

REMUNERATION REPORT FOR THE FINANCIAL YEAR 2022

1 INTRODUCTION

This remuneration report provides an overview of the total remuneration received by each member of the board of directors and the executive management board of Napatech A/S, CVR no. 10109124, for the financial year 2022 and comparative figures for 2019, 2020 and 2021. The Executive Management includes the members of the executive management of the Company registered as such with the Danish Business Authority.

The Report provides an overview of the remuneration awarded to the individual management members during or for the benefit of the financial year 2022 and explains how the overall remuneration is in accordance with the agreed Remuneration Policy.

The remuneration of the Board and Executive Management during the past financial year has been provided in accordance with the remuneration policy of the Company approved by the annual general meeting on April 26, 2022. The remuneration policy is available on the Napatech website on www.napatech.com/investor-relations/corporate-governance. The overall objective of the remuneration is to; attract, motivate and retain qualified members of the Board of Directors and Executive Management Board; to ensure the correlation between management interests and the interests of the company and shareholders, and; to help promote long-term value creation in the company and thus support the company's business strategy and sustainability.

At the Annual General Meeting in April 2023, an updated version of the Remuneration Policy will be presented for approval.

2 BUSINESS PERFORMANCE IN 2022

In 2022, Napatech experienced a difficult year. Challenging market conditions due to the unfolding of the Ukraine crisis and the worries of a coming recession in the US economy resulted in a disappointing year revenue-wise.

While Napatech business, like the global tech industry, has been impacted by the market conditions during the past years, we've made significant investments in our product technology to create a strong foundation for business in market areas that will deliver growth in the coming years.

Despite the many unexpected challenges in 2022, our belief and commitment to succeeding hasn't changed. Napatech has the technology, competitiveness, and, last but not least, some very strong partnerships supporting an amazing pipeline of current and future business opportunities.

3 REMUNERATION TO THE BOARD OF DIRECTORS IN 2022

The purpose of the remuneration structure for the Board of Directors is to be able to attract and retain board members with the desired competencies. In determining the levels, board fees in comparable companies are also considered.

The board members and the Chairman receive a fixed yearly cash amount approved by the annual general meeting. In addition, each sub-committee member receives an additional remuneration of a fixed yearly cash amount of 15% of basic board remuneration per sub-committee membership (e.g. per audit committee, remuneration committee, etc.).

The following fees for the period from the Annual General Meeting in April 2022 to the Annual General Meeting in 2023 were approved at the Annual General Meeting on April 26, 2022:

| | Board | Audit Committee | Remuneration Committee |
|----------|--|--|--|
| Member | NOK 350,000 or 40,070 warrants with a strike price of DKK 0.25 | NOK 28,500 or 3,262 warrants with a strike price of DKK 0.25 | NOK 28,500 or 3,262 warrants with a strike price of DKK 0.25 |
| Chairman | NOK 350,000 or 40,070 warrants with a strike price of DKK 0.25 | NOK 28,500 or 3,262 warrants with a strike price of DKK 0.25 | NOK 28,500 or 3,262 warrants with a strike price of DKK 0.25 |

All members of the Board of Directors receive reimbursement of reasonable expenses such as travel and accommodation in relation to board meetings as well as relevant education. Members of the Board not residing in a European Country receive an additional fee when attending board and committee meetings in Europe.

Members of the Board may take on specific ad hoc tasks outside their normal duties for and at the instruction of the Board of Directors. In each such case, the Board of Directors shall determine a fixed fee (e.g. per diem) for the work carried out related to those tasks. In addition, at the Annual General Meeting in April 2022, The Chairman of the Board was granted 114,487 warrants with a strike price of DKK 0.25 for the duties performed since the Annual General Meeting in 2021 and an additional 114,487 warrants with a strike price of DKK 0.25 for the duties performed until the Annual General Meeting in April 2023.

