

**Invitation to the Annual General Meeting of
NFON AG with its registered office in Munich
WKN A0N4N5 ISIN DE000A0N4N52**

Munich, in May 2023

Dear Shareholders,

We would like to invite you to the Annual General Meeting of NFON AG, Munich, on

June 30, 2023, at 10:00 a.m. (CEST)

at

**Bayerische Börse
Karolinenplatz 6
80333 Munich
Germany**

The agenda of the Annual General Meeting is as follows:

Item 1

Presentation of NFON AG's adopted Annual Financial Statements and the approved Consolidated Financial Statements as of December 31, 2022, the combined Management Report for NFON AG and the Group, including the Management Board's explanatory report on the disclosures in accordance with Sections 289a and 315a of the German Commercial Code (Handelsgesetzbuch), and the Supervisory Board's report for financial year 2021

These documents can be viewed on the Internet at <https://corporate.nfon.com/en/investor-relations/annual-general-meeting> and will also be available for inspection at the Annual General Meeting. The Supervisory Board has already approved the Annual and the Consolidated Financial Statements. Therefore, in accordance with statutory regulations, no resolution will be passed on this agenda item.

Item 2

Resolution on formally approving the actions of the members of the Management Board

The Supervisory Board and Management Board propose that the actions of the members of the Management Board in financial year 2022 be approved for this period.

Item 3

Resolution on formally approving the actions of the members of the Supervisory Board

The Supervisory Board and Management Board propose that the actions of the members of the Supervisory Board in financial year 2022 be approved for this period.

Item 4

Resolution on appointing the auditor for financial year 2023

On the recommendation of the Audit Committee, the Supervisory Board proposes that KPMG AG Wirtschaftsprüfungsgesellschaft, Munich, be appointed auditor and Group auditor for financial year 2023.

In its recommendation, the Audit Committee stated that it was not affected by any undue influence from third parties and that no clause restricting the selection within the meaning of Art. 16 para. 6 EU Statutory Auditor Regulation was imposed.

Item 5 Supervisory Board Elections

The term of office of all members of the Supervisory Board of NFON AG ends at the end of the Annual General Meeting 2023. The Supervisory Board must therefore be re-elected as a whole.

The Supervisory Board therefore proposes that the following persons be elected to the Supervisory Board with effect from the end of the Annual General Meeting 2023:

1. Mr. Rainer-Christian Koppitz, CEO of Katek SE, Munich, residing in Munich
2. Dr. Rupert Doehner, lawyer, Managing Director of RECON. Rechtsanwalts-gesellschaft mbH, Munich, residing in Munich
3. Mr. Günter Müller, Executive Chairman of ASC Technologies AG, Hösbach, residing in Hösbach
4. Mr. Florian Schuhbauer, Managing Director of Active Ownership Capital S.à.r.l. and Active Ownership Corporation S.à.r.l., both Grevenmacher, Luxembourg, residing in Frankfurt/Main

The members of the Supervisory Board are elected by the Annual General Meeting in accordance with Section 12 para. 2 of the Articles of Association for the period until the end of the Annual General Meeting which decides on approving the actions for the fourth financial year after the beginning of the term of office. The financial year in which the term of office begins is not included.

The members of the Supervisory Board are elected individually.

In accordance with Section 96 para. 1 and Section 101 para. 1 of the German Stock Corporation Act (AktG) in conjunction with Section 12 para. 1 of the Articles of Association, the Supervisory Board is composed of four members to be elected by the Annual General Meeting.

The Annual General Meeting is not bound by election proposals.

It should be noted that the candidate for the Supervisory Board, Mr. Günter Müller, is a member of the Management Board of Milestone Venture Capital GmbH. Milestone Venture Capital GmbH is a shareholder with a significant stake in the company.

It should also be noted that the candidate for the Supervisory Board, Mr. Florian Schuhbauer, is a member of the Management Board of Active Ownership Corporation S.à.r.l. Active Ownership Corporation S.à.r.l. is a shareholder with a significant stake in the company.

It should also be pointed out that in the event of his election to the Supervisory Board, Rainer Koppitz will again be proposed as a candidate for the position of Chairman of the Supervisory Board.

Information on the candidates proposed for election to the Supervisory Board under item 5 of the agenda:

Mr. Florian Schuhbauer has expertise in the area of the final audit within the meaning of Section 100 para. 5 of the German Stock Corporation Act (AktG). In addition, Rainer-Christian Koppitz, who is proposed for election, has expertise in the area of accounting.

The proposed candidates have the following memberships in other supervisory boards to be formed and in comparable domestic and foreign supervisory bodies of commercial enterprises:

1. Rainer-Christian Koppitz: Chairman of the Supervisory Board of CENIT AG, Stuttgart;
2. Dr. Rupert Doehner: None;
3. Günter Müller: None;
4. Florian Schuhbauer: Deputy Chairman of the Supervisory Board of vita 34 AG, Leipzig;
Member of the Supervisory Board of PNE AG, Cuxhaven;

The Supervisory Board has assured itself that the proposed candidates will be able to meet the expected time required for the position.

The above-mentioned nominations take the competence profile for the overall committee drawn up by the Supervisory Board for its composition into account. Information on the objectives and the competence profile, including the status of its implementation, is published in the Corporate Governance Statement for financial year 2022. This is published in the Annual Report 2022 and on the company's website. Further information on the careers of the proposed candidates can

be found in the CVs attached to this agenda and on the company's website at <https://corporate.nfon.com/de/investor-relations/hauptversammlung/>.

Item 6

Resolution on approving the Remuneration Report for financial year 2022

In accordance with Section 162 of the German Stock Corporation Act (AktG), the Management Board and Supervisory Board of a listed public limited company are to prepare a remuneration report on the remuneration of the members of the board every year. The corresponding compensation report for the financial year 2022 was audited by the auditor of NFON AG and provided with an audit report. In accordance with Section 120a (4) sentence 1 AktG, the Annual General Meeting of the listed stock corporation adopts a resolution on approving the Remuneration Report prepared and audited in accordance with Section 162 AktG for the preceding financial year.

The Remuneration Report for financial year 2022 and the report on its audit by the auditor are included at the end of this agenda as an appendix to agenda item 6. The Remuneration Report is also available on the Internet at <https://corporate.nfon.com/de/investor-relations/hauptversammlung/> and can be viewed there during the Annual General Meeting.

The Supervisory Board and Management Board propose that the Remuneration Report for financial year 2022, prepared and audited in accordance with Section 162 of the German Stock Corporation Act (AktG), be approved.

Item 7

Resolution on amendments to the Articles of Association

7.1 Amendment to the Articles of Association, Article 3 paragraph 1

Article 3 paragraph 1 of the Articles of Association provides for company announcements to be published in the Federal Gazette. Since accounting documents in particular are no longer to be submitted to the Bundesanzeiger for publication, but must be transmitted to the company register, Article 3 paragraph 1 should be adapted to the legal situation.

The Supervisory Board and the Management Board therefore propose that a resolution be passed:

Article 3 paragraph 1 of the Articles of Association is repealed and revised as follows:

“(1) Announcements by the company shall be published in the Federal Gazette, insofar as they do not have to be published in other media in accordance with mandatory statutory provisions.”

In addition, Article 3 of the statutes remains unchanged.

7.2 Amending and supplementing the Articles of Association in Article 22

Section 118 a of the German Stock Corporation Act (AktG), which was newly introduced by the Act on the Introduction of Virtual Shareholders' Meetings of Public Companies and Amendments to Further Regulations of July 20, 2022, makes it possible to provide for the holding of the Annual General Meeting without the physical presence of the shareholders or their representatives at the location of the Annual General Meeting (virtual Annual General Meeting) in the Articles of Association. Alternatively, the Articles of Association may also authorize the Management Board to provide for the holding of a virtual Annual General Meeting. A corresponding regulation of the Articles of Association must be limited in terms of time, with a maximum period of five years from the date of entry of the corresponding amendment of the Articles of Association in the company's commercial register.

