



**Invitation to the Annual General Meeting of**

**NFON AG, registered offices in Munich**

**WKN A0N4N5 ISIN DE000A0N4N52**

**WKN A2T SA4 ISIN DE000A2TSA41**

Munich, in May 2021

Dear Shareholders,

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

**24 June 2021 at 10:00 a.m. (CEST)**

Unfortunately, we are yet again unable to welcome you in person this year because of the COVID-19 pandemic. In order to counter the coronavirus spreading further and to protect our shareholders and all other stakeholders, this year's Annual General Meeting will be held as a virtual Annual General Meeting without shareholders or their proxies (with the exception of the company's voting representatives) attending in person. The Annual General Meeting will be held at the company's premises at Machtlfinger Str. 7, 81379 Munich, and streamed on the Internet in real time for registered shareholders. Shareholders can exercise their voting rights themselves by postal or electronic vote, or have them exercised by the voting representatives appointed by the company or other proxies. Details on how to stream the Annual General Meeting on the Internet and exercise your voting rights can be found below.

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 at 31 December 2020, 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(1), 315a(1) of the *Handelsgesetzbuch* (HGB – German Commercial Code) and the Supervisory Board report for the 2020 financial year**

These documents can be viewed on the Internet at <https://corporate.nfon.com/de/investor-relations/hauptversammlung/>. The Supervisory Board has already approved the annual and consolidated financial statements. In accordance with statutory regulations, no resolution will therefore be passed regarding this agenda item.

**Item 2**

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

The Supervisory Board and the Management Board propose that the actions of the members of the Management Board in the 2020 financial year be approved for this period.

**Item 3**

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

The Supervisory Board and the Management Board propose that the actions of the members of the Supervisory Board in the 2020 financial year be approved for this period.

**Item 4**

**Resolution on appointing the auditor for the 2021 financial year**

The Supervisory Board proposes that KPMG AG Wirtschaftsprüfungsgesellschaft, Munich, be appointed as the auditor and Group auditor for the 2021 financial year.

The Supervisory Board's proposal is not affected by any undue influence from third parties. There were no regulations in place that would have limited the choice to a particular auditor or to a particular audit firm to conduct the audit of the financial statements.

**Item 5**

**Resolution on approving the remuneration system for the members of the Management Board**

In accordance with Section 120a(1) AktG introduced by the German Act on Implementing the Second Shareholders' Rights Directive (ARUG II), the Annual General Meeting of a listed stock corporation adopts a resolution on approving the remuneration system for Management Board members resolved by the Supervisory Board in accordance with Section 87a AktG for each significant amendment to the system but at least every four years.

The Supervisory Board resolved a new remuneration system for Management Board members on 5 May 2021, which complies with the requirements of ARUG II and takes account of the recommendations of the German Corporate Governance Code. The remuneration system for Management Board members of the company resolved by the Supervisory Board is published as an annex to this item 5 after the agenda. The annex is a component of this agenda. The remuneration system can also be accessed and viewed on the Internet at <https://corporate.nfon.com/de/investor-relations/hauptversammlung/>.

The Supervisory Board proposes that the remuneration system for members of the Management Board resolved by the Supervisory Board on 5 May 2021, which is published as an annex to this item 5 after the agenda, be approved.

## Item 6

### **Resolution on the remuneration system and change in the remuneration system for the members of the Supervisory Board**

According to Section 113(3) AktG in the version applicable since 1 January 2020, the Annual General Meeting of a listed company must adopt a resolution on the remuneration and the remuneration system for members of the Supervisory Board at least every four years, however, a resolution confirming the remuneration is permissible.

The remuneration of members of the Supervisory Board was previously regulated in Article 21 of the Articles of Association and by resolution of the Annual General Meeting on 9 April 2018 in accordance with Article 21(1) of the Articles of Association.

Article 21 of the Articles of Association is as follows:

“Article 21 Remuneration of the Supervisory Board

- (1) The Annual General Meeting resolves the payment of any remuneration to members of the Supervisory Board and its amount in accordance with the statutory provisions.
- (2) The members of the Supervisory Board are included in a financial loss liability insurance policy taken out by the company for the members of the Management Board and the Supervisory Board at standard market conditions.
- (3) Each member of the Supervisory Board is reimbursed for expenses incurred in the performance of his duties. Furthermore, the members of the Supervisory Board will be reimbursed for any VAT payable on the reimbursement of expenses or Supervisory Board remuneration resolved by the Annual General Meeting, provided that they are entitled to bill the company for VAT separately and exercise this right.”

The Annual General Meeting on 9 April 2018 resolved as follows on the amount of remuneration for members of the Supervisory Board under item 13 in accordance with Article 21(1) of the Articles of Association:

“The members of the Supervisory Board of NFON AG receive – in addition to reimbursement of expenses in accordance with the Articles of Association of NFON AG – the following cash remuneration:

- a) a basic compensation payable at the end of the financial year of EUR 40,000.00 for the Chairman of the Supervisory Board and of EUR 25,000.00 for the other Supervisory Board members (plus any VAT that may be payable in each case);
- b) for each meeting of the Supervisory Board (plenary session), in which they have participated in full, an additional attendance fee payable at the end of the financial year of EUR 1,000.00 (plus any VAT that may be payable in each case)

This remuneration also compensates members for being members of and chairing committees. Supervisory Board members, who are members of the Supervisory Board or chair the Supervisory Board for only part of the financial year, receive the relevant remuneration in lit. a) pro rata temporis. It is rounded up to whole months.

The Supervisory Board members also receive the remuneration according to the above lit. a) and b) in subsequent financial years unless the Annual General Meeting resolves otherwise.”

Following a detailed review, the Supervisory Board and the Management Board have come to the conclusion that the level of compensation is no longer in line with the market and should be adjusted. This would, not least, also take greater account of the recommendation contained in the amended German Corporate Governance Code, according to which the additional time required for special functions on the Supervisory Board should be taken into account in the compensation.

At the same time, the abstract compensation system for the members of the Supervisory Board with the information pursuant to Sections 113(3) sentence 3, 87a(1) sentence 2 AktG on which the new compensation is based shall be adopted.

The compensation system is published after the agenda in the annex to item 6. The annex is a component of this agenda. The remuneration system can also be accessed and viewed on the Internet at <https://corporate.nfon.com/de/investor-relations/hauptversammlung/>.

The Supervisory Board and the Management Board therefore propose to resolve, with effect from July 1, 2021:

1. 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:
  - a) An annual 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 applicable value added tax);
  - b) For each meeting of the Supervisory Board (plenary session) in which they participated in full, an additional attendance fee of EUR 1,000.00 (plus any applicable value-added tax) payable after the end of the financial year;

This compensation also covers memberships and chairmanships of committees. Supervisory Board members who are members of the Supervisory Board or chair the Supervisory Board for only part of the fiscal year shall receive the compensation set out in a) above on a pro rata temporis basis. The number of months shall be rounded up to full months.

The Supervisory Board members shall also receive the compensation pursuant to a) and b) above for the period from July 1, 2021 in the following fiscal years unless the Annual General Meeting resolves otherwise."

2. the compensation system for members of the Supervisory Board published as an appendix to agenda item 6 following the agenda will be adopted.

#### **Item 7**

#### **Resolution on creating Authorised Capital 2021, cancelling Authorised Capital 2019, disapplying pre-emption rights and amending Article 4(3) of the Articles of Association**

Of the Authorised Capital 2019 created by the extraordinary Annual General Meeting on 12 December 2019 of EUR 3,000,000.00, EUR 1,505,555.00 has already been exhausted. The amount of Authorised Capital 2019 in accordance with Article 4(3) of the Articles of Association still remaining in this respect of EUR 1,494,445.00 does not even nearly make full use of the legal framework for authorised capital. In order to grant the company again greater possible flexibility in terms of its financing, the remaining Authorised Capital 2019 is to be cancelled and a new Authorised Capital 2021 created with options for disapplying pre-emption rights.

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

1. The Management Board is authorised, with the approval of the Supervisory Board, to increase share capital on one or more occasions by a total of up to EUR 4,140,281.00 by 23 June 2026 by issuing new no-par bearer shares with profit participation rights from the beginning of the financial year in which they were issued in exchange for cash or non-cash contributions (Authorised Capital 2021). If legally permissible, the Management Board may, with the approval of the Supervisory Board, determine in derogation from this and from Section 60(2) AktG that the new shares participate in the profits from the beginning of a past financial year, for which a resolution about

the appropriation of the net profit had not yet been adopted by the Annual General Meeting at the time they were issued. Shareholders have pre-emption rights.

The new shares may also be acquired by one or more banks with the obligation to offer them to shareholders for subscription (indirect pre-emption rights).

The Management Board is authorised, with the approval of the Supervisory Board, to decide on the content of share rights and the terms for issuing the shares and to determine the details of the capital increase.