| Remuneration of the Board for the financial year 2022 | | | | |
|---|------------------|--------------------|----------------------------|------------------|
| Name and position | Annual fee DKK | Committee fees DKK | Ad hoc / extraordinary DKK | Total DKK |
| Lars Boilesen, Chairman | 370,108 | 29,527 | 1,668,052 | 2,067,687 |
| Howard Bubb, Board member | 323,096 | 59,054 | - | 382,150 |
| Christian Jebsen, Board member | 46,800 | 7,020 | - | 53,820 |
| Thomas Bonnerud, Board member from April 2022 | 276,084 | 44,951 | - | 321,034 |
| Henry Wasik, Board member until April 2022 | 47,012 | 14,104 | - | 61,116 |
| Total | 1,063,100 | 154,656 | 1,668,052 | 2,885,808 |

4 REMUNERATION TO THE EXECUTIVE MANAGEMENT BOARD IN 2022

The remuneration package for members of the Executive Management Board consists of a fixed annual base salary and variable elements consisting of short and long-term incentives. The Board of Directors believes that a combination of fixed and performance-based pay is the best way to attract, retain and motivate the Executive Management Board. In addition to cash-based remuneration, the interests of the Executive Management Board are aligned with shareholders through participation in share-based option programs. In addition, members of Executive Management may receive a pension contribution and other benefits.

The purpose of the fixed basic salary, pension contributions, and other benefits is primarily to provide the individual Executive Board member with a predictable minimum remuneration to be able to attract and retain Executive Management Board members with the desired competencies. This remuneration structure is deemed to be resilient in supporting successful leadership whilst ensuring alignment with shareholder expectations.

| Remuneration of the Executive Management for the financial year 2022 | | | | |
|--|-----------------------------|------|-----------------------|------|
| | Ray Smets, CEO ¹ | | Heine Thorsgaard, CFO | |
| | DKK | % | DKK | % |
| Fixed basic salary | 2,446,232 | 100% | 1,876,693 | 100% |
| Pension contribution | 42,624 | 2% | 111,192 | 6% |
| Other benefits | 104,453 | 4% | 122,837 | 7% |
| Cash-based bonus scheme | 0 | 0% | 694,950 | 37% |
| Share-based remuneration | 409,885 | 17% | 450,129 | 24% |
| Total | 3,027,864 DKK | | 3,255,801 DKK | |

For the total cash bonus, clawback options are used, so that paid bonuses may be recovered if it is subsequently found that the salary has been paid or earned on the basis of information that is incorrect or does not comply with the guidelines, prepared by the Board of Directors. Claw-back in relation to the cash bonus is possible up to 12 months after the actual payment of the cash-based incentive.

¹ On February 27, 2023, Ray Smets stepped down as CEO of Napatech and was replaced by Henrik Brill Jensen.

5 COMPARATIVE OVERVIEW

The development in the remuneration of the Board and Executive Management over the past three financial years is summarized in the table below.

| Financial Performance | 2022 | 2021 | 2020 | 2019 |
|---|--------------|-------------|-------------|--------------|
| Net result before taxes for the Company | -47,013 tDKK | 35,969 tDKK | 4,166 tDKK | -14,023 tDKK |
| Net result after taxes for the Company | -51,236 tDKK | 40,740 tDKK | 9,241 tDKK | -11,064 tDKK |
| Net result before taxes for the Group | -44,144 tDKK | 36,998 tDKK | 5,081 tDKK | -14,252 tDKK |
| Net result after taxes for the Group | -48,259 tDKK | 40,228 tDKK | 9,595 tDKK | -13,601 tDKK |

| Yearly Change in Remuneration for Board | 2022 | 2021 | 2020 |
|---|-------------|-------------|-------------|
| Lars Boilesen, Chairman | 594% | -1% | -12% |
| Howard Bubb, Deputy Chairman | 116% | 4% | -14% |
| Christian Jebsen, Board member | -67% | N/A | N/A |
| Thomas Bonnerud, Board member | N/A | N/A | N/A |
| Henry Wasik, Board member | -65% | 4% | -14% |
| Yearly Change in Remuneration for Executive Management & Company Employees | 2022 | 2021 | 2020 |
| Executive Management | 7% | -27% | 6.1% |
| Average remuneration of Company Employees (FTE) | 5% | -5% | -1.8% |
| Average remuneration of Group Employees within the Napatech Group (FTE) | 8% | -11% | 0.9% |

The financial performance of Napatech was negatively impacted by the decline in revenues and increase in operating costs compared to 2021. Remuneration for the Board of Directors increased in 2022 compared to 2021 due to the new remuneration policy approved on the Annual General Meeting in April 2022. Remuneration for the Executive Management increased 7% from 2021 to 2022 as a result of a strengthened USD and a regulation of the fixed base salary due to higher inflation rates. The average remuneration of the employees in Napatech grew 5% from 2021 to 2022. The growth is reflecting the higher inflation rates.