The Supervisory Board and the Management Board of NFON AG are of the opinion that an Annual General Meeting that can be physically attended better meets the needs of shareholders and the administration for direct and personal communication with each other than a virtual Annual General Meeting and therefore remains the preferred form of general meeting.

Nevertheless, the global coronavirus pandemic has shown that the possibility of holding an Annual General Meeting virtually can become imperative. The virtual Annual General Meeting in the format provided for by the relevant new provisions in the German Stock Corporation Act adequately safeguards the rights of shareholders and provides for direct interaction between shareholders and administration during the Annual General Meeting via video communication and electronic communication channels.

The Supervisory Board and Management Board therefore consider it useful not to order the holding of the Annual General Meeting as a virtual general meeting directly by means of the Articles of Association, but only to authorize the Management Board to decide in advance of each Annual General Meeting whether the Annual General Meeting should take place as a virtual or as a presence general meeting. The Management Board will decide, taking the specific circumstances and the interests of the company and the shareholders into account, in particular taking the shareholders' rights into account, whether an Annual General Meeting should be held virtually.

The Supervisory Board and the Management Board propose that the following resolutions be passed:

The previous wording of Article 22 of the Articles of Association shall be amended to include Article 22 paragraph 1, by a paragraph 2 and Article 22 of the Articles of Association shall be amended as follows:

"Article 22 Place of the Annual General Meeting, virtual Annual General Meeting

(1) The Annual General Meeting of the company shall take place at the registered office of the company, at a German stock exchange or in a German city with more than 100,000 inhabitants.

(2) The Management Board is authorized to provide for the Annual General Meeting to be held at the location of the Annual General Meeting without the physical presence of the shareholders or their representatives (virtual Annual General Meeting). The authorization applies to the holding of virtual Annual General Meetings until June 29, 2028."

7.3 Amending and supplementing the Articles of Association in Article 24

In the future, the members of the Supervisory Board are to be permitted to participate in the Annual General Meeting by means of video and audio transmission in special cases, in particular when holding a virtual Annual General Meeting.

The Supervisory Board and the Management Board propose that the following resolutions be passed:

The previous wording of Article 24 of the Articles of Association is to be amended to Article 24 paragraph 1, by a paragraph 2 and Article 24 of the Articles of Association is to be amended as follows:

"Article 24 Participation in the Annual General Meeting

(1) Shareholders who have registered with the company at the address shown in the notice of convening and who have provided proof of their shareholding are entitled to participate in the Annual General Meeting and exercise their voting rights. For evidence of a shareholding, evidence of ownership by the ultimate intermediary pursuant to Section 67c (3) of the German Stock Corporation Act (AktG) shall be sufficient for this purpose. The proof of ownership of the shares has been extended to the beginning of the 21st day before the Annual General Meeting. The registration for the Annual General Meeting and the proof must be received by the company at the address stated in the notice of meeting at least six days before the Annual General Meeting. The date of receipt shall not be taken into account. The Management Board is entitled to shorten this six-day period in the convening of the Annual General Meeting.

(2) Members of the Supervisory Board are permitted to participate in the Annual General Meeting by means of video and audio transmission in exceptional cases in which they are unable to attend in person or only with considerable effort due to legal or health restrictions or because of their place of employment or residence abroad, or if the Annual General Meeting is held as a virtual Annual General Meeting without the shareholders or their representatives being physically present at the location of the Annual General Meeting."

The current Articles of Association are available on the Internet at <https://corporate.nfon.com/de/investor-relations/hauptversammlung/>. They will also be available there during the Annual General Meeting.

Item 8

Resolution on the creation of Conditional Capital 2023 and authorization to issue options under the NFON AG Stock Option Plan 2023, partial cancellation of Conditional Capital 2021 and reduction of the authorization to issue options under the NFON AG Stock Option Plan 2021, Amendment of the Articles of Association to Article 4 paragraph 6 and addition of Article 4 paragraph 7 to the Articles of Association

In order to be able to bind members of the Management Board and selected executives of NFON AG as well as Managing Directors and selected managers of their affiliated companies to NFON AG by means of special compensation based on the company's success with a long-term incentive effect and risk character on a share basis, the possibility is to be created as part of a new Stock Option Plan 2023: Issue subscription rights to shares of NFON AG to members of the Management Board or the management and selected employees of NFON AG and its affiliates. The current authorization under the 2018 Stock Option Plan has been used in the amount of EUR 708,229.00. Furthermore, the remaining authorization under

the 2021 Stock Option Plan in the amount of EUR 375,000.00 has also been partially used. Insofar as the current authorization of the Stock Option Plan 2021 has not been used, it is to be canceled and Conditional Capital 2021 is to be reduced accordingly in Article 4 paragraph 6 of the Articles of Association.

The Supervisory Board and the Management Board therefore propose that a resolution be passed:

a) Authorization to issue stock options with subscription rights to shares of NFON AG

The Supervisory Board is authorized and the Management Board of the company is authorized with the consent of the Supervisory Board until the expiry of June 29, 2028, but not before Conditional Capital 2023 becomes effective by entering it in the commercial register, to grant up to 572,883 stock options with subscription rights to shares of the company with a maturity of up to 7 years in installments to be issued once or several times a year in accordance with the following provisions (Stock Option Plan 2023). The stock options are intended exclusively for subscription by members of the company's Management Board and employees of the company as well as members of the Management Board and employees of affiliated companies within the meaning of Sections 15 and 17 AktG. For members of the Management Board of the company with rights to purchase, the responsibility for granting stock options lies exclusively with the Supervisory Board of the company. Options for the other beneficiaries are granted by the Management Board with the approval of the Supervisory Board. Insofar as members of management and employees of affiliated companies are affected, this is done in consultation with the bodies responsible for the remuneration of these beneficiaries. The stock options may also be taken over by a bank with the obligation of transferring them, as instructed by the company, to beneficiaries in accordance with the following letter a) aa), who are solely entitled to exercise the subscription rights.

The following key points apply to the issuance of stock options under the 2023 Stock Option Plan:

aa) Eligible persons and distribution

Under the 2023 Stock Option Program, stock options may only be issued to members of the Management Board ("Group 1"), members of management of affiliated companies within the meaning of Sections 15, 17 AktG ("Group 2"), selected employees of the company ("Group 3") and employees of affiliated companies within the meaning of Sections 15, 17 AktG ("Group 4"). The precise circle of beneficiaries and the exact scope of the stock options to be offered to them in each case are determined by the Supervisory Board for Group 1 and by the Management Board of the company for the other groups.

The total volume of subscription rights shall be divided among the individual groups of beneficiaries as follows:

The beneficiaries of Group 1 receive a maximum of 250,000 of the stock options and the resulting subscription rights. The beneficiaries of Group 2 receive a maximum of 100,000 of the stock options and the resulting subscription rights in each case. The beneficiaries of Group 3 receive a maximum of 200,000 of the stock options and the resulting subscription rights in each case. The beneficiaries of Group 4 receive a maximum of 22,883 of the stock options and the resulting subscription rights in each case. Should the beneficiaries belong to more than one group, they will receive share options solely on the basis of their membership to a group.