The Management Board is also authorised, with the approval of the Supervisory Board, to disapply shareholder pre-emption rights in the following cases:

- a) in the event of a cash capital increase, if the issue price of the new shares is not significantly lower than the stock market price at the time the issue price is finalised and the proportion of share capital represented by the shares issued for cash contributions on the basis of a) of this authorisation with pre-emption rights disapplied does not exceed a total of 10% of the share capital, either in relation to the amount on 24 June 2021 or at the time this authorisation becomes effective or at the time it is exercised;
- b) If the shares are issued against non-cash contributions in order to acquire companies, investments in companies (including as part of business combinations), parts of companies or other assets, including rights and receivables and the proportion of the share capital represented by the shares issued against non-cash contribution on the basis of lit. b) of this authorization does not exceed a total of 20% of the share capital, either with reference to June 24, 2021, or to the date on which this authorization takes effect or the date on which it is exercised;
- c) To the extent necessary to grant bearers or creditors of convertible bonds or warrant bonds issued by the company or subordinate Group companies a right of subscription to new shares to the extent it would be granted after exercising the option right or right of conversion or after meeting the conversion obligation;
- d) to exclude fractional shares from pre-emption rights.

The proportion of the share capital represented by all shares issued in total on the basis of this authorization with exclusion of subscription rights may not exceed 20% of the capital stock, either with reference to June 24, 2021 or to the time at which this authorization takes effect or the time at which it is exercised. This limit of 20% of the share capital and the limits of 10% pursuant to lit. a) and 20% pursuant to lit. b) of this authorization shall each include the pro rata amount of share capital represented by shares issued or sold from June 24, 2021 until the end of the term of this authorization with exclusion of subscription rights in direct or analogous application of section 186 (3) sentence 4 AktG. Furthermore, the pro rata amount of the share capital of the shares issued or still to be issued to service conversion or option rights or conversion obligations shall be included in the respective limits, provided that the underlying bonds were issued during the term of this authorization under exclusion of subscription rights in accordance with section 186 (3) sentence 4 AktG. Finally, the pro rata amount of the share capital of shares issued from June 24, 2021 onwards on the basis of an authorization to use treasury shares in accordance with sections 71 (1) no. 8 sentence 5, 186 (3) sentence 4 AktG while disapplying preemptive rights shall be counted towards the aforementioned limits.

The Supervisory Board is also authorised to amend the wording of the Articles of Association in line with the respective scope of the capital increase from Authorised Capital 2021.

2. The existing authorisation of the Management Board to increase the share capital in accordance with Article 4(3) of the Articles of Association (Authorised Capital 2019) will be cancelled effective from the date the amendment to the Articles of Association proposed below under 3. is entered in the commercial register.
3. Article 4(3) of the Articles of Association will be cancelled and revised as follows:

"3. The Management Board is authorised, with the approval of the Supervisory Board, to increase share capital on one or more occasions by a total of up to EUR4,140,281.00 by 23 June 2026 by issuing new no-par bearer shares with profit participation rights from the beginning of the financial year in which they were issued in exchange for cash or non-cash contributions (Authorised Capital 2021). If legally permissible, the Management Board may, with the approval of the Supervisory Board, determine in derogation from this and from Section 60(2) AktG that the new shares participate in the profits from the beginning of a past financial year, for which a resolution about the appropriation of the net profit had not yet been adopted by the Annual General Meeting at the time they were issued. Shareholders have pre-emption rights.

The new shares may also be acquired by one or more banks with the obligation to offer them to shareholders for subscription (indirect pre-emption rights).

The Management Board is authorised, with the approval of the Supervisory Board, to decide on the content of share rights and the terms for issuing the shares and to determine the details of the capital increase.

The Management Board is also authorised, with the approval of the Supervisory Board, to disapply shareholder pre-emption rights in the following cases:

- a) in the event of a cash capital increase, if the issue price of the new shares is not significantly lower than the stock market price at the time the issue price is finalised and the proportion of share capital represented by the shares issued for cash contributions on the basis of a) of this authorisation with pre-emption rights disappplied does not exceed a total of 10% of the share capital, either in relation to the amount on 24 June 2021 or at the time this authorisation becomes effective or at the time it is exercised;
- b) If the shares are issued against non-cash contributions in order to acquire companies, investments in companies (including as part of business combinations), parts of companies or other assets, including rights and receivables and the proportion of the share capital represented by the shares issued against contributions in kind on the basis of lit. b) of this authorization does not exceed a total of 20% of the share capital, either with reference to June 24, 2021, or to the date on which this authorization takes effect or the date on which it is exercised;
- c) To the extent necessary to grant bearers or creditors of convertible bonds or warrant bonds issued by the company or subordinate Group companies a right of subscription to new shares to the extent it would be granted after exercising the option right or right of conversion or after meeting the conversion obligation;
- d) to exclude fractional shares from pre-emption rights.

The proportion of the share capital represented by all shares issued in total on the basis of this authorization with exclusion of subscription rights may not exceed 20% of the capital stock, either with reference to June 24, 2021 or to the time at which this authorization takes effect or the time at which it is exercised. This limit of 20% of the share capital and the limits of 10% pursuant to lit. a) and 20% pursuant to lit. b) of this authorization shall each include the pro rata amount of share capital represented by shares issued or sold from June 24, 2021 until the end of the term of this authorization with exclusion of subscription rights in direct or analogous application of section 186 (3) sentence 4 AktG. Furthermore, the pro rata amount of the share capital of the shares issued or still to be issued to service conversion or option rights or conversion obligations shall be included in the respective limits, provided that the underlying bonds were issued during the term of this authorization under exclusion of subscription rights in accordance with section 186 (3) sentence 4 AktG. Finally, the pro rata amount of the share capital of shares issued from June 24, 2021 onwards on the basis of an authorization to use treasury shares in accordance with sections 71 (1) no. 8 sentence 5, 186 (3) sentence 4 AktG while disapplying preemptive rights shall be counted towards the aforementioned limits.

#### **Item 8**

#### **Resolution on cancelling the existing authorisation of the Management Board to issue convertible bonds, warrant bonds, participation rights, participating bonds or combinations of these instruments, to cancel Contingent Capital I and Article 4(4) of the Articles of Association accordingly**

After partial utilization of the authorization of the Management Board to issue bonds dated April 9, 2018, there is only Conditional Capital I in the amount of EUR 2,892,045.00 pursuant to Article 4 (4) of the Articles of Association. There are no plans to make use of the remaining authorization volume in the remaining authorization period.

Furthermore, the Supervisory Board and the Management Board are convinced that the new Authorized Capital proposed to the Annual General Meeting under agenda item 7 will provide the Company with sufficient flexible financing instruments.

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

1. Cancellation of the authorization of April 9, 2018 and cancellation of Conditional Capital I

The authorization of the Management Board to issue convertible bonds, bonds with warrants, profit participation rights, participating bonds or combinations of these instruments and the associated Conditional Capital I pursuant to Art. 4 par. 4 of the Articles of Association resolved by the Annual General Meeting on April 9, 2018 will be cancelled

4. Amendment to the Articles of Association

Article 4(4) of the Articles of Association will be cancelled"

#### **Item 9**

#### **Resolution on the creation of Contingent Capital 2021/II and authorisation to issue options in the context of the NFON AG share option plan 2021, partial cancellation of Contingent Capital II and reduction of the authorisation to issue options in the context of the NFON AG share option plan 2018, amendment of the Articles of Association in Article 4(5) and addition of Article 4(6) to the Articles of Association**

In order to be able to bind Management Board members and selected managers of NFON AG as well as Managing Directors and selected managers of its affiliated companies to NFON AG with a special remuneration based on shares that is geared to the company's success, has a long-term incentivising effect and entails an element of risk, the option is to be created of issuing subscription rights to shares in NFON AG to members of the Management Board and the management and selected employees of NFON AG and affiliated companies to be created as part of a new stock option plan 2021. The existing authorisation in the context of the share option plan 2018 has been used in the amount of EUR 708,229.00. To the extent that the existing authorization has not been used, it shall be revoked and Conditional Capital II in Article 4 (5) of the Articles of Association shall be reduced accordingly.

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

- a) Authorisation to issue share options with subscription rights to shares in NFON AG

The Supervisory Board is authorised and the Management Board of the company is authorised, with the approval of the Supervisory Board, to grant up to 947,833 share options with subscription rights to shares in the company with a term of up to ten years in tranches to be issued once or twice a year according to the following conditions up to midnight on 23 June 2026 but not before Contingent Capital 2021 becomes effective by being entered in the commercial register. The share options are intended solely for subscription by members of the Management Board of the company and employees of the company as well as members of management and employees of affiliated companies within the meaning of Sections 15, 17 AktG. For members of the company's Management Board with subscription rights (beneficiaries), responsibility for granting share

options lies exclusively with the company's Supervisory Board. The granting of options to other beneficiaries will take place through the Management Board with the approval of the Supervisory Board. In so far as members of the management and employees of affiliated companies are affected, this will take place in consultation with the company bodies responsible for these beneficiaries' remuneration in each case. The share options may also be acquired by a bank with the obligation to transfer them to beneficiaries, as instructed by the company in accordance with the following lit. a) aa), who are solely entitled to exercise the subscription rights.