Comparative figures for 2019, 2020 and 2021 are presented in Appendix A.

6 HOLDING OF SHARES & WARRANTS

Amount of shares and warrants in the Company owned by members of the Board and Executive Management:

| | Number of shares 31 December 2022 | Change in the fiscal year, shares | Market value Dec 31, 2022 | |
|----------------------------------|---|--------------------------------------|------------------------------------|---|
| Board | | | | |
| Lars Boilesen, Chairman | 320,000 | - | 4,211,200 NOK | |
| Thomas Bonnerud, Deputy Chairman | - | - | - | |
| Howard Bubb, Board member | 101,093 | - | 1,330,384 NOK | |
| Christian Jebsen, Board member | - | - | - | |
| Executive Management | | | | |
| Ray Smets, CEO | 380,000 | - | 5,000,800 NOK | |
| Heine Thorsgaard, CFO | - | - | - | |
| | Total number of warrants 1 January 2022 | Number of warrants exercised in 2022 | Number of warrants granted in 2022 | Total number of warrants 31 December 2022 |
| Board of Directors | | | | |
| Lars Boilesen, Chairman | - | - | 272,306 | 272,306 |
| Howard Bubb, Deputy Chairman | - | - | 46,594 | 46,594 |
| Thomas Bonnerud, Board member | - | - | 46,594 | 46,594 |
| Christian Jebsen, Board member | - | - | - | - |
| Executive Management | | | | |
| Ray Smets, CEO | 1,967,244 | - | - | 1,967,244 |
| Heine Thorsgaard, CFO | 355,000 | - | - | 355,000 |

7 SHARE BASED REMUNERATION

Individual members of the Board of Directors and the Executive Management Board may, at the discretion of the Board of Directors, be offered to participate in Share Option Programs. Participating members are entitled to subscribe for a number of Napatech A/S shares at a certain strike price.

Below is an overview of warrants allocated to members of the Board of Directors in 2022 under the Long-Term Incentive Program:

| Share-based remuneration of the Board of Directors - 2022 | | | | | | |
|---|---------|---------------|-----------------|--------------|-----------------------------|----------------------|
| Name and position | Program | Grant date | No. of warrants | Strike price | Vesting period | Value of award (DKK) |
| Lars Boilesen, Chairman | 2022 | June 29, 2022 | 114,487 | 0.25 DKK | Immediate vesting | 879,233 |
| Lars Boilesen, Chairman | 2022 | June 29, 2022 | 157,819 | 0.25 DKK | Fully vested April 30, 2023 | 1,210,027 |
| Howard Bubb, member | 2022 | June 29, 2022 | 46,594 | 0.25 DKK | Fully vested April 30, 2023 | 357,245 |
| Thomas Bonnerud, member | 2022 | June 29, 2022 | 46,594 | 0.25 DKK | Fully vested April 30, 2023 | 357,245 |

*Proportionally at the end of each calendar month from June 29, 2022, until the earlier of (a) April 30, 2023, or (b) the 2023 ordinary general meeting.

No performance criteria are attached to the warrants granted to the members of the Board of Directors.

No warrants were allocated to members of the Executive Management in 2022.

8 COMPLIANCE WITH THE REMUNERATION POLICY

The remuneration of the Board and Executive Management for the financial year 2022 is consistent with the framework provided by the Remuneration Policy. There has been no deviation or derogation from the framework provided by the Remuneration Policy.

9 STATEMENT OF THE BOARD OF DIRECTORS

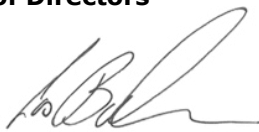
The Board of Directors has today considered and adopted the Remuneration Report of Napatech A/S for the financial year 2022.

The Remuneration Report has been prepared in accordance with section 139 b of the Danish Companies Act.

The Remuneration Report is submitted to the General Meeting for an indicative vote.