Stock options that expire in accordance with the stock option conditions (e.g. due to the departure of the entitled party from the company) can be reissued to other entitled parties in the group to which the entitled party belonged. The number of stock options under this authorization from which subscription rights are exercised or may still be exercised may not exceed 572,883 at any time.

bb) Subscription rights

The stock options grant the holder the right to subscribe to no-par value registered bearer shares of the company with voting rights. Each stock option grants the right to subscribe to one share of the company in exchange for payment of the exercise price in accordance with point ff). The new shares participate in the profit in which they are issued from the beginning of the financial year. The option conditions may provide for the company to also grant the entitled party own shares to fulfill the subscription right, optionally in place of new shares using Conditional Capital 2023; Insofar as a decision is to be made on the granting of own shares to beneficiaries who are members of the Management Board of the company, the decision on this is solely the responsibility of the Supervisory Board. The option conditions may also provide for a right of the company to provide cash compensation either for the purpose of fulfilling the subscription rights. The cash settlement corresponds to the difference between the exercise price and the closing price of the company's share in XETRA trading (or a comparable successor system) on the day the subscription right is exercised. Insofar as cash compensation is to be paid to members of the Management Board of the company, the decision on this is solely the responsibility of the Supervisory Board.

cc) Purchase periods

Stock options may be issued four times a year, between the 11th and the 26th exchange trading day on the Frankfurt Stock Exchange after the publication of the Consolidated Financial Statements and the quarterly report for the first, second (half-year financial report) and third quarter of a financial year (purchase periods). When granting stock options to beneficiaries of Group 1, the date of issue is the day on which the company's Supervisory Board decides to grant them. If stock options are granted to members of Groups 2, 3 and 4, the date of issue shall be the day on which the Management Board of the company decides to grant them. If the decision on the issue is not made within a purchase period, the date of issue shall be the first day of the next purchase period following the date of the decision.

dd) Waiting period and term

The stock options can only be exercised after the waiting period has expired. The waiting period begins with the respective day of individual grant of the share option (allotment day) and ends with the beginning of the first exercise period after the expiry of four years after the respective allotment day.

The term of the stock options begins with the date of allocation and ends after the expiry of seven years. If the term ends in an exercise period, the term shall be extended until the end of that exercise period.

ee) Exercise period

After the waiting period has expired and the success goals have been achieved, exercise is generally possible at any time except during the exercise suspension periods. "Exercise suspension periods" are the following periods:

- (i) The period from the 21st calendar day preceding an Annual General Meeting of the company to the end of the day of the Annual General Meeting;
- (ii) The period from the date on which the company publishes an offer to its shareholders for the purchase of new shares or bonds with conversion or option rights in a mandatory stock exchange publication or in the Federal Gazette until the date on which the new shares or bonds are issued bonds with conversion or option rights have been issued;
- (iii) The period from the thirtieth calendar day preceding the publication of quarterly results or annual results to the day following the publication of quarterly results or annual results; and
- (iv) the period from the date on which the company publishes the distribution of a special dividend in the Federal Gazette until the date on which the company's special-dividend-entitled shares are first listed as "ex-dividend" on the Frankfurt Stock Exchange.

The exercise suspension periods mentioned above are to be understood in each case including the specified start and end dates. On request, the company shall inform the participants of the exact start and end dates of the exercise suspension periods.

Restrictions on exercise arising from the law remain unaffected and must be observed by the beneficiaries.

The Management Board, with the approval of the Supervisory Board, or in the case of Group 1, the Supervisory Board, may set further suspension periods.

ff) Exercise price

The exercise price for one share of the company is equal to 110% of the base price; the base price is the arithmetic average of the closing prices of the company's shares in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange on the ninety trading days preceding the issue date of the respective stock option.

The option terms and conditions may provide for a reduction in the exercise price in the event that during the term of the stock options the share capital of the company is increased by issuing new shares or treasury shares or bonds with conversion or option rights to shares in the company are issued while granting subscription rights to the shareholders, provide for a reduction in the exercise price in the same proportion as the average price of the subscription right to which the shareholders are entitled on all trading days on the Frankfurt Stock Exchange compares with the closing price of the Company's shares in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange on the last trading day prior to the deduction of the subscription right. The adjustment is omitted if the holders of the stock options are granted a subscription right that corresponds to the subscription right of the shareholders. The option conditions may also provide for an adjustment in the event of capital measures (share consolidation or split, capital increase from company funds, capital reduction) during the term of the subscription rights.

The decision on an adjustment is the responsibility of the Supervisory Board insofar as members of the Management Board are affected; otherwise, the Management Board.

However, the minimum exercise price is in any case the lowest issue amount within the meaning of Section 9 para. 1 AktG.

gg) Success goal

Stock options can only be exercised if

(i) the relevant reference price (as defined below), the exercise price as defined in point FF above, by more than 60% if exercised after the expiry of at least 48 months from the date of allocation, in the case of exercise after the expiry of at least 60 months from the date of grant by more than 75% and in the case of exercise after the expiry of at least 72 months from the date of grant by more than 90%, irrespective of whether exercise is actually possible for all or only part of the stock options, taking the exercise suspension periods at the relevant time into account,

and (cumulative)

(ii) the EBIT in accordance with the IFRS Consolidated Financial Statements is positive as of the last reporting date before the exercise of the stock options and is at least 110% of the positive EBIT in accordance with the IFRS Consolidated Financial Statements as of the penultimate reporting date before the exercise of the share options.

“Relevant reference price” is the unweighted arithmetic mean of the closing prices for shares of the company with the same equivalence in XETRA trading (or a comparable successor system) on the Frankfurt Stock Exchange on the last ten days of trading prior to the day of exercise of the subscription right from the stock options.

hh) Non-transferability

The stock options are not transferable, but can only be exercised by the beneficiary. However, they may be transferred to the spouse and children of the beneficiary in the event of death.

(ii) Taxation

All taxes due upon the grant or exercise of the options or upon the sale of NFON shares by the beneficiaries shall be borne by the beneficiaries.

jj) Further regulations

The Supervisory Board is authorized and the Management Board is authorized, with the consent of the Supervisory Board, to determine further details of the option conditions as well as the issue and arrangement of the stock options. Insofar as the members of the Management Board of the company are affected, the further details of the option conditions and the issue and arrangement of the stock options are determined exclusively by the Supervisory Board and, in any case, by the Management Board. The further details of the option terms and conditions include in particular (i) the specific determination of the beneficiaries and the determination of the number of stock options to be granted to them in each case, (ii) the determination of the provisions on the implementation of the Stock Option Plan, (iii) the procedure for granting and exercising stock options and their expiration and term, and (iv) the provisions on the treatment of stock options in special cases, e.g. exit of the beneficiary from the respective group or death of the beneficiary or beneficiary residing or working abroad.

kk) Limitation in the event of extraordinary developments

In the event of extraordinary developments, the Supervisory Board of the company is entitled, at its discretion, to limit the exercise of stock options granted to members of the company's Management Board. A limitation may be necessary in particular to ensure the appropriateness of the remuneration within the meaning of Section 87 para. 1 sentence 1 of the German Stock Corporation Act (AktG).

In the event of extraordinary developments, the Management Board of the company is entitled, at its discretion, to limit the exercise of stock options granted to beneficiaries of Groups 2 to 4. In particular, a limitation may be necessary to ensure that the total remuneration of the individual beneficiary is proportionate to the tasks and services of the beneficiary and does not exceed the usual remuneration without special reasons.

b) Creation of new Conditional Capital (Conditional Capital 2023)

The company's share capital is being conditionally increased by up to EUR 572,883.00 by issuing up to 572,883 new no-par value bearer shares (Contingent Capital 2023). Conditional Capital 2023 serves to secure subscription rights from stock options that are issued by the company by June 29, 2028, on the basis of the authorization of the company's Annual General Meeting from June 30, 2023. The conditional capital increase will only be carried out to

the extent that stock options are issued and the holders of these stock options exercise their subscription rights to shares of the company and the company does not grant its own shares or cash settlement in fulfillment of the subscription rights. The shares from the Conditional Capital 2023 are issued at the exercise price determined in accordance with the above authorization of the Annual General Meeting of June 30, 2023. The new shares will participate in profit from the beginning of the financial year in which they are issued. The Management Board is authorized, with the approval of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase.

- c) Reduction of the authorization to issue options under the NFON AG Stock Option Plan 2021 and partial cancellation of Conditional Capital 2021

The authorization to issue options as part of the 2021 NFON AG Stock Option Plan, which was approved by the Annual General Meeting on June 24, 2021, will be reduced by 572,883 units to 375,000 units with immediate effect and the Conditional Capital 2021 in accordance with Article 4 paragraph 6 of the Articles of Association, amounting to EUR 947,883.00, will be included effective the date of entry of the amendment to the Articles of Association proposed below under e) in the Commercial Register in the amount of EUR 572,883.00 is canceled and reduced to EUR 375,000.00.

