NAPATECH BUILDS MOMENTUM ON SUCCESS OF RECONFIGURABLE COMPUTING PLATFORMS

Company Announces Closing of $8.7 Million USD Private Placement

LOS ALTOS, Calif. and COPENHAGEN, Denmark – May 23, 2019 – Napatech™ (OSLO: NAPA.OL), the leading provider of reconfigurable computing platforms, today announced that its growth, new funding round and recent product launches contributed to significant momentum in 2018 and into 2019.

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Napatech announced today that is has completed a private placement of financing, raising gross proceeds of $8.7 million USD. This placement was underwritten by a group of well-known European investors by offering new shares in Napatech in order to raise the full round at the Subscription Price.

Napatech will use the net proceeds to accelerate and commercialize new, innovative solutions in cybersecurity and virtualization acceleration that will improve growth within its market-leading, FPGA-based hardware and software product lines. In addition, the company will focus on new and additional engineering development to accelerate delivery of these new products to the market in 2019 and 2020.

The company also will enhance its go-to-market strategy, sales and marketing initiatives to maximize the revenue impact from new products while the market for SmartNICs is expanding. SmartNICs are being used to accelerate virtual switching applications, such as Open Virtual Switch. In cybersecurity, SmartNICs deliver 100% packet capture for real-time network insight and action.

Napatech's FPGA-based intelligent network interface cards (NICs) provide an easy way for enterprises and service providers to accelerate applications, improve cybersecurity and increase server utilization as cloud, hybrid and software-defined networks become more mission-critical.

Napatech's market-leading FPGA SmartNIC software is available for use with the leading FPGA solutions from Xilinx, including the Virtex and Ultrascale+ lines, and the Intel® Programmable Acceleration Card (PAC) featuring the Intel Arria® 10 GX FPGA. The solution empowers IT organizations of all sizes to deploy networking and cybersecurity applications on standard servers for unparalleled performance at a fraction of the cost of custom hardware alternatives.

Napatech collaborates with industry partners to develop solutions that improve the way their networking and security applications and solutions perform for their customers. Several recently announced design wins showcased demonstrate the feature-rich SmartNIC software and hardware in a variety of environments. This includes tick-to-trade latency reduction with Velocimetrics, network monitoring and performance management with Neusoft and acceleration of Starlink's security framework. For more information about these design wins, click here.

Ray Smets, CEO, Napatech said: "Major changes in communications created by hyperscale computing, 5G mobile and the Internet of Things are transforming the technology needs of businesses. As the volume of users, devices and data continues to increase, Fortune 5000 enterprises, service providers and government operators are rethinking the way they design, deploy, operate and secure their networks and services. We believe we are well-positioned to move toward our goals of bringing hyper-scale computing benefits to IT organizations of every size and enhancing the long-term growth of the company and value for shareholders."

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