The following key points apply to the issue of share options in the context of the share option plan 2021:

#### aa) Beneficiaries and allocation

In the course of the share option plan 2021, share options may be issued solely to members of the Management Board ("group 1"), members of the management of affiliated companies within the meaning of Sections 15, 17 AktG ("group 2") as well as selected employees of the company ("group 3") and affiliated companies within the meaning of Sections 15, 17 AktG ("group 4"). The precise group of beneficiaries and the precise extent of the share options to be offered to them for subscription will be specified by the Supervisory Board for group 1 and by the Management Board of the company for the other groups.

The total volume of the subscription rights will be allocated as follows to the individual groups of beneficiaries:

Together, the beneficiaries in group 1 will receive a maximum of 33% of the share options and the subscription rights resulting herefrom. Together, the beneficiaries in group 2 will receive a maximum of 10% of the share options and the subscription rights resulting herefrom in each case. Together, the beneficiaries in group 3 will receive a maximum of 41% of the share options and the subscription rights resulting herefrom in each case. Together, the beneficiaries in group 4 will receive a maximum of 16% of the share options and the subscription rights resulting herefrom in each case. The percentage limits mentioned relate to the maximum total share options to be issued in accordance with this authorisation. Should the beneficiaries be members of several groups, they will receive share options solely on the basis of their membership of one group.

Share options that lapse according to the share option conditions (if the beneficiary resigns from the company, for example) may be re-issued to other beneficiaries in the group of which the beneficiary was a member. At the same time, the number of share options in circulation may not exceed 947,883 options at any time.

#### b) Subscription right

The share options grant the holder the right to subscribe for bearer voting shares in the company. Each share option grants the right to subscribe for one share each in the company against payment of an exercise price defined in lit. ff). The new shares will participate in profits from the beginning of the financial year in which they are issued. The option conditions may provide for the fact that the company may alternatively grant the beneficiary treasury shares instead of new shares by using Contingent Capital 2021 to fulfil the subscription right; in as much as a decision is to be made about granting treasury shares to beneficiaries that are members of the company's Management Board, responsibility for the decision lies solely with the Supervisory Board. The option conditions may also provide for the company have a right alternatively to fulfil the subscription rights by making a cash settlement. The cash settlement corresponds to the difference between the exercise price and the closing price of the company's shares in XETRA trading (or a comparable successor system) on the date the subscription price is exercised. If a cash settlement is to be made to members of the company's Management Board, responsibility for the decision lies solely with the Supervisory Board.

#### cc) Acquisition periods

Share options may be issued four times a year between the 11th and 26th trading day on the Frankfurt Stock Exchange following 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 (acquisition periods). The issue date when granting share options to beneficiaries in group 1 is the

date on which the company's Supervisory Board resolves on the granting of share options. When granting share options to beneficiaries in groups 2, 3 and 4, the issue date is the date on which the company's Management Board resolves on the granting of share options. If the resolution on issuing share options is not adopted within an acquisition period, the first day of the acquisition period following the date of the resolution is deemed to be the issue date.

dd) Vesting period and term

The share options cannot be exercised until the vesting period has expired. The vesting period begins on the respective date the individual share option is granted (allocation date) and ends at the beginning of the first exercise period occurring four years after the respective allocation date.

The share options' term starts on the allocation date and will end after ten years. If the term ends in an exercise period, the term will be extended until the end of this exercise period.

ee) Exercise period

In principle, options can be exercised at any point once the vesting period has expired and performance targets have been met except during periods when exercise of the options is blocked. Exercise is "blocked" during the following periods:

- (i) The period from the 21st calendar day before an Annual General Meeting of the company until midnight on the date of the Annual General Meeting
- (ii) The period from the date on which the company publishes an offer to its shareholders to subscribe for new shares or bonds with conversion or option rights in a stock exchange gazette or in the Federal Gazette up to the date on which the new shares or bonds with conversion or option rights were issued;
- (iii) The period from the thirtieth calendar day before publication of the quarterly results or the annual results up to the date after publication of the quarterly results or annual results; and
- (iv) The period from the day on which the company publishes a special dividend in the Federal Gazette until the day on which the shares in the company that are entitled to the special dividend are listed on the Frankfurt Stock Exchange for the first time "ex-dividend".

The above-mentioned periods in which exercise of the options is blocked include both the start date and end date in each case. On request, the company will notify participants of the precise dates on which blocking periods start and end.

Restrictions on exercising the options resulting from the law remain unaffected and must be observed by the beneficiaries.

The Management Board may, with the approval of the Supervisory Board, or the Supervisory Board in the case of group 1, stipulate additional periods in which exercise is blocked.

ff) Exercise price

The exercise price for one share in the company equals the base price; the base price is the arithmetic mean of closing prices for the company's shares in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange in the last ten trading days before the day on which the respective share option is issued.

The option conditions may, in the event that the company's share capital is increased during the term of the share options by issuing new shares and granting shareholders a pre-emption right or treasury shares are surrendered or bonds with conversion or option rights to shares in the company are issued, provide for the exercise price being reduced in the ratio of the average price of the shareholders' pre-emption right on all trading days on the Frankfurt Stock Exchange to 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 before the shares are traded ex rights. The adjustment will not be required if holders of share options are granted a subscription right, which matches the shareholders' subscription right. The option conditions may also provide for an

adjustment in the event of capital measures (share consolidation or split, capital increase from company resources, capital reduction) occurring during the term of the subscription rights.

If Management Board members are affected, the Supervisory Board will be responsible for deciding on the adjustment, otherwise this decision will be taken by the Management Board.

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

#### gg) Performance target

Once the vesting period ends, the share options can be exercised if the performance target has been reached.

The achievement of the performance targets is 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 Revenues in the year in which the stock options are granted have increased by at least the relevant growth rate for the year in which the stock options are granted compared to the previous year. If stock options are granted in 2021, the relevant growth rate for the year of grant is 15%. If stock options are granted in 2022 or later, the relevant growth rate for the year of grant is 20%.

For the second quarter of the stock options granted to a beneficiary, the performance target is achieved if the Relevant Revenues in the first year after the year in which the stock options are granted have increased by at least 20% compared with the previous year.

For the third quarter of the stock options granted to a beneficiary, the performance target is achieved if the Relevant Revenues in the second year after the year in which the stock options are granted have 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 Revenues in the third year after the year in which the stock options are granted have increased by at least 20% compared to the previous year.

"Relevant Revenues" shall mean the recurring revenues in a financial year included in the consolidated financial statements of the Company, whereby revenues based on inorganic growth, i.e. an acquisition of a company, part of a company or an interest in a company, shall be disregarded for the purpose of calculating the increase in the Relevant Revenues in the year of the acquisition in rem (closing).

#### hh) Non-transferability

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

#### ii) Taxation

Beneficiaries shall pay all taxes that fall due when the options are allocated or exercised or when the beneficiaries sell NFON shares.

#### jj) Additional regulations

The Supervisory Board is authorised and the Management Board is authorised, with the approval of the Supervisory Board, to specify the additional details of the option conditions and the issue and design of the share options. If members of the company's Management Board are affected, the additional details of the option conditions and the issue and design of the share options will be specified solely by the Supervisory Board, otherwise they will be specified by the Management Board. The additional details of the option terms include, in particular, (i) the specific determination of the beneficiaries and specification of the number of share options to be granted

to them in each case, (ii) specification of the provisions governing the share option plan, (iii) the process for granting and exercising share options as well as their expiration and term and (iv) the provisions governing the treatment of share options in special cases, such as the resignation of the beneficiary from the respective group or death of the beneficiary or beneficiaries resident or working abroad.

b) Creation of a new contingent capital (Contingent Capital 2021)

The share capital of the company will be contingently increased by up to EUR 947,883.00 by issuing up to 947,883 new bearer shares (Contingent Capital 2021). Contingent Capital 2021/II will be used to secure subscription rights from share options issued by the company in the period from 24 June 2021 to 23 June 2026 on the basis of the authorisation by the company's Annual General Meeting on 24 June 2021. The contingent capital increase will only be carried out to the extent share options are issued and the holders of these share options make use of their right to subscribe for shares in the company and the company does not grant treasury shares or a cash settlement to fulfil the subscription rights. The issue of shares from Contingent Capital 2021 will take place at the exercise price in accordance with the above authorization of the Annual General Meeting on 24 June 2021. The new shares will participate in profits from the beginning of the financial year in which they are issued. The Management Board is authorised, with the approval of the Supervisory Board, to specify the additional details of the contingent capital increase.

c) Reduction of the authorisation to issue options in the context of the NFON AG share option plan 2018 and partial cancellation of the Contingent Capital II