- d) Authorization to adapt the Articles of Association

The Supervisory Board is authorized to amend the version of the Articles of Association in accordance with the scope of the capital increase from Conditional Capital 2023. The same applies in the case of non-use of the authorization to issue subscription rights (share options) after the expiry of the authorization period and in the case of non-use of Conditional Capital 2023 after the expiry of the periods for exercising subscription rights.

- e) Amendment of the Articles of Association in Article 4 paragraph 6

Article 4 paragraph 6 of the Articles of Association shall be amended as follows:

“6. The share capital of the company is conditionally increased by up to EUR 375,000.00 through the issue of up to 375,000 new no-par value bearer shares (Conditional Capital 2021). Conditional Capital 2021 serves to secure subscription rights from stock options that are issued by the company in the period from June 24, 2021 to June 23, 2026, on the basis of the authorization of the company’s Annual General Meeting of 24 June 2021. The conditional capital increase will only be carried out to the extent that stock options are issued and the holders of these stock options exercise their subscription rights to shares of the company and the company does not grant its own shares or cash settlement in fulfillment of the subscription rights. The shares from Conditional Capital 2021 are issued at the exercise price determined in accordance with the authorization of the Annual General Meeting of 24 June 2021. The new shares will participate in profit from the beginning of the financial year in which they are issued. The Management Board is authorized, with the approval of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase.”

- f) Supplement to the Articles of Association in Article 4, paragraph 7

Article 4 of the Articles of Association is supplemented by a new paragraph 7 with the following wording:

“7. The share capital of the company is conditionally increased by up to EUR 572,883.00 through the issue of up to 572,883 new no-par value bearer shares (Conditional Capital 2023). Conditional Capital 2023 serves to secure subscription rights from stock options that are issued by the company by June 29, 2028, on the basis of the authorization of the company’s Annual General Meeting from June 30, 2023. The conditional capital increase will only be carried out to the extent that stock options are issued and the holders of these stock options exercise their subscription rights to shares of the company and the company does not grant its own shares or cash settlement in fulfillment of the subscription rights. The shares from Conditional Capital 2023 are issued at the exercise price determined in accordance with the authorization of the Annual General Meeting of June 30, 2023. The new shares will participate in profit from the beginning of the financial year in which they are issued. The Management Board is authorized, with the approval of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase.”

Regarding Item 5

Further information on the proposed candidates for election to the Supervisory Board

Rainer-Christian Koppitz

Rainer Koppitz (Nationality: German, *1968) studied Business Administration in Munich and has worked in his previous career as CEO of NFON and B2X Care Solutions and as CEO for Germany & Austria of BT Germany (British Telecom). In 2019, Rainer Koppitz moved to KATEK SE as CEO and successfully launched the company on the stock exchange in

May 2021. He previously held executive positions at Siemens, Dell and Atos. Rainer Koppitz was CEO of NFON AG from September 1, 2012, to January 2015. Rainer Koppitz has been a member of the Supervisory Board of NFON AG with brief interruptions since February 2015 and has also been Chairman of the Supervisory Board of the listed company CENIT AG since May 2021.

Dr. Rupert Doehner

Dr. Rupert Doehner (Nationality: German, *1971) studied law with additional economic studies at the Universities of Bayreuth, Germany, and Lausanne, Switzerland. After his second state examination, he worked as a scientific assistant at the chair of Prof. Dr. Emmerich in Bayreuth, where he also earned his doctorate. He then began his work as a lawyer at CMS Hasche Sigle. Afterwards, Dr. Doehner worked as an in-house counsel for a real estate project developer. Since 2015, he has worked as a lawyer in his own law firm and advises, among other clients, capital market-oriented, medium-sized companies in corporate and capital market law. Dr. Doehner was appointed a member of the Supervisory Board of NFON AG in 2018.

Florian Schuhbauer

Florian Schuhbauer (Nationality: German, *1975) studied Finance and Business Administration at the Frankfurt School of Finance and Management. In his professional career, he has served as Executive Vice President of DHL Global Mail in the United States, as well as partner at Triton Partners and General Capital Group. In 2014, Florian Schuhbauer founded Active Ownership Capital S.à r.l., for which he is still Managing Director. Florian Schuhbauer was appointed to the Supervisory Board of NFON in December 2019.

Günter Müller

Günter Müller (Nationality: German, *1949) completed part-time studies of Business Administration. He then held various positions for Gasa Produktions GmbH, Eisenwerke Kaiserslautern, and Bosch-Rexroth. Since 1979, he has been Executive Chairman of ASC Technologies AG, a leading global software provider in the field of omni-channel recording, quality management and analytics. Günter Müller is also Managing Director of Milestone Venture Capital GmbH. Following his membership of the Supervisory Board in the pre-market phase, Günter Müller was reappointed to the Supervisory Board of NFON in December 2019 and has been its Deputy Chairman ever since.

Regarding Item 6

Remuneration Report 2022 of NFON AG in accordance with Section 162 of the German Stock Corporation Act (AktG)

In light of the legal requirements, particularly in Sections 87, 87a and 120a of the German Stock Corporation Act (AktG) and the German Corporate Governance Code (GCGC), the Management Board and Supervisory Board report on the remuneration of the members of the Management Board and Supervisory Board of NFON AG for financial year 2022 in accordance with the requirements of Section 162 of the German Stock Corporation Act (AktG) and the recommendations and suggestions of the German Corporate Governance Code (GCGC). The remuneration granted and owed as well as the benefits promised are stated individually for the members of the executive bodies.

The currently valid remuneration system, which was approved by the Annual General Meeting on June 24, 2021, with a 99.99% approval rate, is available under "Annual General Meeting" on the website <https://corporate.nfon.com/en/>. To allow for better readability of this Remuneration Report and to avoid repetitions, reference is made to the remuneration system. The Remuneration Report was approved by the company's Annual General Meeting on August 24, 2022, with an approval rate of 82.26%.

The remuneration system applies for the first time to remuneration components that are resolved by the Supervisory Board or agreed with the members of the Management Board from the date of the resolution of the NFON AG Annual General Meeting on 24 June 2021.

I. The Management Board

As part of its company strategy, NFON AG is pursuing the goal of consolidating and further expanding its position as a leading provider of integrated business communications solutions with ambitious growth targets in the long term. The company's strategic focus is therefore primarily on growth. The NFON Group's actions are geared towards the long-term and sustainable success of the company and it takes a holistic approach to its corporate responsibility.

In line with these objectives, the remuneration system for the Board of Management is based on three main guidelines: First, a pronounced performance orientation and a high level of performance differentiation through ambitious internal and external objectives focus on the above-average growth of the company. Secondly, long-term components avoid incentives to take disproportionate risks. Thirdly, the remuneration system is aimed at a strong equity culture and thus contributes to aligning the interests of shareholders, the management and other stakeholders. In particular, the design of individual targets also provides special incentives to act sustainably in terms of ESG criteria.

Procedure for the review of remuneration

It is important that the remuneration structure as well as its level be customary and competitive in the market. This is ensured by conducting regular remuneration comparisons with peer groups that are relevant for NFON AG. Furthermore, an appropriate relationship is ensured between the remuneration of the Management Board and the remuneration of executives as well as employees. External as well as internal appropriateness is reviewed at regular intervals.

Remuneration structure

The remuneration of NFON's Management Board members consists of fixed and variable components.

The total remuneration of the members of the Management Board is performance-oriented and is made up of various components. Specifically, these are a non-performance-related fixed annual remuneration component (a fixed salary), a performance-related variable remuneration component consisting of a short-term incentive program (STI) and a long-term incentive program (LTI), as well as fringe benefits.

According to the remuneration system, the maximum annual remuneration is a total of EUR 1.5 million for the Chief Executive Officer (Chairman of the Management Board) and a total of EUR 0.75 million for an ordinary member of the Management Board. Therefore, in deviation from the remuneration system, the regulation on maximum remuneration has not been included in the Management Board employment contracts.

The target corridors of the total annual remuneration are defined as follows: Fixum 30 – 50%, STI 10 – 25% and LTI 40 – 50%.