Søborg, March 23, 2023

Board of Directors



Lars Boilesen, Chairman



Christian Jebsen



Howard Bubb



Thomas Bonnerud

APPENDIX A: COMPARATIVE FIGURES FOR 2019, 2020 and 2021

| Remuneration of the Board for the financial year 2021 | | | | |
|--|----------------|--------------------|----------------------------|----------------|
| Name and position | Annual fee DKK | Committee fees DKK | Ad hoc / extraordinary DKK | Total DKK |
| Lars Boilesen, Chairman | 273,295 | 24,813 | - | 298,108 |
| Howard Bubb, Deputy Chairman | 136,648 | 40,317 | - | 176,964 |
| Henry Wasik, Board member | 136,648 | 40,317 | - | 176,964 |
| Christian Jebsen, Board member | 136,648 | 24,813 | - | 161,460 |
| Total | 683,238 | 130,258 | - | 813,496 |

| Remuneration of the Board for the financial year 2020 | | | | |
|--|----------------|--------------------|----------------------------|----------------|
| Name and position | Annual fee DKK | Committee fees DKK | Ad hoc / extraordinary DKK | Total DKK |
| Lars Boilesen, Chairman | 262,546 | 39,382 | - | 301,928 |
| Howard Bubb, Deputy Chairman | 131,270 | 39,382 | - | 170,652 |
| Henry Wasik, Board member | 131,270 | 39,382 | - | 170,652 |
| Christian Jebsen, Board member | - | - | - | - |
| Bjørn Erik Reinseth, Board member until April 2020 | 63,012 | 14,451 | - | 63,012 |
| Total | 573,557 | 132,687 | - | 706,244 |

| Remuneration of the Board for the financial year 2019 | | | | |
|--|----------------|--------------------|----------------------------|----------------|
| Name and position | Annual fee DKK | Committee fees DKK | Ad hoc / extraordinary DKK | Total DKK |
| Lars Boilesen, Chairman | 262,791 | 78,837 | - | 341,628 |
| Howard Bubb, Deputy Chairman | 152,840 | 45,852 | - | 198,692 |
| Henry Wasik, Board member | 152,840 | 45,852 | - | 198,692 |
| Bjørn Erik Reinseth, Board member | 146,686 | 44,006 | - | 190,692 |
| Lars Thoresen, Board member until April 2019 | 36,051 | 10,815 | - | 46,866 |
| Christian Jebsen, Board member from April 2019 | - | - | - | - |
| Total | 751,208 | 225,362 | - | 976,570 |

In 2019 two board members received in total an additional DKK 205 thousand as part of consultancy contracts.

| Remuneration of the Executive Management for the financial year 2021 | | | | |
|--|----------------------|------|-----------------------|------|
| | Ray Smets, CEO | | Heine Thorsgaard, CFO | |
| | DKK | % | DKK | % |
| Fixed basic salary | 2,125,554 | 100% | 1,753,799 | 100% |
| Pension contribution | 36,492 | 2% | 103,680 | 6% |
| Other benefits | 88,578 | 4% | 101,606 | 6% |
| Cash-based bonus scheme | 0 | 0% | 648,000 | 37% |
| Share-based remuneration | 529,548 | 25% | 496,394 | 28% |
| Total | 2,780,173 DKK | | 3,103,479 DKK | |

| Remuneration of the Executive Management for the financial year 2020 | | | | |
|--|----------------------|------|-----------------------|------|
| | Ray Smets, CEO | | Heine Thorsgaard, CFO | |
| | DKK | % | DKK | % |
| Fixed basic salary | 2,097,881 | 100% | 1,660,219 | 100% |
| Pension contribution | 37,245 | 2% | 99,613 | 6% |
| Other benefits | 191,699 | 9% | 116,246 | 7% |
| Cash-based bonus scheme | 2,058,296 | 98% | 810,000 | 49% |
| Share-based remuneration | 902,931 | 43% | 123,747 | 7% |
| Total | 5,288,053 DKK | | 2,809,825 DKK | |

