructure business, convert our growing pipeline into production revenue, support the scaling of our AI Infrastructure programs, and execute with financial discipline.

We entered 2026 focused on positioning Napatech for its next phase of growth. At the halfway point, we are making tangible progress. Our Core business is demonstrating strength, our AI Infrastructure opportunities are advancing toward scale, and our technology is increasingly relevant to the evolving architecture of the data center.

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

Best regards,

Kartik Srinivasan
Chief Executive Officer

Highlights H1:

- Revenue in USD amounted to 13.1M in H1 2026, an increase of 61% compared to H1 2025. In DKK, revenue amounted to 84.7M, an increase of 53% compared to H1 2025.
- The gross margin in H1 2026 was 68% compared to 68% in H1 2025.
- Staff costs and Other external costs in H1 2026 amounted to DKK 85.6M compared to DKK 91.5M in H1 2025.
- EBITDAC[1] in H1 2026 amounted to negative DKK 27.8M compared to negative DKK 53.6M in H1 2025.
- EBITDA in H1 2026 amounted to negative DKK 24.8M compared to negative DKK 48.7M in H1 2025.
- Depreciation, amortization, and impairment for H1 2026 were DKK 5.9M compared to DKK 12.3M in H1 2025.
- Net Cash flow from operating activities in H1 2026 was negative DKK 36.9M compared to negative DKK 44.3M in H1 2025.
- Net working capital end of H1 2026 amounted to DKK 99.1M compared to DKK 95.2M end of H1 2025 and DKK 83.2M end of 2025.
- Net cash used in investing activities in H1 2026 amounted to DKK 4.3M compared to DKK 6.3M in H1 2025.
- Cash and cash equivalents at the end of H1 2026 amounted to DKK 62.7M compared to DKK 133.4M at the end of H1 2025.
- Cash available at the end of H1 2026 amounted to DKK 84.3M compared to DKK 136.8M at the end of H1 2025.

Highlights Q2:

- Revenue in USD amounted to 7.4M in Q2 2026, an increase of 55% compared to Q2 2025. In DKK, revenue amounted to 48.1M, an increase of 52% compared to Q2 2025.
- The gross margin in Q2 2026 was 67% compared to 67% in Q2 2025.
- Staff costs and Other external costs in Q2 2026 amounted to DKK 41.2M compared to DKK 42.6M in Q2 2025.
- EBITDAC in Q2 2026 amounted to negative DKK 8.8M compared to negative DKK 21.5M in Q2 2025.
- EBITDA in Q2 2026 amounted to negative DKK 6.6M compared to negative DKK 19.6M in Q2 2025.
- Depreciation, amortization, and impairment for Q2 2026 were DKK 2.6M compared to DKK 5.9M in Q2 2025.
- Net Cash flow from operating activities in Q2 2026 was negative DKK 32.1M compared to negative DKK 18.6M in Q2 2025.
- Net cash used in investing activities in Q2 2026 amounted to DKK 3.3M compared to DKK 2.5M in Q2 2025.

Key figures[2]:

	Q2 2026	Q2 2025	YTD 2026	YTD 2025
Revenue USD M	7.4	4.8	13.1	8.2
Growth YoY USD M	55%	43%	61%	26%
Revenue DKK M	48.1	31.6	84.7	55.4
Growth YoY DKK M	52%	36%	53%	24%
Gross Margin	67%	67%	68%	68%
EBITDAC DKK M	-8.8	-21.5	-27.8	-53.6
EBITDA DKK M	-6.6	-19.6	-24.8	-48.7
Net Cash Flow from Operating Activities DKK M	-32.1	-18.6	-36.9	-44.3
Net Working Capital, end of period DKK M	99.1	95.2	99.1	95.2
Cash and cash equivalents, end of period DKK M	62.7	133.4	62.7	133.4
Unused credit facilities, end of period DKK M	21.6	3.4	21.6	3.4
Cash available, end of period DKK M	84.3	136.8	84.3	136.8

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

H1
Napatech reports revenue of DKK 84.7M in the first half of 2026 compared to DKK 55.4M in the same period in 2025, equivalent to an increase of 53%. In USD, revenue was up 61% compared to H1 2025.