1st Fixed annual remuneration

The fixed remuneration is paid in twelve equal monthly instalments.

2. Variable remuneration components

Performance-related variable remuneration consists of two components:

The STI and the LTI

The performance-related variable remuneration amounts granted to the Management Board member, but in particular the LTI, are to be invested by the Management Board member predominantly in shares of the company or be granted accordingly on a share-based basis.

a. STI

For each member of the Management Board, the Supervisory Board has defined individual STIs and their weighting for the upcoming financial year. The STIs contribute – in addition to operational targets – to the implementation of the company strategy and to the long-term and sustainable development of the NFON Group. The STIs are ambitious and demanding. They are sufficiently specific to enable the measurability of target achievement. For this purpose, concrete key figures or expectations for the achievement of targets have been specified in each case. The performance criteria to be used by the Supervisory Board as part of the annual target agreement were both financial and non-financial in nature and included a performance criterion from the area of ESG (Economic, Social and Governance). Examples of ESG criteria include:

- Customer satisfaction
- Employee satisfaction
- Diversity
- Risk management
- Compliance
- Corporate Governance
- Corporate Social Responsibility
- Limitation of CO₂ emissions/Economical use of resources
- Reporting and communication
- Succession planning

Key performance indicators (KPIs) relevant to all stakeholders, such as Group earnings before interest, taxes, depreciation and amortization (EBITDA) or Group revenue, are currently applied as the criterion for setting the STI financial performance criteria in a company at the maturity and development stage of the NFON Group.

The target value for the STI is based on the planning for the respective financial year. After the end of the respective remuneration year, the Supervisory Board assessed the target achievement for each Management Board member. 150%

of the target amount is paid out if the target value is exceeded by 50% or more. In the case of intermediate values in target achievement, a corresponding value within the range is paid out.

The target parameters set by the Supervisory Board for the STI for the upcoming financial year cannot be changed retrospectively.

The STI are paid out in the following year after completion of the annual financial statements and adoption of the same by the Supervisory Board.

These target parameters, supplemented by individual targets, were also applied to the majority of senior executives in order to ensure the uniformity and consistency of the target system throughout the Group.

As the STI are linked to the development of revenue and results, they significantly support the short- and medium-term growth strategy with regard to the targeted growth in terms of both size and results. The STI thus make a significant contribution to the implementation of the company strategy because they ensure that the interests of the Management Board members are aligned with the short- and medium-term company strategy.

In the structure of the remuneration system, the STI of the Management Board members Dr. Klaus von Rottkay and Jan-Peter Koopmann is 55% dependent on the revenue of the NFON Group, 35% on EBITDA of the NFON Group and 10% on the achievement of the sustainability target. The STI is capped at a target achievement of 150% for each of the Management Board members. No STI was granted in financial year 2022 if the target was achieved by less than 80%. The short-term variable salary component amounts to between 20.2% and 38.1% of the fixed basic salary, depending on the Management Board member. According to the Management Board service agreement, the Supervisory Board may also grant a discretionary bonus of a maximum of one fixed annual basic salary in deviation from the remuneration system. This was not done in financial year 2022, however.

In detail, the following STI were granted to the Management Board members active in financial year 2022 for the financial year:

| Weighting | Description | Target | Target achievement | Target achievement in % | STI amount von Rottkay | STI amount Koopmann |
|-----------|--|------------------|--------------------|-------------------------|------------------------|---------------------|
| 55% | NFON Group revenue in 2020 | EUR 85.4 million | EUR 80.79 Mio. | 51.0 | EUR 77,105 | EUR 21,029 |
| 35% | EBITDA NFON Group 2022 | EUR -2.8 Mio. | EUR -1.0 Mio. | 132 | EUR 127,153 | EUR 34,678 |
| 10% | Successful implementation of a project to increase the sustainability (ESG) of the NFON Group ¹ | | fulfilled | 100% | EUR 27,500 | EUR 7,500 |
| 100% | | | | | EUR 231,758 | EUR 63,207 |

¹ In 2022: Implementation of sustainability management for the NFON Group. In the area of "social," part of the sustainability management is the "Rafiki" project with SOS Children's Villages. This project is outlined in the non-financial statement of the NFON Group, which is also set out voluntarily for 2022. There, you will find all the details on the other sustainability topics.

b. LTI

In order to align the Management Board remuneration structure more strongly with the company's long-term and sustainable development, an LTI is also a component of the Management Board remuneration. The LTI consists of stock options from the company's Stock Option Programs 2018 and 2021 (SOP 2018, SOP 2021).

The LTI also makes a significant contribution to advancing the company's strategy, as both the 2018 SOP and the 2021 SOP call for the achievement of a certain level of revenue growth as a hurdle to success. Furthermore, the rise in the share price and the stock market value of the company is incentivized, which is in the interest of all stakeholders associated with the company.

NFON AG granted the Management Board member Dr. Klaus von Rottkay 180,000 stock options from the 2021 Stock Option Plan for members of the Management Board as long-term variable compensation and the following main parameters:

- Exercise price: EUR 15.58
- Waiting period: 4 years
- Personal exercise requirements:
 - The achievement of the performance targets is to be assessed separately for each quarter of the stock options granted to a beneficiary. For the first quarter of the stock options granted to a beneficiary, the performance target is achieved if the relevant revenue in the year in which the stock options are granted has increased by at least the relevant rate of increase for the year of grant ("relevant rate of increase") compared to the previous year. If stock options are granted in 2021, the relevant rate of increase for the year of grant is 15%. If stock options are granted in 2022 or later, the relevant rate of increase for the

year of granting is 20%. For the second quarter of the stock options granted to a beneficiary, the performance target is achieved if the relevant revenue in the first year after the year in which the stock options are granted has increased by at least 20% compared to the previous year. For the third quarter of the stock options granted to a beneficiary, the performance target is achieved if the relevant revenue in the second year after the year in which the stock options are granted has increased by at least 20% compared to the previous year. For the fourth quarter of the stock options granted to a beneficiary, the performance target is achieved if the relevant revenue in the third year after the year in which the stock options were granted has increased by at least 20% compared to the previous year. Relevant revenue is the recurring revenue in a financial year included in the company's Consolidated Financial Statements, whereby revenue based on inorganic growth, i.e. an acquisition of a company, part of a company or an interest in a company, is considered irrelevant for the calculation of the increase in the relevant revenue in the year of the acquisition in kind (closing).

- Capping limit: The total of the basic salaries of the Management Board (fixed salary) at the company up until the exercise of the options, multiplied by the factor 1.5.

These stock options were allocated to Management Board member Dr. Klaus von Rottkay in financial year 2021 and entitle the Management Board member to purchase 180,000 shares in the company, subject to the achievement of the exercise requirements. The success target for the first and second quarters was not achieved in financial year 2021 and financial year 2022, respectively.

c. Fringe benefits or other remuneration components

Besides the fixed salary, the members of the Management Board receive fringe benefits in the form of benefits in kind; these can essentially consist of contributions to statutory or private pension or health insurance plans or the use of a company car for business and private purposes.

Besides the remuneration, there is a pecuniary loss liability insurance policy (so-called D&O insurance) and a D&O legal protection insurance policy, whereby a deductible of 10% of the damage or one and a half times the fixed annual remuneration is agreed as part of the D&O insurance policy.