The authorisation to issue options in the context of the NFON AG share option plan 2018 resolved by the Annual General Meeting on 9 April 2018 will be reduced by 255,786 options to 708,229 options with immediate effect and the Contingent Capital II of EUR 964,015.00 in accordance with Article 4(5) of the Articles of Association will be cancelled effective from the date the amendment to the Articles of Association involving the cancellation of EUR 255,786.00 and reduction to EUR 708,229.00 proposed below under f) is entered in the commercial register.

d) Authorisation to amend the Articles of Association

The Supervisory Board is authorised to amend the wording of the Articles of Association in line with the scope of the capital increase from Contingent Capital 2021. The same applies in the event of non-utilisation of the authorisation to issue subscription rights (share options) after the end of the authorisation period and in the event of non-utilisation of the Contingent Capital 2021/II after the end of the periods for exercising subscription rights.

e) Amendment to the Articles of Association in Article 4(5)

Article 4(5) of the Articles of Association will be revised as follows:

"5. The share capital of the company is contingently increased by up to EUR 708,229.00 by issuing up to 708,229 new bearer shares (Contingent Capital II). The contingent capital increase will only be carried out to the extent holders of share options, which are issued by the company on the basis of this authorising resolution from 9 April 2018 in the period up to 8 April 2023, make use of their right to subscribe for shares in the company and the company does not grant treasury shares or a cash settlement to fulfil the subscription rights. The new shares in the company resulting from the exercise of these subscription rights will participate in profits from the beginning of the financial year in which they are issued. The Management Board is authorised, with the approval of the Supervisory Board, to specify the additional details of the contingent capital increase."

f) Addition to the Articles of Association in Article 4(6)

A new paragraph 6 containing the following text will be added to Article 4 of the Articles of Association:

"6. The share capital of the company is contingently increased by up to EUR 947,883.00 by issuing up to 947,883 new no-par value bearer shares (Contingent Capital 2021). Contingent

Capital 2021/II will be used to secure subscription rights from share options issued by the company in the period from 24 June 2021 to 23 June 2026 on the basis of the authorisation by the company's Annual General Meeting on 24 June 2021. The contingent capital increase will only be carried out to the extent share options are issued and the holders of these share options make use of their right to subscribe for shares in the company and the company does not grant treasury shares or a cash settlement to fulfil the subscription rights. The issue of shares from Contingent Capital 2021 will take place at the exercise price in accordance with the above authorization of the Annual General Meeting on 24 June 2021. The new shares will participate in profits from the beginning of the financial year in which they are issued. The Management Board is authorised, with the approval of the Supervisory Board, to specify the additional details of the contingent capital increase."

## **Annex to item 5 Remuneration system of NFON AG for Management Board members**

### **I. Principles**

In the context of its corporate strategy, NFON AG pursues the goal of consolidating and further expanding its position as the leading pan-European provider of voice-centric business communication solutions in the cloud with ambitious growth targets long-term. The company's strategic focus is therefore concentrated primarily on growth. In this connection, the NFON Group targets its actions on long-term, sustainable corporate success and has a holistic appreciation of its entrepreneurial responsibility.

In line with these objectives, the remuneration system for the Management Board is based on three key guidelines: firstly, a strong emphasis on performance and significant performance differentiation through ambitious internal and external objectives concentrate the focus on the company's above-average growth. Secondly, components of a long-term nature ensure that there is no incentive to take disproportionate risks. Thirdly the remuneration system targets a strong shareholder culture and accordingly helps align the interests of shareholders, management and other stakeholders. In particular, individual targets are set in such a way that they provide particular incentives to act sustainably within the meaning of ESG criteria.

The current Management Board contracts already comply with the remuneration system.

In the light of the legal requirements, especially in Sections 87, 87a and 120a AktG and the German Corporate Governance Code (GCGC), the following remuneration system will be introduced:

### **II. Fixed and variable compensation components and their respective relative share of the remuneration**

Management Board members' total remuneration is performance-based and consists of various components. Individually, these are a performance-unrelated annual fixed remuneration (basic salary), a performance-related variable remuneration consisting of a short-term incentive programme (STI) and a long-term incentive programme (LTI) plus fringe benefits.

The annual maximum remuneration amounts to EUR 1.5 million in the case of the Chairman of the Management Board and EUR 0.75 million in the case of an ordinary Management Board member.

1. The target corridors for total annual compensation are defined as: Fixed salary 30 - 50%, STI 10 - 25% and LTI 40 - 50%. Basic salary

The basic salary is paid monthly in twelve equal instalments.

2. Financial and non-financial performance criteria for granting variable compensation components

The performance-related variable compensation components granted to the Management Board member, but in particular the LTI, are to be predominantly invested in the company's shares by him or granted as a share-based payment.

The performance-related variable compensation consists of two components:  
the STI and the LTI.

a. STI

For each member of the Management Board, the Supervisory Board will determine an individual STI and its weighting for the imminent financial year (or if appointed to the Management Board during the year on the date of joining). STIs may also be determined jointly for all Management Board members. STIs are expected – in addition to operational objectives – to contribute to the implementation of corporate strategy and to the NFON Group's long-term, sustainable development. STIs must be demanding and ambitious. They must be sufficiently specific to ensure that the degree to which targets have been achieved can be measured. Specific KPIs or expectations concerning the achievement of targets will be set for this purpose. The Supervisory Board is to determine the extent to which the individual Management Board members' targets or targets for all Management Board members are decisive. The performance criteria to be used by the Supervisory Board as part of the annual agreement of targets may be both financial and non-financial in nature and must include at least one ESG-related performance criterion (economic, society and governance) each year unless the Supervisory Board dispenses with this on a case-by-case basis because of particular circumstances. ESG criteria may be exemplary.

- Customer satisfaction
- Employee satisfaction
- Diversity
- Risk management
- Compliance
- Corporate governance
- Corporate social responsibility
- Limitation of CO2 emissions/ sustainable use of resources
- Reporting and communication
- Succession planning

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

The target figure for the STI is based on the planning for the respective financial year. Following the end of the respective remuneration year, the Supervisory Board will assess the extent to which each Management Board member has achieved his targets. Achievement of targets must be verifiable in terms of both justification and amount. To give the Supervisory Board the option of taking sufficient account of extraordinary developments, the amount paid under the STI will range between 0% and 150% of the target amount. 150% of the target amount will be paid if the budgeted figure is exceeded by 50% or more. If the degree to which targets are achieved falls between the minimum and maximum figures, a corresponding amount within the range will be paid. The variable compensation may therefore be retained in justified cases.

The target parameters defined by the Supervisory Board for the STI for the imminent financial year may not be amended retrospectively.

The STI will be paid in each subsequent year after completion of the annual financial statements and confirmation thereof by the Supervisory Board.

These target parameters, supplemented by individual targets are also applied to majority of senior employees to ensure that the target system is uniform and consistent throughout the Group in this respect.

Since the STIs tie in with the trend in revenue and earnings, they play a crucial role in supporting the short and medium-term growth strategy both with regard to the target growth in size and earnings. The STIs therefore make a material contribution to implementing corporate strategy by ensuring that the interests of Management Board members run parallel with the company's short and medium-term strategy.

## b. LTIs

Management Board remuneration also contains an LTI component to focus the Management Board remuneration structure more closely on long-term, sustainable corporate development. The LTI consists of share options from the company's share option programme 2018 (SOP 2018) or the share option programme 2021 (SOP 2021) presented to the Annual General Meeting for resolution. SOPSOP 2018 and SOP2021 include the following key parameters:

- Vesting period for options from the programme: four years
- Term from allocation: ten years
- Exercise price: the arithmetic mean of closing prices for the company's shares in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange in the last ten trading days before the day on which the respective share options are allocated.
- Achievement of the performance target (SOP 2018): growth in revenue according to the consolidated financial statements in the financial year the share options were allocated of 20% compared with revenue in the financial year prior to allocation.
  - Achievement of the performance target (SOP 2021): For each quarter of the stock options granted to a beneficiary, a separate performance target applies, which is linked to revenue growth in the year in which the stock options are issued or in the three subsequent years. Accordingly, in order to achieve the performance target for one quarter of the stock options, the organic growth in recurring revenues according to the consolidated financial statements in the year in which the stock options are granted or in the three subsequent years must be at least 20% in each case compared with the previous year. If the stock options are granted in 2021, growth in recurring revenue according to the consolidated financial statements of at least 15% in 2021 compared to 2020 is sufficient for the performance target of the first quarter of the stock options.

Ordinary members of the Management Board receive share options for up to 0.5% of the respective share capital. The CEO is allocated share options for up to 1.25% of the respective share capital.

The exercise gain is limited in the context of the LTI. It is capped at 1.5 times the respective annual basic salary achieved by the Management Board member or, if the Management Board member has resigned, at the simulated annual basic salary he last achieved. All basic salaries received or simulated are aggregated to calculate the cap.