The gross margin in H1 2026 was 68% compared to 68% in H1 2025.

Q2
Napatech reports revenue of DKK 48.1M in Q2 2026 compared to DKK 31.6M in the same period in 2025, equivalent to an increase of 52%. In USD, revenue grew 55% compared to Q2 2025.

The gross margin in Q2 2026 was 67% compared to 67% in Q2 2025.

Costs

H1
Staff costs and Other external costs in H1 2026 amounted to DKK 85.6M, compared to DKK 91.5M in H1 2025.

Operating expenses after transferal of staff costs to capitalized development costs in H1 2026 amounted to DKK 82.6M, compared to DKK 86.6M in H1 2025.

Q2
Staff costs and Other external costs in Q2 2026 amounted to DKK 41.2M, compared to DKK 42.6M in Q2 2025.

Operating expenses after transferal of staff costs to capitalized development costs in Q2 2026 amounted to DKK 39.0M, compared to DKK 40.8M in Q2 2025.

EBITDAC and EBITDA

H1
Earnings before Interest, Tax, Depreciation, Amortization, and Capitalization of development cost (EBITDAC) amounted to negative DKK 27.8M in H1 2026 compared to negative DKK 53.6M in H1 2025.

EBITDA in H1 2026 was negative DKK 24.8M compared to negative DKK 48.7M in H1 2025.

Q2
EBITDAC amounted to negative DKK 8.8M in Q2 2026 compared to negative DKK 21.5M in Q2 2025.

EBITDA in Q2 2026 was negative DKK 6.6m compared to negative DKK 19.6M in Q2 2025.

Depreciation, amortization, and impairment

H1
Depreciation, amortization, and impairment in H1 2026 were DKK 5.9M compared to DKK 12.3M in Q2 2025.

Q2
Depreciation, amortization, and impairment in Q2 2026 were DKK 2.6M compared to DKK 5.9M in Q2 2025.

Financial Items

H1
Financial items for H1 2026 were negative DKK 0.2M compared to a negative DKK 4.0M in H1 2025. H1 2025 was impacted by transaction costs related to the capital increase.

Q2
Financial items for Q2 2026 were negative DKK 0.2M compared to a negative DKK 2.7M in Q2 2025. Q2 2025 was impacted by transaction costs related to the capital increase.

Taxes

H1
Taxes for H1 2026 amounted to a cost of DKK 0.7M compared to a a cost of DKK 0.1M in H1 2025.

Q2
Taxes for Q2 2026 amounted to a cost of DKK 0.7M compared to a cost of DKK 0.1M in Q2 2025.

Investments

H1
The total net cash used in investing activities in H1 2026 was DKK 4.3M, of which DKK 3.3M was invested in new product development. In H1 2025, the total net cash used in investing activities was DKK 6.3M, of which DKK 5.7M was invested in new product development.

Q2
The total net cash used in investing activities in Q2 2026 was DKK 3.3M, of which DKK 2.5M was invested in new product development. In Q2 2025, the total net cash used in investing activities was DKK 2.5M, of which DKK 2.2M was invested in new product development.

Cash Flow

H1
Net cash flow from operating activities in H1 2026 was negative DKK 36.9M compared to negative DKK 44.3M in H1 2025. H1 2026 was impacted by a negative development in working capital primarily due to invoicing being backloaded in Q2 2026 and ramp-up of inventories to meet the expected demand in H2 2026.

Free cash flow in H1 2026 amounted to negative DKK 41.1M compared to negative DKK 50.6M in H1 2025.

Net cash from financing activities in H1 2026 was negative DKK 23.5M, compared to positive DKK 121.6M in H1 2025. H1 2025 was positively impacted by the capital raise last year, whereas H1 2026 is negatively impacted by short-term credit facilities not being drawn.