| Remuneration of the Executive Management for the financial year 2019 | | | | | | |
|--|----------------------|------|---|------|--|------|
| | Ray Smets CEO | | Heine Thorsgaard CFO (period: nov-dec) | | Henrik Brill Jensen COO (period: jan-oct) | |
| | DKK | % | DKK | % | DKK | % |
| Fixed basic salary | 2,101,129 | 100% | 289,634 | 100% | 1,741,860 | 100% |
| Pension contribution | 37,353 | 2% | 16,227 | 6% | 98,596 | 6% |
| Other benefits | 204,970 | 10% | 19,373 | 7% | 128,107 | 7% |
| Cash-based bonus scheme | 2,001,076 | 95% | 135,000 | 47% | 413,333 | 24% |
| Share-based remuneration | 418,759 | 20% | 11,851 | 4% | 15,612 | 1% |
| Total | 4,763,287 DKK | | 472,085 DKK | | 2,397,508 DKK | |

| Remuneration of Company Employees | | | | | | | | |
|---|--------|--------|--------|--------|---------|--------|--------|--------|
| DKK'000 | Group | | | | Company | | | |
| | 2022 | 2021 | 2020 | 2019 | 2022 | 2021 | 2020 | 2019 |
| Wages and salaries | 85,575 | 78,651 | 86,490 | 89,926 | 60,125 | 55,246 | 57,428 | 61,725 |
| Defined contribution schemes | 3,779 | 3,413 | 3,933 | 3,923 | 3,428 | 3,075 | 3,545 | 3,550 |
| Share-based payment expense | 5,674 | 3,107 | 2,347 | 1,635 | 4,665 | 2,023 | 771 | 569 |
| Social security costs | 3,883 | 3,578 | 3,438 | 3,507 | 594 | 542 | 452 | 530 |
| Total employee benefits expense | 98,911 | 88,749 | 96,208 | 98,991 | 68,812 | 60,886 | 62,196 | 66,374 |
| Board remuneration | 2,886 | 813 | 706 | 977 | 2,886 | 813 | 706 | 977 |
| Employee benefits expense excl board remuneration | 97,395 | 87,936 | 95,502 | 98,014 | 65,926 | 60,073 | 61,490 | 65,397 |
| Average number of employees | 82 | 81 | 78 | 81 | 67 | 64 | 62 | 65 |
| Average remuneration of Employees | 1,171 | 1,086 | 1,224 | 1,210 | 984 | 939 | 992 | 1006 |

| Share-based remuneration of the Executive Management - 2021 | | | | | | |
|---|---------|-------------|-----------------|--------------|----------------|----------------------|
| Name and position | Program | Grant date | No. of warrants | Strike price | Vesting period | Value of award (DKK) |
| Heine Thorsgaard, CFO | 2021 | May 5, 2021 | 100,000 | 19.70 NOK | 4 years | 1,106,527 |

No performance criteria are attached to the warrants granted to the members of the Executive Management Board in 2021.

| Share-based remuneration of the Executive Management - 2020 | | | | | | |
|---|---------|--------------|-----------------|--------------|----------------|----------------------|
| Name and position | Program | Grant date | No. of warrants | Strike price | Vesting period | Value of award (DKK) |
| Ray Smets, CEO | 2020 | May 30, 2020 | 500,000 | 4.18 NOK | 4 years | 1,082,135 |
| Heine Thorsgaard, CFO | 2020 | May 30, 2020 | 100,000 | 4.18 NOK | 4 years | 216,427 |

150,000 of the 500,000 warrants granted to Ray Smets in 2020 are subject to the achievement of certain strategic objectives. No performance criteria are attached to the rest of the warrants granted to the members of the Executive Management Board.

| Share-based remuneration of the Executive Management - 2019 | | | | | | |
|--|---------|---------------|-----------------|--------------|----------------|----------------------|
| Name and position | Program | Grant date | No. of warrants | Strike price | Vesting period | Value of award (DKK) |
| Ray Smets, CEO | 2019 | July 24, 2019 | 133,756 | 5.0 NOK | 2 years | 64,866 |
| Ray Smets, CEO | 2019 | July 24, 2019 | 133,488 | 1.89 NOK | 2 years | 89,926 |
| Ray Smets, CEO | 2019 | July 24, 2019 | 800,000 | 1.5 NOK | 4 years | 561,276 |
| Heine Thorsgaard, CFO | 2019 | July 24, 2019 | 100,000 | 1.5 NOK | 4 years | 70,160 |

No performance criteria are attached to the warrants granted to the members of the Executive Management Board in 2019.