Achievement of the LTI is linked to achievement of the performance targets specified in the SOP 2018 and the SOP 2021, which were or are themselves the subject of resolutions by the Annual General Meeting. The Supervisory Board had proposed the performance target to the Annual General Meeting 2018 since, the revenue growth figure seemed the most appropriate for a rapidly expanding, recently listed company. The capital markets, in particular, rate an expanding company primarily by its revenue growth and only secondly by variables such as EBITDA, ROCE or similar. The 2021 SOP will again be based on revenue development, but in terms of recurring revenue.

The LTI also makes a significant contribution to promoting the company's strategy.

## c. Fringe benefits or other compensation components

In addition to the basic salary, Management Board members receive fringe benefits in the form of non-cash benefits; these mainly consist of subsidies for statutory or private pension or medical insurance and use of a company car for business and private purposes.

In exceptional cases, the Supervisory Board may decide, at its discretion, to grant a special bonus for outstanding performance or outstanding commitment or if and in so far as the Management Board member achieved a particular advantage for the company through his work. Management Board members have no entitlement to the grant of this special bonus.

In addition to the emoluments, there is a financial loss liability insurance policy (known as a D&O policy) plus a D&O legal insurance policy whereby an excess of 10% of the loss or of one and a half times the fixed annual remuneration is agreed in the context of the D&O policy.

### 3. Company's options for reclaiming variable compensation components

The remuneration system does not provide for the option of reclaiming variable compensation components, as this does not seem expedient or justifiable in view of the absolute level of Management Board remuneration.

The total remuneration is capped in compliance with the recommendation of the German Corporate Governance Code (GCGC). By determining a cap for the STI and LTI, the amount of both variable compensation components is limited.

### 4. Terms and the preconditions for terminating the Management Board contracts of employment including the respective notice periods and possible commitments from severance payments

In principle, Management Board contracts run for three years. They provide for a compensation payment in the event of members' work for the Management Board being terminated prematurely at the request of the company without good cause. This is limited to a maximum of one year's fixed salary including fringe benefits (severance cap) and will not cover more than the remaining term of the contract of employment.

In the event of a Management Board contract being ended, outstanding variable compensation components attributable to the period up to the contract being terminated will be paid in accordance with the originally agreed targets (assuming 100% target achievement) and comparison parameters and according to the due dates or holding periods specified in the contract.

In the event of a change of control at the company, the Management Board contracts for both contracting parties may provide for the right to terminate the contract of employment subject to compliance with a notice period. A change of control would exist if at least 50.1% of the share capital is combined under the control of one shareholder. The Management Board contracts can provide for a severance payment in this case which must, however, be limited to the total remuneration including fringe benefits owed for the remaining term.

The Management Board contracts may also provide for the fact that a possible compensation payment will be taken into account if the Management Board member has made use of his right to give notice in the event of a change of control.

### 5. Taking account of employees' remuneration and employment conditions when determining the remuneration system

For the development of the Management Board's remuneration, the Supervisory Board takes the internal comparison of the remuneration and employment conditions of the top management tier, the CxO and Vice Presidents, and the total work force employed by the NFON Group in Germany into consideration (vertical comparison). This involves comparing the Management Board's remuneration with the remuneration plus fringe benefits of the groups of people mentioned. The Management Board's remuneration is also compared with the total work force including comparable companies if the information is available.

In the event of significant shifts in the relationships between the remuneration paid to the Management Board and the peer groups, the Supervisory Board will examine the causes and, if there are not any objective reasons for these shifts, will adjust the Management Board's remuneration if necessary.

### 6. Procedures for determining, implementing and reviewing the remuneration system

The amount of the Management Board's remuneration and the key elements of their contracts of employment will be decided by the Supervisory Board of NFON AG and reviewed at regular intervals. Their remuneration should be attractive compared with the company's competitors and therefore provide the opportunity to attract highly qualified Management Board members and ensure that they remain with the company long-term.

The Supervisory Board carries out a comprehensive review of the remuneration system for the Management Board based on all relevant information and with the particular aim of determining

whether the total remuneration paid to Management Board members is appropriate to the tasks of the respective Management Board member, his personal performance and the economic situation and performance of the company – taking account of the peer group – and is not higher than the customary remuneration unless there are exceptional reasons for this (horizontal comparison).

Remuneration must be such that it is competitive in national and European terms and therefore provides an incentive for committed and successful work. The Supervisory Board reviews the appropriateness of the Management Board's remuneration at regular intervals and may make use of an external remuneration expert who is independent of the Management Board and Supervisory Board for this purpose. The next scheduled review will take place in 2023. The peer group is selected in such a way that, if available, the Management Board remuneration of largely comparable, listed German companies in the IT/telecommunications sector is used. If and as soon as the extension of a Management Board member's contract of employment is imminent or a new or additional Management Board member is to be appointed, the Supervisory Board will also check whether it is feasible to obtain a comparative study of remuneration and to use this in negotiating the Management Board's remuneration and conditions of employment. If conflicts of interest should emerge when employing Management Board members or negotiating Management Board contracts, the person in whom the conflict occurs is obliged – as in other cases of conflict – to reveal this conflict. The negotiating parties will subsequently be concerned to exclude the person in question from this process or ask him to abstain.

In the event a remuneration system reviewed in accordance with Section 120a(3) AktG being proposed, this will include an explanation of all key amendments and an overview of the extent to which voting and comments by the shareholders in relation to the remuneration system and the remuneration reports were taken into consideration.

#### 7. Secondary employment of Management Board members

Management Board members are expected to accept seats on management boards or supervisory boards and/or other administrative or honorary functions outside the company only to a very limited extent. To take up secondary employment, they also need the approval of the Supervisory Board, which will ensure, when giving its approval, that neither the time involved nor the remuneration granted will lead to a conflict with his tasks for the company. In principle, Management Board members are not entitled to separate remuneration for accepting seats on the boards of Group companies. If membership of executive bodies outside the Group or seats on supervisory boards are accepted, the Supervisory Board will decide whether and the extent to which any remuneration will be taken into account.

#### 8. Temporary deviations

The Supervisory Board may deviate temporarily from the remuneration system in accordance with Section 87a(2) sentence 2 AktG if this is necessary in the interests of the company's long-term well-being. This includes, for example, aligning the remuneration system in the event of significant changes to corporate strategy to ensure that Management Board members are sufficiently incentivised or in the event of a severe economic crisis. The extraordinary circumstances on which a deviation is based and which necessitate it must be determined by a resolution by the Supervisory Board. The components of the remuneration system, which may be deviated from, are the process, the regulations on the structure and amount of remuneration and the individual remuneration components. However, any deviation from the maximum remuneration set is precluded.

The Supervisory Board is also entitled to grant new members of the Management Board special payments to offset any loss of salary from a previous employment relationship or to cover costs arising from relocation.

## **Annex to item 6**

### **Remuneration system members of the Supervisory Board in accordance with Sections 113(3), 87a (1) sentence 2 AktG**

#### 1. Text of Article 21 of the Articles of Association

“Article 21 Remuneration of the Supervisory Board

- (1) The Annual General Meeting resolves the payment of any remuneration to members of the Supervisory Board and its amount in accordance with the statutory provisions.
- (2) The members of the Supervisory Board are included in a financial loss liability insurance policy taken out by the company for the members of the Management Board and the Supervisory Board at standard market conditions.
- (3) Each member of the Supervisory Board is reimbursed for expenses incurred in the performance of his duties. Furthermore, the members of the Supervisory Board will be reimbursed for any VAT payable on the reimbursement of expenses or Supervisory Board remuneration resolved by the Annual General Meeting, provided that they are entitled to bill the company for VAT separately and exercise this right.”

#### 2. Wording of the proposed resolution to the Annual General Meeting on June 24, 2021

“The members of the Supervisory Board of NFON AG receive – in addition to reimbursement of expenses in accordance with the Articles of Association of NFON AG – the following cash remuneration:

- a) an annual 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);
- b) for each meeting of the Supervisory Board (plenary session), in which they have participated in full, an additional attendance fee payable at the end of the financial year of EUR 1,000.00 (plus any VAT that may be payable in each case)

This remuneration also compensates members for being members of and chairing committees. Supervisory Board members, who are members of the Supervisory Board or chair the Supervisory Board for only part of the financial year, receive the relevant remuneration in lit. a) pro rata temporis. It is rounded up to whole months.

The compensation pursuant to the above lit. a) and b) shall also be paid to the members of the Supervisory Board for the period from July 1, 2021 in the following fiscal years, unless the Annual General Meeting resolves otherwise.”

#### 3. Principles of the remuneration system

The Supervisory Board advises and monitors the Management Board. It is closely involved in key operational and strategic issues affecting the company. The Supervisory Board remuneration should therefore be appropriate to the tasks of Supervisory Board members and the situation of the company. Appropriate Supervisory Board remuneration that is in line with the market promotes business strategy and the long-term development of the company.

Following the suggestion of the German Corporate Governance Code, the company's Supervisory Board remuneration consists solely of a fixed remuneration. This is consistent with the Board's function as an independent advisory and supervisory body within the framework of German stock corporation law.