Cash and cash equivalents at the end of H1 2026 was DKK 62.7M compared to DKK 133.4M at the end of H1 2025.

Q2
Net cash flow from operating activities in Q2 2026 was negative DKK 32.1M compared to negative DKK 18.6M in Q2 2025. Q2 2026 was impacted by a negative development in working capital primarily due to invoicing

being backloaded in Q2 2026 and ramp-up of inventories to meet the expected demand in H2 2026.

Free cash flow in the quarter amounted to negative DKK 35.3M compared to negative DKK 21.2M in Q2 2025.

Net cash from financing activities in Q2 2026 was negative DKK 0.8M, compared to a positive DKK 121.1M in Q2 2025. Q2 2025 was positively impacted by the capital raise last year.

Changes in equity

The company's equity amounted to DKK 179.1M on June 30, 2026, this is a decline of DKK 25.6M from December 31, 2025.

In H1 2026, Group equity decreased by the comprehensive income with DKK -31.1M and increased with DKK 5.5M by transactions with shareholders.

Shareholders and Share Information

Napatech, as of June 30, 2026, had 110,442,933 shares, each with a nominal value of DKK 0.25. The share capital is DKK 27,610,733.25, divided among the 3,814 shareholders.

Investor	Number of shares	% of total
SUNDT AS	18,307,427	16.58%
VERDANE CAPITAL VIII K/S	10,013,618	9.07%
ARBEJDSMARKEDETS TILLAEGSPENSION	7,800,000	7.06%
LUDVIG LORENTZEN AS	6,800,000	6.16%
DNB BANK ASA	4,182,560	3.79%
BROWNSKE BEVEGELSER AS	4,030,483	3.65%
BANK PICTET & CIE (EUROPE) AG	3,308,329	3.00%
MANARA AS	2,605,000	2.36%
DANSKE BANK A/S	2,324,722	2.10%
VERDIPAPIRFONDET DNB SMB	2,121,991	1.92%
BAHIA AS	2,120,280	1.92%
PRIVATE INVESTOR	2,005,244	1.82%
AREPO AS	1,915,200	1.73%
THE BANK OF NEW YORK MELLON	1,879,749	1.70%
NORDNET BANK AB	1,405,075	1.27%
MP PENSJON PK	1,323,999	1.20%
J.P. MORGAN SE	1,304,638	1.18%
OSM FREDENLUND AS	1,135,232	1.03%
FOLKETRYGDFONDET	1,132,701	1.03%
F2 FUNDS AS	1,045,000	0.95%
Total number owned by top 20	**76,761,248**	**69.50%**
Total -20 other shareholders	**33,681,685**	**30.50%**
Total Number of shares	**110,442,933**	**100.00%**

Events after the end of the period

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

Outlook for 2026

2026 guidance:

Target in DKK million	Guidance
Revenue	200-240
Units sold	7,700-9,700 (previously 8,700-10,700)
Gross margin	60-70%
Staff costs & Other external costs	170-180
Staff costs transferred to capitalized development costs	5-8

While the revenue guidance is maintained, the guidance for units sold has been adjusted based on the results for the first half year and expectations for the second half year of 2026. The demand moves towards higher-speed, higher-value products, which carry higher average selling prices. As that mix continues to evolve, revenue growth will not necessarily translate proportionally into unit growth. Furthermore, we are expecting lower units to be sold within the AI Infrastructure segment in 2026 than originally anticipated.

With performance in the middle of the guided ranges, EBITDA would be negative at around DKK 25M, and units sold would be around 9,700.

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 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, 2026.

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, 2026, and of the results of the Group's operations and cash flows for the period January 1 to June 30, 2026.