The remuneration granted and owed to the Management Board members and former members active in financial year 2022 is shown individually in the following table. Since the remuneration granted and owed is not always accompanied by a payment in the respective financial year, the following table shows the amount of remuneration granted to the Management Board members for financial year 2022. The following table shows the non-performance-related remuneration components that were both granted and received in financial year 2022. The STI 2022 is shown because the underlying activity was fully carried out in 2022.

| Remuneration | Dr. von Rottkay, Klaus, CEO | | | |
|------------------------------------|-----------------------------|-------|-----------------|-------|
| | 2022 | | 2021 | |
| | in EUR thousand | in % | in EUR thousand | in % |
| Basic remuneration | 375 | 61.8 | 375 | 29.9 |
| + Fringe benefits | 0 | 0 | 0 | 0 |
| = Total fixed remuneration | 375 | 61.8 | 375 | 29.9 |
| + Short-term variable remuneration | 232 | 38.2 | 318 | 25.4 |
| + Long-term variable Remuneration | 0 | 0 | 561 | 44.7 |
| = Total remuneration | 607 | 100.0 | 1,254 | 100.0 |
| Remuneration | Koopmann, Jan-Peter, CTO | | | |
| | 2022 | | 2021 | |
| | in EUR thousand | in % | in EUR thousand | in % |
| Basic remuneration | 280 | 74.7 | 270 | 72.0 |
| + Fringe benefits | 32 | 8.5 | 16 | 4.3 |
| = Total fixed remuneration | 312 | 83.2 | 286 | 76.3 |
| + Short-term variable remuneration | 63 | 16.8 | 89 | 23.7 |
| + Long-term variable Remuneration | 0 | 0 | 0 | 0 |
| = Total remuneration | 375 | 100 | 375 | 100 |

The remuneration granted and owed as described above is in line with the remuneration system for the Management Board adopted by the 2021 Annual General Meeting. It was not necessary to adjust the Management Board service contracts to the resolved remuneration system, as the basic features of the resolved remuneration system were already known at the time the Management Board service contracts were concluded. The remuneration system promotes the long-term development of the company, as stock options were granted to a large extent, which can only be exercised

after the legally prescribed waiting period of four years and, in addition, have a performance hurdle which is linked to recurring revenue. In addition to a performance criterion from the ESG area, the STI are measured against the benchmarks of revenue and EBITDA. Both benchmarks are common and appropriate for companies of NFON's size and stage of development. They primarily incentivize the growth of the company and thus promote its long-term development.

Comparative presentation of the annual change in the remuneration granted and owed to active and former members of the Management Board and Supervisory Board as well as the remuneration of employees with the development of the company's earnings:

| | Change 2021 to 2020 | 2021 | 2022 | Change from the previous year |
|---|---------------------|--------------------|------------------|-------------------------------|
| Earnings development (net loss for the year according to HGB) | | EUR 17.4 million | EUR 20.15 Mio. | +16% |
| Average remuneration of employees | -1.8% | | | +7.5% |
| Remuneration Dr. Klaus von Rottkay | | EUR 1,254 thousand | EUR 39 thousand | -52% |
| Remuneration Jan-Peter Koopmann | | EUR 375 thousand | EUR 375 thousand | 0% |
| Remuneration Rainer Koppitz | | EUR 64 thousand | EUR 82 thousand | +28% |
| Remuneration Günter Müller | | EUR 49 thousand | EUR 67 thousand | +37% |
| Remuneration Florian Schuhbauer | | EUR 39 thousand | EUR 47 thousand | +21% |
| Remuneration Dr. Rupert Doehner | | EUR 39 thousand | EUR 47 thousand | +21% |

Average employee remuneration refers to gross personnel costs (which are the costs excluding the employer's share in social security) less Management Board salaries and employee bonuses divided by average full-time equivalents (FTE) per year multiplied by average head counts (HC) per year (to reach FTE). All permanent employees of NFON AG were included.

The Supervisory Board has refrained from reserving the right to reclaim variable remuneration components.

No member of the Management Board was promised benefits by a third party with regard to his activity as a member of the Management Board or granted benefits in the financial year.

Benefits after termination of employment

In the event of premature revocation of the appointment as a Management Board member without good cause pursuant to Section 626 of the German Civil Code (BGB) and for termination of the service contract without notice, the Management Board member shall receive a severance payment in the amount of one year's fixed salary, limited to the total remuneration owed for the remaining term. In the event of a change of control, the company and the Management Board member each have the right to terminate the service contract once by giving two months' notice to the end of the month and to dismiss the Management Board member on the same date.

This special right of termination shall only exist within one month from the time at which the change of control that has actually taken place has become known. For the special right of termination of the company, the knowledge of the Chairman of the Supervisory Board is decisive, for the special right of termination of the member of the Management Board, the knowledge of the latter. Upon the occurrence of a change of control, the right of termination pursuant to Section 2, paragraph 2, sentence 3 (termination with severance pay of one year's fixed salary) shall be suspended for a period of 12 months.

A change of control is deemed to have occurred if at least 50.1% of the share capital is united under the control of one shareholder.

In this case, the Management Board member receives a severance payment of two years' fixed salary, limited to the total remuneration owed for the remaining term including fringe benefits.

The entitlement to a severance payment shall lapse or the severance payment already received must be repaid if the company effectively terminates the employment contract extraordinarily for good cause pursuant to Section 626 of the German Civil Code (BGB) or if it becomes apparent within the six months following the end of this employment contract that good cause for extraordinary termination existed and the company demands repayment in writing.

A severance payment from this Section 2 paragraph 2 shall only be credited against any waiting allowance pursuant to Section 10 of this contract if the Management Board member has exercised his right of termination within the meaning of this paragraph.

A post-contractual non-competition clause has been agreed with the Management Board members in their Management Board service contracts, as a result of which the respective Management Board member would be entitled to compensation of 50% of the last contractually agreed remuneration for a period of one year upon leaving the company.

II. Supervisory Board

By resolution of the Annual General Meeting of June 24, 2021, the members of the Supervisory Board of NFON AG shall receive – in addition to the reimbursement of expenses in accordance with the Articles of Association of NFON AG – the following cash remuneration in financial year 2022:

a) basic remuneration payable after the end of the financial year of EUR 75,000.00 for the Chairman of the Supervisory Board, EUR 60,000.00 for the Deputy Chairman of the Supervisory Board, and EUR 40,000.00 for the other members of the Supervisory Board, in each case plus any value added tax incurred;

b) for each meeting of the Supervisory Board (plenum) in which they have fully participated, an additional attendance fee of EUR 1,000.00 plus any value added tax payable after the end of the financial year.

c) The following table shows the remuneration granted and owed to the members of the Supervisory Board in financial year 2022, including their relative share in accordance with Section 162 of the German Stock Corporation Act (AktG). Since the remuneration granted and owed is not always accompanied by a payment in the respective financial year, the following table shows the amount of remuneration granted to the members of the Supervisory Board for financial year 2022 in which the underlying activity was fully performed.

| in EUR | Fixed remuneration in 2022 | Share of total remuneration | Fixed remuneration in 2021 | Share of total remuneration | Meeting fee 2022 | Share of total remuneration | Meeting fee 2021 | Share of total remuneration | Total remuneration in 2022 | Total remuneration in 2021 |
|---------------------|----------------------------|-----------------------------|----------------------------|-----------------------------|------------------|-----------------------------|------------------|-----------------------------|----------------------------|----------------------------|
| Koppitz, Rainer | 75,000 | 91.5% | 57,500 | 90.6% | 7,000 | 8.5% | 6,000 | 9.4% | 82,000 | 63,500 |
| Müller, Günter | 60,000 | 89.6% | 42,500 | 87.6% | 7,000 | 10.4% | 6,000 | 12.4% | 67,000 | 48,500 |
| Schuhbauer, Florian | 40,000 | 85.1% | 32,500 | 84.4% | 7,000 | 14.9% | 6,000 | 15.6% | 47,000 | 38,500 |
| Dr. Doehner, Rupert | 40,000 | 85.1% | 32,500 | 84.4% | 7,000 | 14.9% | 6,000 | 15.6% | 47,000 | 38,500 |

Munich, May 2, 2023

The Management Board

The Supervisory Board

Report of the Independent Auditor on the Audit of the Remuneration Report Pursuant to Section 162 (3) of the German Stock Corporation Act (AktG)

To NFON AG, Munich

Audit opinion

We have formally audited the Remuneration Report of NFON AG, Munich, for the financial year from January 1 to December 31, 2022, to determine whether the disclosures pursuant to Section 162 (1) and (2) of the German Stock Corporation Act (AktG) have been made in the Remuneration Report. In accordance with Section 162 (3) AktG, we have not audited the content of the Remuneration Report.