#### 4. Procedures for determining, reviewing and implementing the remuneration system

In accordance with Section 113(3) sentence 1 AktG, a resolution on the remuneration of members of the Supervisory Board is adopted by the Annual General Meeting following a proposal by the Supervisory Board and the Management Board at least every four years. Here, the Annual General Meeting may either only confirm the remuneration of the Supervisory Board or amend the regulations of the Articles of Association on the Supervisory Board or the amount and structure of the remuneration by resolution.

At regular intervals, but at least every four years, the Supervisory Board and Management Board will carry out a review to determine whether the amount and structure of the remuneration are still in line with the market and are appropriate to the tasks of the Supervisory Board and the situation of the company. The Supervisory Board will carry out a horizontal market comparison for this purpose. It may seek advice from an independent expert for this purpose. If there are grounds for amending the remuneration system for the Supervisory Board, the Supervisory Board and Management Board will submit a proposal to amend the regulations governing the Supervisory Board's remuneration to the Annual General Meeting.

#### 5. Overview of the components of the Supervisory Board's remuneration

In addition to an appropriate basic remuneration, the structure of the Supervisory Board remuneration at NFON take account of the additional workload incurred by the Chairman of the Supervisory Board, the Deputy Chairman and the expenditure incurred in attending meetings.

##### a) Basic compensation

The annual basic compensation for a Supervisory Board member amounts to EUR 40,000.00.

##### b) Supplements for additional responsibilities

The Chairman of the Supervisory Board receives an annual basic salary of EUR 75,000.00.

The higher basic salary paid to the Chairman of the Supervisory Board is due to his elevated position. He is available as the primary point of contact for the Chairman of the Management Board and other Management Board members outside meetings and between meetings. He coordinates and organises the work of the Supervisory Board. In his function as Deputy Chairman, he receives an annual basic remuneration of EUR 60,000.00.

##### c) Attendance fees

Supervisory Board members receive an attendance fee of EUR 1,000.00 for attending a meeting of the Supervisory Board.

#### 6. Due date; pro rata payment

The basic salary and the attendance fee are payable in each case after the end of a financial year. Supervisory Board members, who are members of the Supervisory Board or chair the Supervisory Board for only part of a financial year, receive the respective basic salary or attendance fee pro rata temporis rounded up to whole months.

#### 7. Reimbursement of expenses

Members of the Supervisory Board will be reimbursed for expenses incurred in exercising their duties and for any VAT that is legally owed by them.

#### 8. D&O insurance

The members of the Supervisory Board are included in a financial loss liability insurance policy taken out at standard market conditions (D&O insurance).

#### 9. Remuneration-related legal transactions

Remuneration-related legal transactions in accordance with Section 87a(1) sentence 2 number 8 are not concluded with members of the Supervisory Board.

## Reports from the Management Board:

The following Management Board reports relating to items 7 and 9 can be viewed at NFON AG's offices at Machtlfinger Strasse 7, 81379 Munich, and online at <https://corporate.nfon.com/en/investor-relations/annual-general-meeting/>.

### Regarding item 7

#### **Management Board report to the General Meeting in accordance with Section 203(2) sentence 2 in conjunction with Section 186(4) sentence 2 AktG**

In accordance with Section 203(2) sentence 2 in conjunction with Section 186(4) sentence 2 AktG, the Management Board of NFON AG provides the company's Annual General Meeting convened for 24 June 2021 with the following written report on the creation of Authorised Capital 2021 against cash and/or non-cash contributions with authorisation to disapply pre-emption rights, as proposed under item 7:

Of the Authorised Capital 2019 created by the extraordinary Annual General Meeting on 12 December 2019 of EUR 3,000,000.00, EUR 1,505,555.00 has been exhausted.

The amount of Authorised Capital 2019 of EUR 1,494,445.00 still remaining in Article 4(3) of the Articles of Association does not make anything like full use of the legal framework for authorised capital. Thus, this remaining Authorised Capital 2019 is to be cancelled and new Authorised Capital 2021 of EUR 4,140,281.00 created.

The new authorisation proposed is designed to make moderate use of the legal opportunities to expand the company's equity base. Adequate capitalisation is key to future business, especially given the company's purpose and the desire to secure further financial resources to invest in the future of our company. For this reason, new authorized capital is to be created within a moderate framework. The legally permissible framework will not be exhausted. A limited possibility of excluding subscription rights is also to be created for both cash capital increases and non-cash capital increases. Here, too, the legally permissible framework for an exclusion of subscription rights is not exhausted.

There are not currently any specific plans in place for the utilisation of the Authorised Capital 2021 proposed to the General Meeting. From a current standpoint, funds from the Authorised Capital 2021 proposed to the General Meeting could be used, in particular, to strengthen the equity base so as to avoid increased reliance on debt financing for future investment projects.

The company could also use new equity to finance acquisitions. As a capital increase in order to make an acquisition must be carried out at short notice, the resolution on this at the General Meeting does not constitute an alternative to using authorised capital. Creating authorised capital allows the Management Board to quickly and easily take advantage of any opportunities that arise to acquire companies in the interests of shareholders in order to meet the company's business requirements and bolster its competitive standing.

In principle, the new shares will participate in profits from the beginning of the financial year of their issue. If legally permissible, the Management Board may, with the approval of the Supervisory Board, determine in derogation from this and from Section 60(2) AktG that the new shares participate in the profits from the beginning of a past financial year, for which a resolution about the appropriation of the net profit had not yet been adopted by the Annual General Meeting at the time they were issued. This right may give the Management Board advantages when placing new shares in the period from the beginning of a financial year until the Annual General Meeting, as it allows a separate listing for the new shares to be avoided.

If Authorised Capital 2021 is utilised, shareholders have statutory pre-emption rights. The new shares resulting from a cash capital increase are either to be offered to shareholders for subscription directly or acquired by banks with the obligation to offer them to shareholders for subscription (indirect pre-emption rights). However, the Management Board is to be authorised, with the approval of the Supervisory Board, to disapply shareholders' pre-emption rights in several cases:

The disapplication of pre-emption rights in a capital increase against cash contributions within the 10% limit set out in Section 186(3) sentence 4 AktG makes it easier for the company to obtain financing by

raising equity. This provides the company with the opportunity to raise new capital on the capital markets flexibly and inexpensively. This authorisation makes it easier for the company to meet any potential capital requirements at very short notice and benefit from market opportunities. The disapplication of pre-emption rights makes it possible to act quickly and place shares close to the stock market price, without the markdowns on account of high volatility that are otherwise common for issues with pre-emption rights. This can improve the proceeds from the issue. This also results in significant cost advantages for the company in the case of smaller capital increases in particular, as it is not necessary to go through the costly process of preparing a prospectus if pre-emption rights are disapplied. This form of capital increase is thus also in the interests of shareholders. Dilution of the value of existing shares is minimized in line with statutory limits by the fact that the issue price is not allowed to be significantly lower than the stock market price. This means that shareholders' pre-emption rights would have very little economic value. Shareholders can maintain their stake by making corresponding purchases on the stock exchange.

The total cash capital increase, using this authorisation to disapply pre-emption rights in accordance with Section 186(3) sentence 4 AktG, must not exceed 10% of the share capital, either in relation to the amount on 24 June 2021 or at the time this authorisation becomes effective or at the time it is exercised.

In the case of non cash capital increases, it shall also be possible, with the approval of the Supervisory Board, to exclude subscription rights in a moderate amount of 20% of the existing capital stock. This disapplication of pre-emption rights allows the Management Board in appropriate cases, with the approval of the Supervisory Board, for example, to acquire companies or investments in companies or to combine with other companies in return for transferring NFON AG shares. This should make it possible for the company to respond quickly and flexibly on national and international markets to favourable offers or other opportunities that arise to acquire companies or investments in companies or to combine with companies that operate in related business areas, in order to improve its own competitiveness in the interests of shareholders. During negotiations, it may become necessary to offer shares, as opposed to money, as consideration in order to meet sellers' expectations or maintain its own liquidity. The proposed option to disapply pre-emption rights takes this into account. The dilution resulting from disapplying pre-emption rights is offset by the fact that the business expansion through increased equity is financed by third parties and that existing shareholders – albeit with a lower equity and voting share than previously – share in company growth which, if pre-emption rights were granted, they would have to finance using own funds. However, all shareholders can maintain or increase their stake by purchasing additional shares through the stock exchange listing.

It should also be possible, with the approval of the Supervisory Board, to disapply pre-emption rights to the extent necessary to grant bearers or creditors of convertible bonds or warrant bonds issued by the company or subordinate Group companies a right of subscription to new shares to the extent it would be granted after exercising the option right or right of conversion or after meeting conversion obligations. To make it easier to place bonds on the capital market, the terms of issue generally provide for protection against dilution. Dilution protection allows holders of warrants or creditors of convertible bonds to receive a subscription right to new shares in the event that shares are issued for which the shareholders have subscription rights. They are therefore treated as if they had already exercised their option right or right of conversion or had already met their conversion obligation. As it is not necessary, in this case, to ensure dilution protection by reducing the option or conversion price, a higher issuing price can be set for the new shares to be issued upon conversion or exercise of the option. However, this is possible only if shareholders' subscription rights to the new shares are excluded to this extent. Granting corresponding dilution protection makes it easier to place bonds with conversion and/or option rights or conversion obligations, and so excluding subscription rights is in the interests of shareholders as it facilitates an optimal financial structure at their company.