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 25, 2026

Executive Management

Kartik Srinivasan, Chief Executive Officer

Board of Directors

Lars Boilesen, Chairman

Christian Jebsen

Lynn A. Comp

Patty Kummrow

Shannon Poulin

Zane Ball

INCOME STATEMENT

For the period ended June 30, 2026

		2nd quarter		H1	
DKK'000	Note	2026	2025	2026	2025
Revenue	3	48,087	31,571	84,675	55,420
Cost of goods sold		(15,738)	(10,445)	(26,803)	(17,523)
Gross profit		32,349	21,126	57,872	37,897
Staff costs		(31,557)	(29,443)	(64,700)	(64,502)
Other external costs		(9,605)	(13,165)	(20,927)	(27,011)
EBITDAC		(8,813)	(21,482)	(27,755)	(53,616)
Transferred to capitalized development costs		2,195	1,843	3,005	4,926
EBITDA		(6,618)	(19,639)	(24,750)	(48,690)
Depreciation, amortization and impairment		(2,625)	(5,870)	(5,926)	(12,327)
Operating result (EBIT)		(9,243)	(25,509)	(30,676)	(61,017)
Finance income		108	182	425	209
Finance costs		(335)	(2,907)	(634)	(4,241)
Result before tax		(9,470)	(28,234)	(30,885)	(65,049)
Income tax		(718)	(100)	(721)	(94)
Result for the period		(10,188)	(28,334)	(31,606)	(65,143)

		H1	
Earnings / (loss) per share:	4	2026	2025
Basic, DKK		(0.29)	(0.64)
Diluted, DKK		(0.29)	(0.64)

STATEMENT OF COMPREHENSIVE INCOME

For the period ended June 30, 2026

	H1	
DKK'000	2026	2025
Result for the period	(31,606)	(65,143)
Items that may be reclassified to profit and loss in subsequent periods:		
Exchange differences on translation of foreign operations	524	(1,835)
Net other comprehensive income / (loss) to be reclassified to profit or loss in subsequent periods	524	(1,835)
Total other comprehensive income / (loss) for the period, net of tax	524	(1,835)
Total comprehensive income / (loss) for the period, net of tax	(31,082)	(66,978)

CASH FLOW STATEMENT
For the period ended June 30, 2026

	2nd quarter		H1	
DKK'000	2026	2025	2026	2025
Operating activities				
Income/Loss before tax	(9,470)	(28,234)	(30,885)	(65,049)
Adjustments to reconcile profit before tax to net cash flows				
Finance income	(108)	(182)	(425)	(209)
Finance costs	335	2,907	634	4,241
Depreciation, amortisation and impairment	2,625	5,870	5,926	12,327
Share-based payment expense	2,232	2,049	4,728	4,815
Working capital adjustments				
Change in inventories	(19,525)	15	(23,919)	(4,994)
Change in trade and other receivables and prepayments	(16,330)	478	(2,368)	3,006
Change in trade and other payables and contract liabilities	9,720	(870)	11,031	2,694
Interest received	162	182	425	209
Interest paid	(276)	(754)	(575)	(1,253)
Income tax received/paid, net	(1,448)	(104)	(1,448)	(104)
Net cash flows from operating activities	(32,083)	(18,643)	(36,876)	(44,317)
Investing activities				
Purchase of tangible assets	(698)	(248)	(885)	(555)
Investments in intangible assets	(2,505)	(2,232)	(3,318)	(5,671)
Investments in leasehold deposits	(49)	(56)	(49)	(56)
Net cash used in investing activities	(3,252)	(2,536)	(4,252)	(6,282)
Free cash flow	(35,335)	(21,179)	(41,128)	(50,599)
Financing activities				
Capital increase	459	129,943	740	130,243
Transaction costs on issue of shares	-	(4,874)	-	(4,874)
Payment of financial lease liabilities	(803)	(678)	(1,604)	(1,587)
Proceeds from borrowings	-	(1,144)	-	-
Repayment of borrowings	(498)	(2,185)	(22,634)	(2,185)
Net cash flows from financing activities	(842)	121,062	(23,498)	121,597
Net change in cash and cash equivalents	(36,177)	99,883	(64,626)	70,998
Net foreign exchange difference	(205)	(1,070)	(173)	(1,928)
Cash and cash equivalents at the beginning of the period	99,053	34,598	127,470	64,341
Cash and cash equivalents at the end of the period	62,671	133,411	62,671	133,411