In our opinion, the accompanying Remuneration Report complies, in all material respects, with the provisions of Section 162 (1) and (2) of the German Stock Corporation Act (AktG). Our audit opinion does not extend to the actual content of the Remuneration Report.

Basis for the audit opinion

We conducted our audit of the Remuneration Report in accordance with Section 162 (3) of the German Stock Corporation Act (AktG) and IDW Auditing Standards: The Audit of the Remuneration Report in Accordance with Section 162 (3) of the German Stock Corporation Act (AktG) (IDW PS 870 (08.2021)). Our responsibility under this provision and this standard is further described in the Auditor's Responsibility section of our report. As an auditing practice, we have complied with the requirements of the IDW Quality Assurance Standard: Requirements for Quality Assurance in the Practice of Public Accountants (IDW QS 1). We have complied with the professional duties pursuant to the Wirtschaftsprüferordnung (German Regulation on Auditors) and the Berufssatzung für Wirtschaftsprüfer/vereidigte Buchprüfer (Professional Statutes for Auditors/Sworn Auditors), including the independence requirements.

Responsibility of the Management Board and Supervisory Board

The Management Board and Supervisory Board are responsible for the preparation of the Remuneration Report, including the related disclosures, which complies with the requirements of Section 162 of the German Stock Corporation Act (AktG). They are also responsible for such internal control as they deem necessary to enable the preparation of the Remuneration Report, including the related disclosures, that is free from material misstatement, whether due to fraud or error (i.e. manipulation of the accounting system or misappropriation of assets).

Responsibility of the auditor

Our objective is to obtain reasonable assurance as to whether the disclosures pursuant to Section 162 (1) and (2) of the German Stock Corporation Act (AktG) have been made in all material respects in the Remuneration Report and to express an opinion thereon in an auditor's report.

We planned and performed our audit to obtain evidence supporting the formal completeness of the Remuneration Report based on a comparison of the disclosures made in the Remuneration Report with the disclosures required by Section 162 (1) and (2) of the German Stock Corporation Act (AktG). In accordance with Section 162 (3) of the German Stock Corporation Act (AktG), we have not audited the accuracy of the disclosures, the completeness of the individual disclosures or the fair presentation of the Remuneration Report.

Dealing with any misleading representations

In connection with our audit, we have a responsibility to read the Remuneration Report in the light of knowledge obtained in the audit of the financial statements, and to remain alert for indications as to whether the Remuneration Report contains misleading representations as to the accuracy of the content of the disclosures, the completeness of the content of the individual disclosures, or the fair presentation of the Remuneration Report.

If, based on our work, we conclude that such a misleading representation exists, we are required to report that fact. We have nothing to report in this regard.

Munich, May 5, 2023 KPMG AG
Wirtschaftsprüfungsgesellschaft

Rupprecht Certified
Public Accountant

David
Certified Public
Accountant

Regarding Item 8 Report of the Management Board to the Annual General Meeting

The Supervisory Board and the Management Board are convinced that a stock option program should be an essential component of a remuneration concept that combines the interests of management, employees and shareholders.

As the remaining stock option plan from 2021 amounting to EUR 375,000.00 has already been exhausted, Conditional Capital 2021 in Section 4 paragraph 6 of the Articles of Association is to be adjusted accordingly and the Articles of Association amended. In addition, a new stock option plan 2023 and a new conditional capital of EUR 572,883.00 will be created in 2023.

Once again, the beneficiaries of the new stock option plan will be the managers and employees who decisively shape and implement the company strategy at both NFON AG and its affiliates. This is intended to increase the involvement of management members and employees who are particularly responsible for increasing the value of the company in the success of the company. This creates an incentive for retaining or attracting highly qualified employees. This incentive is in the interests of both the company and its shareholders.

The plan provides for a maximum of 250,000 of the options to be granted to the company's Management Board, 100,000 to members of the Management Board of affiliated companies, 200,000 to the company's employees and 22,883 to the employees of affiliated companies.

The minimum waiting period of four years from the date of allocation and the duration of the options of seven years provide a long-term incentive effect for the beneficiaries.

Stock options may only be exercised if the relevant reference price exceeds the exercise price by more than 60% on exercise after at least 48 months from the date of grant, in the case of exercise after the expiry of at least 60 months from the date of grant by more than 75% and in the case of exercise after the expiry of at least 72 months from the date of grant by more than 90%, irrespective of whether, taking the exercise suspension periods into account, exercise is actually possible for all or only part of the stock options at the respective time. As an additional prerequisite, EBIT in accordance with the IFRS Consolidated Financial Statements must be positive at the last reporting date before the stock options are exercised and must be at least 110% of the positive EBIT in accordance with the IFRS Consolidated Financial Statements at the penultimate reporting date before the stock options are exercised.

These obstacles to exercise are challenging and provide a good incentive for beneficiaries to perform. The company and the shareholders can benefit equally from this.

In order to maintain full flexibility for our company, the options can also be served by own shares, if the Annual General Meeting permits their acquisition, or by cash payment.

Overall, the Management Board is convinced that the 2023 NFON AG Stock Option Plan is a very good instrument for promoting the performance of the managers of the NFON Group and is therefore in the interest of the company and shareholders.

Participation in the Annual General Meeting

Under Article 24 of the Articles of Association, shareholders are entitled to attend the Annual General Meeting and to exercise their voting rights if they register with the company using the address, fax number or e-mail address found below and provide evidence of their shareholdings to this address, fax number or e-mail address:

NFON AG
c/o UBJ. GmbH
Kapstadtring 10
22297 Hamburg
Germany
fax: +49 (0) 040-6378-5423
e-mail: hv@ubj.de

For evidence of a shareholding, evidence of ownership by the ultimate intermediary pursuant to Section 67 c (3) of the German Stock Corporation Act (AktG) shall be sufficient for this purpose.

Evidence of the shareholding must relate to the beginning of the day June 9, 2023 (midnight CEST) (the so-called record date) and be in text form (Section 126 b of the German Civil Code (Bürgerliches Gesetzbuch – BGB)). The company must receive the evidence of a shareholding and the registration no later than at the end of June 23, 2023 (midnight CEST).

After receipt of the registration and proof of the shareholding, the registration office will send the shareholders entitled to participate tickets for the Annual General Meeting. We ask that shareholders submit their registration and evidence of a shareholding to the company as soon as possible so that the tickets are received on time.

Significance of the record date

The record date determines the exercising of participation rights and the scope of voting rights at the Annual General Meeting. Only those company shareholders who have provided evidence of their shareholdings as of the record date will be considered shareholders for the purposes of attending the Annual General Meeting and exercising voting rights. Changes to shareholdings after the record date do not affect the right to attend or the extent of voting rights. This means that persons who did not hold any shares as of the record date and acquired their shares only after the record date are not entitled to attend or vote, unless they have been appointed a proxy or are authorized to exercise such rights. Shareholders who properly registered and provided evidence of shareholdings remain entitled to attend and vote to the extent allowed by their shareholdings even if they sell their shares in full or in part after the record date. The record date is not relevant for the entitlement to receive a dividend. Shareholders also remain free to dispose of their shares after the record date and after having registered.

Third party authorization / Proxy voting

Shareholders can also exercise their voting rights and other rights during the Annual General Meeting by way of a proxy, e.g. a bank or shareholder association. In this case, too, registration must still be completed on time and evidence of shareholdings submitted in accordance with the above terms. If neither an intermediary (e.g. a bank) nor a shareholder association nor any other equivalent person in accordance with Section 135 of the German Stock Corporation Act (AktG) is authorized, written or text form is required to declare to the company that a proxy has been granted or revoked and to provide evidence of this (Section 126 b BGB).

Shareholders will receive further information on the proxy and a proxy form with their tickets. The use of the proxy form is not mandatory. Shareholders may choose to issue a proxy in another text form (Section 126 b BGB).