Pre-emption rights are also to be disapplied for fractional shares. This is intended to make it easier to handle an issue with a shareholder pre-emption rights. Fractional shares can result from the issue volume in question and from the fact that it is necessary to achieve a technically feasible pre-emption rights ratio. The value of these fractional shares for the individual shareholder is generally low. The possible dilution effect is also negligible due to the limitation to fractional shares. Nonetheless, the effort involved for the company in issuing shares without with pre-emption rights disapplied is considerably higher, which incurs additional costs. The new fractional shares excluded from shareholder pre-emption rights are realised either by selling them on the stock exchange or in another way that most benefits the company. Disapplying pre-emption rights therefore improves feasibility and cost efficiency and makes it easier to execute an issue, and is thus in the interests of shareholders.

The proportion of the share capital represented by the shares issued on the basis of the proposed authorization under agenda item 7 with exclusion of subscription rights may not exceed a total of 20% of the share capital, either in relation to June 24, 2021, or to the date on which this authorization takes effect or the date on which it is exercised.

Both this limit of 20% of the share capital and the limits of 10% pursuant to lit. a) and 20% pursuant to lit. b) of this authorization for the authorization to exclude subscription rights pursuant to Section 186 (3) sentence 4 AktG and for contributions in kind shall include the pro rata amount of share capital represented by shares issued or sold from June 24, 2021 until the end of the term of this authorization with exclusion of subscription rights in direct or analogous application of Section 186 (3) sentence 4 AktG. Furthermore, the pro rata amount of the share capital of the shares issued or still to be issued to service conversion or option rights or conversion obligations shall be included in the respective limits, provided that the underlying bonds were issued during the term of this authorization under exclusion of subscription rights in accordance with section 186 (3) sentence 4 AktG. Finally, the pro rata amount of the share capital of shares issued from June 24, 2021 onwards on the basis of an authorization to use treasury shares in accordance with sections 71 (1) no. 8 sentence 5, 186 (3) sentence 4 AktG while disapplying preemptive rights shall be counted towards the aforementioned limits.

These limits on disapplying pre-emption rights prevent excessive changes to shareholders' holdings.

Any time that shares are issued with pre-emption rights disapplying, the Management Board will carefully review whether this is in the interests of the company and thus of its shareholders. Only then will the Management Board exercise the option it has been granted and will provide a report on this at the next Annual General Meeting.

#### **Regarding item 9 Management Board report to the General Meeting**

The Supervisory Board and Management Board are convinced that a share option programme should be a material component of a remuneration concept that combines the interests of the management, employees and shareholders.

Since the previous share option plan introduced in 2018 in the amount of EUR 708,229.00 has already been exhausted, the Contingent Capital II in Article 4(5) of the Articles of Association is to be adjusted accordingly and the Articles of Association amended. A new share option plan 2021 and a new Contingent Capital 2021/II of EUR 947,883.00 is also to be created.

Once again, the beneficiaries of the new share option plan are to be the managers and employees that play a key role in shaping and implementing corporate strategy, both at NFON AG and at affiliated companies. As a result, members of the management and employees that are especially responsible for increasing the value of the company will participate to a greater degree in the company's success. This will create an incentive for especially qualified employees, which is expected to lead to the company being able to retain or attract them. This incentive is in both the interests of the company and the shareholders.

The plan provides for a maximum of 33% of options being given to the company's Management Board, 10% to members of the management of affiliated companies, 41% to employees of the company and 16% to employees of affiliated companies.

The minimum vesting period of four years from allocation and the ten-year term of the options will incentivise beneficiaries long term.

The achievement of the performance targets is based on the achievement of revenue targets in the Group for the year in which the stock options are issued and the three subsequent years. Only recurring revenues or their growth are taken into account. Inorganic growth, e.g. through acquisitions, is not taken into account in the year of acquisition when determining the relevant growth.

In order to take into account the growth of recurring revenues in the Group over several years, the growth rate of Group recurring revenues in a year, starting with the year in which the stock options are

issued, is used as a basis for each quarter of the individually granted stock options. This provides an incentive for the Management Board and senior management to achieve long-term growth.

The performance targets require annual growth in Group recurring revenues of 20%. For the issue year 2021, the growth target is 15% of recurring revenues in the Group.

This exercise target is demanding and is a good incentive for beneficiaries. The company and shareholders can benefit equally from this.

To ensure our company retains complete flexibility, options can also be satisfied with treasury shares, if the Annual General Meeting allows permits acquisition thereof, or with a cash payment.

Overall, the Management Board is convinced that the NFON AG share option plan 2021 is a very good instrument for boosting motivation among the NFON Group's managers and is therefore in the interests of the company and shareholders.

### **Information on conducting the virtual Annual General Meeting**

In order to provide the best possible protection for shareholders and all other persons otherwise involved in the Annual General Meeting as regards the COVID-19 pandemic, the Management Board has decided, with the approval of the Supervisory Board, on the basis of Section 1(2) sentence 6 of the *Gesetz über Maßnahmen im Gesellschafts-, Genossenschafts-, Vereins-, Stiftungs- und Wohnungseigentumsrecht zur Bekämpfung der Auswirkungen der COVID-19 Pandemie* in the version of December, 22, 2020 (Act on Measures in Company Law, Cooperative Law, Association Law, Foundation and Condominium Law to Combat the Effects of the COVID-19 Pandemic) (hereinafter referred to as the "COVID-19 Act) and the *Verordnung zur Verlängerung von Maßnahmen im Gesellschafts-, Genossenschafts-, Vereins- und Stiftungsrecht zur Bekämpfung der COVID-19 Pandemie* (Regulation to Extend Measures in Company Law, Cooperative Law, Association Law, Foundation and Condominium Law to Combat the Effects of the COVID-19 Pandemic) to hold the Annual General Meeting in the form of a virtual Annual General Meeting without shareholders or their proxies attending in person as referred to in the German COVID-19 Act. The execution of the Annual General Meeting as a virtual Annual General Meeting will lead to some modifications in the course of the meeting and the exercise of shareholder rights. We therefore ask you to pay particular attention to the following information, especially on exercising voting rights and making use of the opportunities to ask questions and raise objections. Shareholders and their proxies have an opportunity to follow the entire Annual General Meeting in real time through by means of video and sound streaming. Real time streaming in video and sound will, however, not allow participation in the Annual General Meeting within the meaning of Section 118(1) sentence 2 AktG.

### **Requirements for streaming the virtual General Meeting on the Internet and exercising voting rights**

Video and sound of the Annual General Meeting on 24 June 2021 will be streamed in real time on our shareholder portal at

<https://nfon.hvanmeldung.de>

The stream will begin before the start of the Annual General Meeting, namely from 9.45 a.m. (CEST). Shareholders and their proxies (with the exception of the voting representatives of the company) will not be allowed to attend in person. Voting rights can therefore only be exercised by postal vote or by granting power of attorney to the voting representatives appointed by the company or other proxies.

Shareholders are entitled to stream the virtual Annual General Meeting and to exercise their voting rights if they register with the company using the address, fax number or e-mail address given 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  
Fax: +49 (0) 40-6378-5423  
e-mail: [hv@ubj.de](mailto:hv@ubj.de)

For this evidence of shareholding an evidence of ownership by the ultimate intermediary pursuant to Section 67 c (3) AktG shall be sufficient for this purpose. Evidence of shareholdings must relate to the period beginning 3 June 2021 (midnight CEST of 14 May 2019) (the "record date") and must be in text form (Section 126 b German Civil Code (*Bürgerliches Gesetzbuch* - BGB)). The company must receive the evidence of shareholdings and the registration no later than the close of day of 17 June 2021 (midnight CEST).

Following receipt of registration and evidence of shareholdings, the shareholders entitled to attend are sent tickets for the virtual Annual General Meeting, bearing a ticket number and a PIN, by the registration office. Using these access data to the shareholder portal, shareholders or their proxies can also stream the Annual General Meeting on the Internet and exercise their rights online. It will also be possible to view the list of attendees on the shareholder portal during the Annual General Meeting. We ask that shareholders submit their registration and evidence of shareholdings 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 at the record date will be considered shareholders for the purposes of attending the Annual General Meeting and exercising voting rights. Changes to holdings 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 at the record date and who acquired their shares only after the record date are not entitled to attend or vote, unless they have been appointed as a proxy or are authorised 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 to the dividend entitlement. Shareholders also remain free to dispose of their shares after the record date and after having registered.