BALANCE SHEET

ASSETS

DKK'000	Note	30 June 2026	31 Dec. 2025	30 June 2025
Development projects, completed		4,747	6,910	10,516
Development projects, in progress		11,822	9,226	9,940
Patents		562	691	855
Intangible assets	5	17,131	16,827	21,311
Plant and equipment		2,467	3,401	4,005
Right-of-use assets		4,610	6,180	7,840
Leasehold improvements		883	404	487
Tangible assets	6	7,960	9,985	12,332
Leasehold deposits		1,685	1,636	1,643
Other non-current assets		1,685	1,636	1,643
Non-current assets		26,776	28,448	35,286
Inventories	7	80,597	56,678	74,870
Trade receivables		40,064	37,733	18,051
Prepayments		4,705	4,446	4,525
Other receivables		12,638	12,350	19,814
Income tax receivable		5,563	4,830	6,253
Cash and cash equivalents		62,671	127,470	133,411
Current assets		206,238	243,507	256,924
Total assets		233,014	271,955	292,210

EQUITY AND LIABILITIES

DKK'000	Note	30 June 2026	31 Dec. 2025	30 June 2025
Share capital	8	27,611	27,535	27,513
Share premium		608,051	606,871	606,169
Treasury shares	9	(619)	(619)	(619)
Foreign currency translation reserve		(863)	(1,387)	(1,282)
Share-based payment reserve		22,442	25,120	23,468
Retained earnings		(477,545)	(452,827)	(438,619)
Equity		**179,077**	**204,693**	**216,630**
Interest-bearing loans and borrowings		3,666	4,678	5,929
Other non-current financial liabilities		4,330	4,652	4,624
Non-current lease liabilities		1,713	3,349	5,000
Non-current contract liabilities		1,969	1,344	2,058
Non-current liabilities		**11,678**	**14,023**	**17,611**
Interest-bearing loans and borrowings		2,074	23,374	34,706
Current lease liabilities		3,244	3,211	3,214
Trade payables		19,287	8,109	5,247
Other payables		13,039	12,712	11,438
Contract liabilities		4,615	5,833	3,364
Current liabilities		**42,259**	**53,239**	**57,969**
Total liabilities		**53,937**	**67,262**	**75,580**
Total equity and liabilities		**233,014**	**271,955**	**292,210**

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
2026							
Equity at January 1	**27,535**	**606,871**	**(619)**	**(1,387)**	**25,120**	**(452,827)**	**204,693**
Result for the period	-	-	-	-	-	(31,606)	(31,606)
Total other comprehensive income	-	-	-	524	-	-	524
Total comprehensive income for the period	**-**	**-**	**-**	**524**	**-**	**(31,606)**	**(31,082)**
Transactions with shareholders							
Issue of shares	76	664	-	-	-	-	740
Reversal, exercised and lapsed options	-	516	-	-	(7,406)	6,888	(2)
Share-based payments	-	-	-	-	4,728	-	4,728
Equity at June 30	**27,611**	**608,051**	**(619)**	**(863)**	**22,442**	**(477,545)**	**179,077**
H1 2025							
Equity at January 1	**24,999**	**483,062**	**(619)**	**553**	**18,946**	**(373,518)**	**153,423**
Result for the period	-	-	-	-	-	(65,143)	(65,143)
Total other comprehensive income	-	-	-	(1,835)	-	-	(1,835)
Total comprehensive income for the period	**-**	**-**	**-**	**(1,835)**	**-**	**(65,143)**	**(66,978)**
Transactions with shareholders							
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
Equity at June 30	**27,513**	**606,169**	**(619)**	**(1,282)**	**23,468**	**(438,619)**	**216,630**
2025							
Equity at January 1	**24,999**	**483,062**	**(619)**	**553**	**18,946**	**(373,518)**	**153,423**
Result for the period	-	-	-	-	-	(80,655)	(80,655)
Total other comprehensive income	-	-	-	(1,940)	-	-	(1,940)
Total comprehensive income for the period	**-**	**-**	**-**	**(1,940)**	**-**	**(80,655)**	**(82,595)**
Transactions with shareholders							
Issue of shares	2,536	128,188	-	-	-	-	130,724
Transaction costs	-	(4,954)	-	-	-	-	(4,954)
Reversal, exercised and lapsed options	-	575	-	-	(1,921)	1,346	-
Share-based payments	-	-	-	-	8,095	-	8,095
Equity at December 31	**27,535**	**606,871**	**(619)**	**(1,387)**	**25,120**	**(452,827)**	**204,693**

