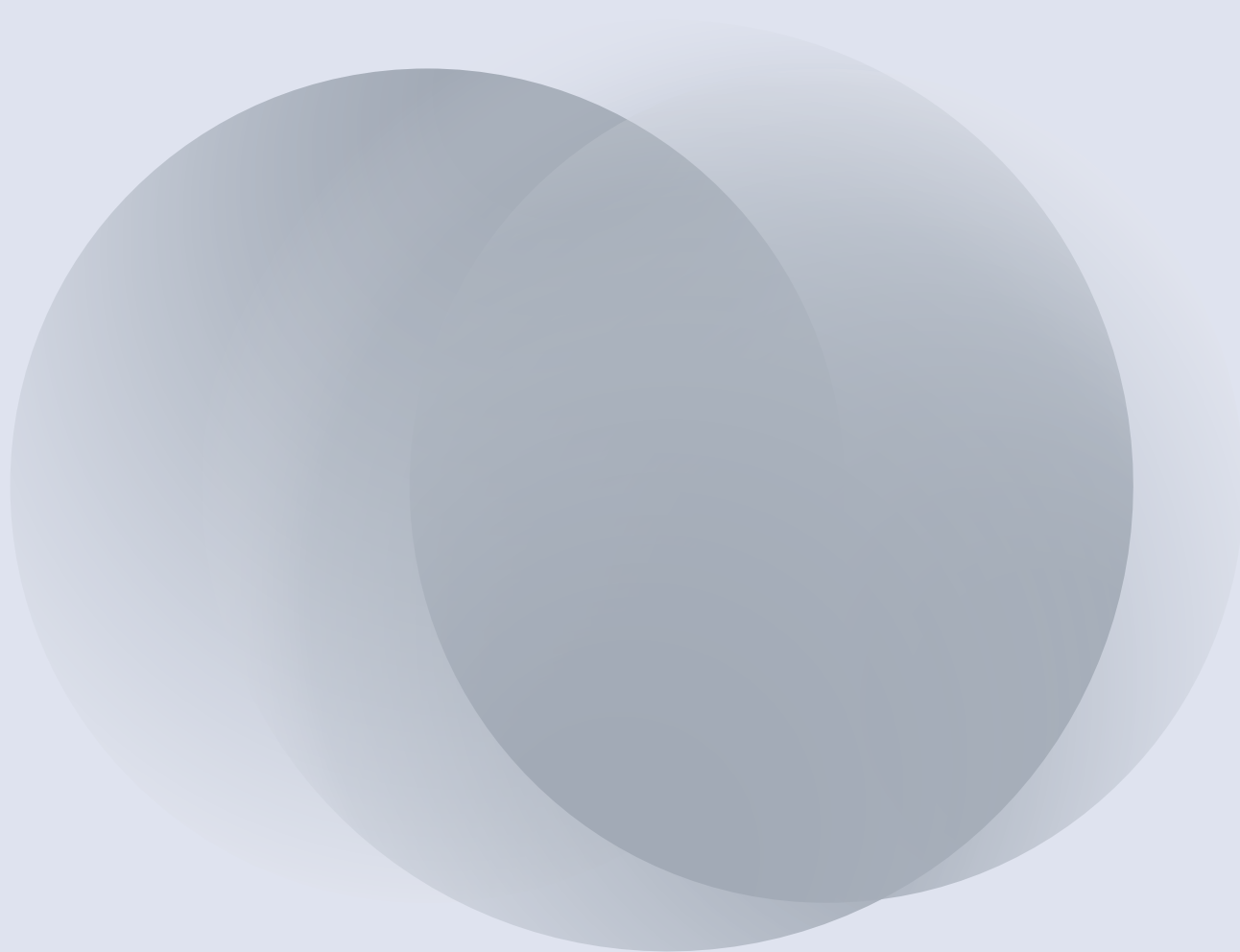


**CANCOM SE**

**REMUNERATION REPORT  
2023**



**CANCOM**

# REMUNERATION REPORT

In accordance with § 162 of the German Stock Corporation Act (AktG), the Executive Board and Supervisory Board prepare a clear and comprehensible report on the remuneration granted and owed to each individual current and former member of the Executive Board and Supervisory Board by the company and Group companies in the last financial year. The remuneration report explains the remuneration system and the remuneration granted and owed in accordance with the requirements of § 162 AktG and the principles and recommendations on the remuneration of the Executive Board and Supervisory Board of the German Corporate Governance Code in the version dated 28 April 2022, published on 27 June 2022.

This remuneration report of CANCOM SE has been audited by an independent auditing company, both in terms of form and content, over and above the statutory requirements.

## EXECUTIVE BOARD REMUNERATION

### Significant developments in 2023

- The Annual General Meeting on 14 June 2023 approved the remuneration report for the 2022 financial year prepared in accordance with the requirements of § 162 AktG with 87.2 % of the share capital represented.
- On 1 August 2023, Jochen Borenich moved from the acquired K-Businesscom to the CANCOM Group as Chief Sales Officer (CSO). As a member of the Executive Board of CANCOM SE, he is responsible for the regional sales units, marketing and portfolio management of the CANCOM Group. He is also responsible for the Professional Services organisation and Premium Support Services.
- The total remuneration granted and owed to the Executive Board (for all members in office in the reporting year) totalled € 2.0 million in 2023 (previous year: € 1.9 million).
- With effect from 1 January 2023, Executive Board member Thomas Stark switched to the current remuneration system, which was already applied to CEO Rüdiger Rath. Jochen Borenich is also remunerated according to the current remuneration system. As a result, the entire Executive Board of CANCOM SE has been remunerated uniformly in accordance with the same remuneration system since the 2023 financial year.