### **Postal or e-mail voting**

Shareholders can exercise their voting rights by postal vote or e-mail voting. Authorised intermediaries (e.g. credit institutions), shareholder associations or other equivalent institutions, entities or persons in accordance with Section 135 AktG and other parties authorised by shareholders can also vote by postal vote. The requirement for this is in each case is registration with evidence of the shareholders' shareholding in due time.

Written votes can be submitted by midnight on 23 June 2021 (CEST) using the voting form sent with the tickets

- by post to: NFON AG, c/o UBJ. GmbH, Kapstadtring 10, 22297 Hamburg, or
- by e-mail sent to: [hv@ubj.de](mailto:hv@ubj.de).

Written votes can also be submitted or amended electronically via the shareholder portal, using your ticket number and PIN at

<https://nfon.hvanmeldung.de>

by the end of the voting period determined by the Chairman of the virtual Annual General Meeting.

In all cases, written votes must be received at the above addresses or via the shareholder portal in order to be counted. If multiple declarations are received, the last declaration received takes precedence. If you decide to send your votes by post, please also remember that postal delivery may take longer due to the COVID-19 pandemic.

### **Third party authorization / Proxy voting**

Shareholders can also exercise their voting rights and other rights by way of a proxy, e.g. a bank or shareholder association. These proxies (with the exception of the voting representatives of the company) will also not be allowed to attend the Annual General Meeting in person. Even when authorising another party, 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 credit institution) nor a shareholder association nor any other equivalent person in accordance with Section 135 AktG is authorised, 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. Using the proxy form is not mandatory. Shareholders may choose to issue a proxy in text form (Section 126 b BGB) in another manner.

Declarations to the company that a proxy has been granted or revoked, and evidence of a proxy, can be submitted via

the shareholder portal at:

<https://nfon.hvanmeldung.de>

or sent to the following address:

NFON AG  
Investor Relations – Annual General Meeting 2021  
Machtlfinger Strasse 7  
81379 Munich

or by fax: +49 (0) 89 45300 33134

or by e-mail: [sabina.prueser@nfon.com](mailto:sabina.prueser@nfon.com)

If you decide to send your votes by post, please also remember that postal delivery may take longer due to the COVID-19 pandemic.

Intermediaries (e.g. credit institutions) 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 permitted to contain declarations relating to exercising the voting rights. If you wish to appoint an intermediary (e.g. a credit institution), a shareholder association or other equivalent institution, entity or person as a proxy in accordance with Section 135 AktG, please therefore consult the person or entity to be appointed as proxy as to what form the proxy is to take.

If neither an intermediary (e.g. a credit institution) nor a shareholder association nor any other equivalent person in accordance with Section 135 AktG is authorised, and instead another third party is to exercise the voting right and other rights on your behalf, you must ensure that you give this person the access data for the shareholder portal (ticket number and PIN) or the voting form sent with the ticket.

If you declare your proxy when registering, we will send the ticket and the PIN directly to the proxy. In such event, you no longer need to forward your access data for the shareholder portal or the voting form.

Our company would like to simplify the proxy voting procedure for your 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 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 therefore 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. Please note that voting representatives cannot accept orders to file objections against Annual General Meeting resolutions, ask questions or put forward motions. Proxies and instructions for the voting representatives appointed by the company can be submitted using the proxy and instruction form for the company's voting representatives sent with the tickets by midnight on 23 June 2021 (CEST)

- in written or electronic form to: NFON AG, c/o UBJ. GmbH, Kapstadtring 10, 22297 Hamburg, or
- by fax sent to +49 (0) 40-6378-5423 or
- by e-mail: [hv@ubj.de](mailto:hv@ubj.de).

Proxies and instructions issued to voting representatives can also be changed or revoked in written or electronic form at these addresses by midnight on 23 June 2021 (CEST).

Proxies and instructions for voting representatives of the company can also be submitted, amended or revoked electronically via the shareholder portal, using your ticket number and PIN at

<https://nfon.hvanmeldung.de>

by the start of the voting period determined by the Chairman of the virtual Annual General Meeting. If multiple declarations are received, the last declaration received takes precedence.

Shareholders who wish to assign power of 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 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 authorisation of the voting representatives are received on time. If you decide to send your votes by post, please also remember that postal delivery may take longer due to the COVID-19 pandemic.

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

## **Shareholder rights**

### **Requests for additions to the agenda in accordance with Section 122(2) 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) can request that items be included on the agenda and published in accordance with Section 122(2) AktG. Each new item must be accompanied by grounds or a draft proposal. The request must be made in writing (Section 126 BGB) and addressed to the Management Board of the company and must be received by the company no later than thirty days before the Annual General Meeting, i.e. no later than 24 May 2021, midnight CEST. Any requests for supplements submitted after this time will not be considered. All requests for supplements should be sent to the following address:

NFON AG  
– Management Board –  
Machtlfinger Strasse 7  
81379 Munich

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) AktG applies when calculating the deadline. Confirmation from the custodian bank constitutes sufficient evidence.

### **Counter-motions and nominations by shareholders in accordance with Sections 126(1) and 127 AktG**

Shareholders are entitled to submit counter-motions 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) AktG, subject to the requirements listed there (this includes shareholders who request access), provided that the shareholder has sent a counter-motion 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 given below at least 14 days before the company's General Meeting. The date of receipt shall not be taken into account. The latest permissible date of receipt is therefore midnight on 9 June 2021 (CEST). There is no requirement to publish a counter-motion if one of the grounds for exclusion under Section 126(2) AktG is met. If several shareholders file counter-motions against the same resolution, the Management Board can combine the counter-motions and the grounds given for issuing the counter-motions.

It is not necessary to provide grounds for shareholder nominations in accordance with Section 127 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 AktG in conjunction with Section 126(2) AktG 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 9 June 2021 (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 AktG prior to the Annual General Meeting and other enquiries from shareholders regarding the Annual General Meeting are to be addressed exclusively to:

NFON AG  
Investor Relations – Annual General Meeting 2021  
Machtlfinger Strasse 7  
81379 Munich  
or by fax: +49 (0) 89 45300 33134  
or by e-mail: [sabina.prueser@nfon.com](mailto:sabina.prueser@nfon.com)

Counter-motions and nominations from shareholders that are to be made accessible (including the name of the shareholder and, in the case of counter-motions, the grounds for the counter-motion) are 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 are also published on this page.

Countermotions and election proposals duly received by June 09, 2021, 24:00 CEST, shall be deemed to have been made at the Annual General Meeting if the shareholder making the motion or election proposal has duly proven his shareholding and has duly registered for the Annual General Meeting.

Counter-motions and nominations, which are received properly by midnight on 9 June 2021 (CEST), shall be deemed to have been made at the Annual General Meeting if they had been submitted once more in the Annual General Meeting if the shareholder submitting the counter-motion or submitted the nomination is properly registered for the Annual General Meeting and has provided evidence of his shareholdings.

### **Opportunity for shareholders and their proxies to ask questions**

In accordance with Section 1(2) of the German COVID-19 Act, the Management Board has decided, with the approval of the Supervisory Board, that questions from shareholders or their proxies must be submitted electronically no later than one days before the Annual General Meeting, i.e. by midnight on 23 June 2021, 10am (CEST). Questions can be submitted by shareholders or their proxies via the shareholder portal at:

<https://nfon.hvanmeldung.de>

or sent to the following e-mail address:

e-mail: [sabina.prueser@nfon.com](mailto:sabina.prueser@nfon.com)

In accordance with Section 1(2) of the German COVID-19 Act, the Management Board will decide at its due discretion how questions will be answered. Shareholders do not have a right to information as referred to by Section 131(1) AktG at the virtual Annual General Meeting.

### **Objections**

Also via the shareholder portal at

<https://nfon.hvanmeldung.de>

shareholders or their proxies who have exercised their voting rights can file objections, which will be entered in the minutes, to resolutions by the Annual General Meeting from the start of the virtual Annual General Meeting until the end of the virtual Annual General Meeting.

### **Online publications**

Further details on the shareholder rights described above, the invitation to the General Meeting including the reports on item 7, 8 and 9, the documents to be made accessible and further information in accordance with Section 124 a AktG can be found at <https://corporate.nfon.com/de/investor-relations/hauptversammlung/>. The results of voting will also be published here after the Annual General Meeting.

Any counter-motions, nominations or amendment requests to the agenda received by the company that are subject to publication requirements are also published on the website given above.

### **Shareholder hotline**

Shareholders and their representatives or intermediaries can ask NFON AG any questions about its virtual Annual General Meeting by telephone on:

+49 (0) 89 45300 134

Shareholders should also call this number if they do not receive their tickets.

### **Publication in the Federal Gazette**

The invitation to the Annual General Meeting will be published in the Federal Gazette dated 14 May 2021 and has also been distributed for publication to media outlets of which it can be assumed that they will disseminate the information across the entire European Union.

### **Total number of shares and voting rights**

At the time of the 2021 Annual General Meeting being convened, NFON AG had issued a total of 16,561,124 no-par value shares, each entitling its holder to 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 are 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**

non-binding courtesy translation