

On TOP 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 integral part of a remuneration concept that reconciles the interests of the management, the employees and the shareholders.

Since the existing stock option plan from 2021 in the amount of EUR 375,000.00 has already been exhausted, the Conditional Capital 2021 in Article 4 (6) of the Articles of Association should be adjusted accordingly and the Articles of Association amended. Furthermore, a new Stock Option Plan 2023 and a new Conditional Capital 2023 in the amount of EUR 572,883.00 is to be created.

The beneficiaries of the new stock option plan will again be the managers and employees who play a key role in shaping and implementing the company's strategy, both at NFON AG and at the affiliated companies. This is intended to give members of management and employees who are particularly responsible for increasing the value of the company a greater share in its success. This will create a performance incentive for particularly well-qualified employees, which should lead to their recruitment or retention. This incentive is in the interest of both the company and the 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 of affiliated companies, 200,000 to employees of the company and 22,883 to employees of affiliated companies.

The minimum waiting period of four years from allotment and the term of the options of seven years will create a long-term incentive effect for the beneficiaries.

Subscription rights from the stock options may only be exercised if the relevant reference price exceeds the exercise price by more than 60% upon exercise after the expiry of at least 48 months since the allocation date, by more than 75% upon exercise after the expiry of at least 60 months after the allocation date, and by more than 90% if exercised at least 72 months after the allocation date, irrespective of whether, taking into account the exercise blocking periods at the respective point in time, an exercise is actually possible for all or only for a part of the stock options. As an additional

condition, EBIT according to the IFRS Consolidated Financial Statements must be positive as of the last reporting date prior to the exercise of the stock options and must amount to at least 110% of the positive EBIT according to the IFRS Consolidated Financial Statements as of the second to last reporting date prior to the exercise of the stock options.

These exercise hurdles are ambitious and represent a good performance incentive for the beneficiaries. The company and the shareholders can benefit from this in equal measure.

In order to maintain full flexibility for our company, the options may also be serviced by treasury shares, if the Annual General Meeting permits their purchase, or by cash payment.

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

Munich, May 5, 2023



Dr. Klaus von Rottkay

Jan-Peter Koopmann