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, 2026, 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 2025.

The consolidated financial statements for 2025 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 2025.

3. OPERATING SEGMENTS

Business segment reporting has changed in H1 2026 due to enhanced focus from Management on the AI infrastructure part of the business diverting this part from the original Core Infrastructure business of Napatech.

Previously the business segments consisted of the two segments SmartNIC products and Engineering services.

The new business segment reporting consists of the two segments Core infrastructure and AI infrastructure. The segments are further explained in connection with the table below. Each segment includes revenue related to SmartNIC products, engineering services and other services. According to IFRS 15, revenue from engineering services is recognized in the income statement based on the stage of completion (over time), whereas revenue from SmartNIC products is recognized in the income statement at a point in time. Revenue from engineering services is no longer considered a separate business segment due to change in management focus.

Comparative figures for the segment information have been adjusted according to the new segment reporting.

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.

The following tables present revenue and gross profit information about the Group's operating segments for H1 2026 and H1 2025, respectively:

3. OPERATING SEGMENTS (CONTINUED)

Geographical segments

DKK'000	2026 H1 AMERICAS	2026 H1 ROW	2026 H1 CONSOLI-DATED	2025 H1 AMERICAS	2025 H1 ROW	2025 H1 CONSOLI-DATED
Revenue						
Total revenue	46,982	37,693	84,675	38,982	16,438	55,420
- Sales of goods	46,109	37,063	83,172	36,213	16,135	52,348
- Sales of services	873	630	1,503	2,769	303	3,072
Cost of goods sold	(17,312)	(9,491)	(26,803)	(13,188)	(4,335)	(17,523)
Segment gross profit	**29,671**	**28,201**	**57,872**	**25,794**	**12,103**	**37,897**

Explanation of abbreviations:
AMERICAS = North & South America ROW = Rest of the World

The geographical segmentation is based on the location of the end-user customers, where Napatech deliver the products to.
In 2026, the method used for the geographic allocation has been refined to better reflect the location of the actual end users. This resulted in a reallocation of revenue of DKK 4.2 million and a reallocation of cost of goods sold of DKK 0.7 million from AMERICAS to ROW for H1 2025. The comparative figures have been adjusted.

In H1 2026, revenue from sales to customers located in Denmark amounted to 0% of total revenue (H1 2025: 0%). The Group has material revenue from customers located in the USA. In H1 2026, sales to customers in the USA accounted for 54% of total revenue (H1 2025: 66%).