Declarations to the company that proxy has been granted or revoked, and evidence of proxy, can be submitted to the following address:

NFON AG

Investor Relations – Annual General Meeting 2023
Machtlfinger Str. 7
81379 Munich
Germany
or by fax: +49 (0) 89 45300 33194
or e-mail: hauptversammlung@nfon.com

On the day of the Annual General Meeting, this can also be done at the incoming and outgoing inspection.

Intermediaries (e.g. banks) and equivalent persons or institutions can request that proxies take a specific form as they are required to keep a record of the proxy so that it can be verified. In addition, the proxy declaration must be complete and is only allowed to contain declarations relating to exercising the voting rights. If the shareholder wishes to appoint an intermediary (e.g. a bank), a shareholder association or other equivalent institution, entity or person as a proxy in accordance with Section 135 of the German Stock Corporation Act (AktG), they should please consult the person or entity to be appointed as proxy as to what form the proxy is to take.

Our company would like to simplify the proxy voting procedure for its shareholders. The Management Board has thus appointed two NFON AG employees as representatives to exercise shareholder voting rights in accordance with shareholder instructions. All shareholders who do not wish to attend the meeting themselves or appoint their custodian bank or another third party to exercise their voting rights are entitled to make use of this option. Voting representatives must vote as instructed. If no instructions are issued, the entire proxy is invalid. If no instructions are issued regarding one agenda item, the proxy for this agenda item is not valid. In this case, the voting representative will abstain from voting entirely or abstain from voting on the agenda item for which no instructions were issued. In the event of an individual vote on an agenda item, the instructions issued for this item apply accordingly to each sub-item. Shareholders must take note that voting representatives cannot accept orders to speak, file objections against Annual General Meeting resolutions, ask questions or put forward motions. Authorities and instructions to the voting rights representatives appointed by the company who are not issued at the Annual General Meeting must be received by the company by June 28, 2023, at the latest. Shareholders who wish to assign proxy to the voting representatives appointed by the company require a ticket for the Annual General Meeting. Registration must therefore be received on time and evidence of shareholdings must be submitted in accordance with the terms above even if power of proxy is given to the voting representatives appointed by the company. The notice of participation should be sent to the registration address, fax number or e-mail address listed above as soon as possible so as to ensure that tickets and additional documents relating to the authorization of the voting representatives are received on time.

If the proxy appointed by the company is authorized to exercise the voting right, the proxy can also be sent in text form (e.g. also by electronic data transmission as an e-mail) to the address, fax number or e-mail address specified above for granting the proxy. The revocation of the power of attorney also requires the text form (Section 126 b BGB).

If the shareholder grants proxy to more than one person, the company can reject one or more of these persons.

Shareholder rights

Requests for supplements to the agenda in accordance with Section 122 (2) of the German Stock Corporation Act (AktG)

Shareholders whose combined shares constitute one twentieth of the share capital or the pro rata amount of EUR 500,000 (currently corresponds to 500,000 shares) may request that items be included on the agenda and be published in accordance with Section 122(2) of the German Stock Corporation Act (AktG). Each new item must be accompanied by grounds or a draft proposal. The request must be made in writing (Section 126 BGB) and be addressed to the Management Board of the company and be received by the company no later than thirty days before the Annual General Meeting, i.e. no later than May 30, 2023, midnight CEST. Requests for supplements submitted after this time will not be considered. All requests for supplements should be sent to the following address:

NFON AG
The Management Board
Machtlfinger Str. 7
81379 Munich
Germany

Applicants must provide evidence that they have held the minimum number of shares for at least 90 days before the day their request is received and that they will hold these shares until the Management Board issues its decision on the request. Section 121 (7) of the German Stock Corporation Act (AktG) applies when calculating the deadline. Confirmation from the custodian bank constitutes sufficient evidence.

Countermotions and nominations by shareholders in accordance with Sections 126 (1) and 127 of the German Stock Corporation Act (AktG)

Shareholders are entitled to submit countermotions against Management Board or Supervisory Board proposals on certain agenda items and nominations. Shareholder motions, including the name of the shareholder, the reasons for filing the motion and any statements by the Management Board or the Supervisory Board, are to be made accessible to the beneficiaries set out in Section 125 (1) to (3) of the German Stock Corporation Act (AktG), subject to the requirements listed there (this includes shareholders who request access), provided that the shareholder has sent a countermotion against a Management Board or Supervisory Board proposal on a certain agenda item, specifying the reasons for doing so, to the address, fax number or e-mail address listed below at least 14 days before the company's Annual General Meeting. The date of receipt is not to be taken into account. The latest permissible date of receipt is therefore midnight on June 15, 2023, midnight (CEST). There is no requirement to publish a countermotion if one of the grounds for exclusion under Section 126 (2) of the German Stock Corporation Act (AktG) is met. If several shareholders file countermotions against the same resolution, the Management Board can combine the countermotions and the grounds cited for issuing the countermotions.

It is not necessary to provide grounds for shareholder nominations in accordance with Section 127 of the German Stock Corporation Act (AktG). Nominations are made accessible only if they include the name, profession and domicile of the proposed person and, in the case of elections to the Supervisory Board, details on their seats on other statutory supervisory boards. Section 127 sentence 1 of the German Stock Corporation Act (AktG) in conjunction with Section 126 (2) specifies other conditions under which nominations need not be made accessible online. The requirements and regulations for the publication of motions also apply accordingly, in particular, midnight on June 15, 2023, midnight (CEST), is the last possible time by which time nominations must have been received at the following address in order to be published. All motions (including grounds) and nominations from shareholders in accordance with Section 126 (1) and Section 127 of the German Stock Corporation Act (AktG) prior to the Annual General Meeting and other inquiries from shareholders regarding the Annual General Meeting are to be addressed solely to:

NFON AG
Investor Relations – Annual General Meeting 2023
Machtlfinger Str. 7
81379 Munich
Germany
or by fax: +49 (0) 89 45300 33194
or by e-mail: hauptversammlung@nfon.com

Countermotions and nominations from shareholders that are to be made accessible (including the name of the shareholder and, in the case of countermotions, the grounds for the countermotion) will be published online at <https://corporate.nfon.com/en/investor-relations/annual-general-meeting/> after being received. Any statements by the Management Board or the Supervisory Board will also be published on this page.

Right to information according to Section 131 para. 1 AktG

In accordance with Section 131 para. 1 AktG, every shareholder must be informed by the Management Board on request in the Annual General Meeting about matters of the company, insofar as it is necessary for the proper assessment of the subject matter of the agenda and there is no reason for refusal of information. The obligation to provide information also extends to the legal and business relations of the company with an affiliated company as well as to the situation of the Group and the companies included in the Consolidated Financial Statements.

Publication on the website

Further explanations on the aforementioned shareholder rights, the invitation to the Annual General Meeting including the documents relating to Item 8, the documents to be made accessible, and further information in accordance with Section 124a of the German Stock Corporation Act (AktG) can be found at <https://corporate.nfon.com/de/investor-relations/hauptversammlung/>. The voting results will also be published there after the Annual General Meeting.

These documents will also be available during the Annual General Meeting on June 30, 2023.

Any countermotions, nominations or amendment requests to the agenda received by the company that are subject to publication requirements will also be published on the website mentioned above.

Publication in the Federal Gazette (Bundesanzeiger)

The invitation to the Annual General Meeting was published in the Federal Gazette (Bundesanzeiger) on May 19, 2023, and was also forwarded for publication to media that can be assumed to disseminate the information throughout the European Union.

Total number of shares and voting rights

At the time of the convening of the Annual General Meeting 2023, NFON AG had a total of 16,561,124 no-par-value shares issued, each of which grants one vote.

Data protection notice

If you register for the Annual General Meeting or issue a voting proxy, we will collect personal data on you or your proxy. This is done so that shareholders can exercise their rights at the Annual General Meeting.

NFON AG processes your data as a Controller in accordance with the provisions of the European General Data Protection Regulation (GDPR) and all other relevant laws. Details on how your personal data is handled and your rights under the GDPR can be found online at: <https://corporate.nfon.com/de/investor-relations/hauptversammlung/>.

NFON AG
The Management Board