Business segments

DKK'000	2026 H1 Core Infrastruc-ture	2026 H1 AI Infrastruc-ture	2026 H1 CONSOLI-DATED	2025 H1 Core Infrastruc-ture	2025 H1 AI Infrastruc-ture	2025 H1 CONSOLI-DATED
Revenue						
Total revenue	82,726	1,949	84,675	52,695	2,725	55,420
Cost of goods sold	(24,852)	(1,951)	(26,803)	(17,175)	(348)	(17,523)
Segment gross profit	**57,874**	**(2)**	**57,872**	**35,519**	**2,378**	**37,897**

The AI infrastructure consists of a layer of data center architecture built around production AI workloads. This includes inference pipeline acceleration for applications such as RAG and Mixture-of-Experts, scale-up and scale-out networking, checkpoint acceleration, storage acceleration, and multi-tenant security. Please note, that the H1 2026 revenue and gross profit was driven by early customer qualification orders coming at a low margin, whereas H1 2025 mainly consisted of engineering services.

The Core infrastructure segment consists of the foundational data center and network architecture that supports mission-critical enterprise, service provider, and financial workloads. This includes cybersecurity and network security, packet capture and monitoring, deep packet inspection, telecommunications infrastructure, financial services networking, virtualized networking, storage and data pipeline acceleration, and secure, deterministic data movement at scale.

Each segment includes both SmartNIC, engineering services and other services.

4. EARNINGS PER SHARE

DKK'000	H1 2026	H1 2025
Net profit attributable to equity holders of the parent company for basic earnings and the effect of dilution	**(31,606)**	**(65,143)**

Thousands	H1 2026	H1 2025
Weighted average number of shares for basic earnings per share	110,258	101,536
Effect of dilution:		
Share options	-	-
Weighted average number of shares adjusted for the effect of dilution	**110,258**	**101,536**
Number of share options w ith potential effect of dilution:	2,644	2,987

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 2026	205,771	9,226	5,728	220,725
Additions in the period	-	3,318	-	3,318
Cost at 30 June 2026	**206,493**	**11,822**	**5,728**	**224,043**
Accumulated amortisation at 1 January 2026	198,861	-	5,037	203,898
Amortisation for the period	2,885	-	129	3,014
Accumulated amortisation and impairment 30 June 2026	**201,746**	**-**	**5,166**	**206,912**
Carrying amount at 30 June 2026	**4,747**	**11,822**	**562**	**17,131**

The annual impairment test for the intangible assets will be performed on December 31, 2026. As of June 30, 2026, 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 improve-ments	Total
Cost at 1 January 2026	20,232	2,121	22,353
Additions in the period	296	589	885
Presentation currency adjustment	20	-	20
Cost at 30 June 2026	**20,548**	**2,710**	**23,258**
Accumulated depreciation and impairment at 1 January 2026	16,831	1,717	18,548
Depreciation for the period	1,231	110	1,341
Presentation currency adjustment	19	-	19
Accumulated amortisation and impairment 30 June 2026	**18,081**	**1,827**	**19,908**
Carrying amount at 30 June 2026	**2,467**	**883**	**3,350**

7. INVENTORIES

DKK'000	30 June 2026	30 June 2025
Consumables and components	35,954	18,771
Finished goods and goods for resale	44,943	56,099
Total inventories at 30 June	**80,897**	**74,870**
Carrying value of inventories recognised at fair value	**-**	**-**

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

DKK'000	2026	2025
Inventory w rite-dow n at 1 January	1,163	3,090
Inventory w rite-dow n for the year	10	-
Reversal of inventory w irte-dow n	-	(243)
Inventory w rite-dow n at 30 June	**1,173**	**2,847**

8. ISSUED SHARE CAPITAL AND RESERVES

Authorised shares	2026	2025
	Thousands	*Thousands*
Ordinary shares of DKK 0.25 each at 1 January	110,139	99,997
Increase in ordinary shares DKK 0.25 each	304	10,057
Ordiniary shares of DKK 0.25 each at 30 June	**110,443**	**110,054**

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.

Contingent liabilities
The Group has engaged in a contract providing engineering services with an earn-back: clause to provide a one-time rebate of part of the consideration paid by the customer for engineering services once the Group sells a specific number of cards to the customer. The potential rebate amounts to DKK 2.3 million. It is uncertain if the sales will exceed the threshold for the earn-back.

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