### **Components of Executive Board remuneration**

The remuneration of Executive Board member Rüdiger Rath for the 2023 financial year is based on the Executive Board service agreement concluded in 2021 with effect from 1 October 2021 and the addendum dated 5 July 2022 in connection with the appointment of Mr Rath as CEO with effect from 1 November 2022. The remuneration system valid at this time was approved by the Annual General Meeting of CANCOM SE on 29 June 2021.

With effect from 1 January 2023, Executive Board member Thomas Stark switched to the remuneration system that is also used for CEO Rüdiger Rath and Executive Board member Jochen Borenich. As a result, a standardised remuneration system has applied to all members of the Executive Board since the 2023 financial year.

With effect from 1 August 2023, Jochen Borenich joined the Executive Board in the position of CSO. The remuneration of Executive Board member Jochen Borenich for the 2023 financial year is based on the Executive Board service agreement concluded on 14 June 2023 with effect from 1 August 2023 and the provisions of the remuneration system applicable at that time, which was approved by the Annual General Meeting of CANCOM SE on 29 June 2021.

Rüdiger Rath's Executive Board service contract and the associated remuneration system contain the following key provisions on remuneration in the 2023 financial year (for the period from 1 January 2023 to 31 December 2023). The main provisions of the remuneration system for Executive Board member Rüdiger Rath, insofar as they were already effective in the 2023 financial year, are described below:

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## Rüdiger Rath

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**Fixed remuneration**

Relative share of total target remuneration: 44-100 %

A basic salary (fixed annual salary), which is paid in twelve equal monthly instalments.

**Fringe benefits:**

In particular: Company car, accident insurance, contributions in the amount of the maximum employer contributions to health insurance and long-term care insurance.

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**Short-term variable remuneration (STI)**

Relative share of total target remuneration: 0-23 %; always lower than LTI

**STI 1 (short-term variable remuneration):**

- Performance-related variable remuneration based on the Group's financial target (EBITA of the CANCOM Group) for the respective financial year (weighting: 60 percent of the target STI).
- Target achievement corridor of 50 percent to 150 percent (upper limit/cap).
- If the minimum value is not reached, the bonus share attributable to the respective target is cancelled.
- Granting of 50 percent of the bonus amount for 50 percent target achievement, followed by a linear increase in proportion to the increase in target achievement up to a maximum of 150 percent of the bonus amount for 150 percent target achievement.
- Calculation basis is value at 100 percent target achievement (€ 102,000).

**STI 2 (short-term variable remuneration):**

- Performance-related variable remuneration based on the Group's non-financial target for the respective financial year (weighting: 40 percent of the target STI). At least one criterion with a sustainability character must be taken into account.
- Possible target achievement levels: 50 percent, 100 percent and 150 percent (upper limit/cap).
- If the minimum value is not reached, the bonus share attributable to the respective target is cancelled.
- Granting of 50 percent of the bonus amount for 50 percent target achievement, 100 percent for 100 percent target achievement and 150 percent for a maximum of 150 percent target achievement.
- Calculation basis is value at 100 percent target achievement (€ 68,000 in total).

When determining the amount to be paid, the Supervisory Board takes into account the individual performance of the Executive Board and may, in justified individual cases, deviate from the purely arithmetical result for the STI remuneration by a maximum of 20 percent upwards and downwards, taking into account the cap.

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**Multi-year share-based variable remuneration**

Relative share of total target remuneration: 0-35 %; always greater than STI

**LTI (multi-year variable remuneration):**

- Performance-related variable remuneration based on the Group's financial target (EBITA increase of the CANCOM Group) for a 3-year period (three financial years); fully share-based with cash settlement.
- Granted in annual instalments, each with a target achievement period of 3 years
- Target achievement corridor of 70 percent to 200 percent (upper limit/cap). If the target achievement level of 70 percent is not reached, the bonus component is cancelled completely.
- When the target is set, a certain number of performance shares is allocated for each tranche as a pure calculation figure. The number is calculated by dividing the LTI target remuneration at 100 percent target achievement by the average share price of the CANCOM SE share over the last 30 trading days prior to the date on which the target is set. The number of performance shares allocated remains unchanged during the three-year period.
- At the end of the target achievement phase (three financial years), 70 percent of the number of these performance shares are granted at 70 percent target achievement, followed by a linear increase in proportion to the increase in target achievement up to the maximum value that can be granted of 200 percent of the number of performance shares originally granted at 200 percent target achievement.
- The total target achievement level is multiplied by the number of performance shares originally allocated and converted into an LTI payout amount. For this purpose, the final number of performance shares allocated is multiplied by the average share price and a dividend equivalent is added, which is calculated from the actual dividends per share paid by CANCOM SE in the three years of the target achievement period and the final number of performance shares allocated.
- The final LTI payout amount is paid out in cash after a four-year vesting period, calculated from the date on which the target is set.
- If the contract term begins or ends during the year, the LTI remuneration is granted pro rata temporis.
- Changes to the LTI targets during the course of the respective target achievement period are generally excluded.
- Calculation basis for LTI 2023-2025 is value at 100 percent target achievement (€ 210,000 or 7,340 performance shares).

**Special remuneration**

The remuneration system takes into account adjustments in the event of extraordinary developments or a deterioration in the company's situation. Variable remuneration components can be adjusted in justified exceptional cases for the current target achievement period. The maximum remuneration is the upper limit.

**Malus and claw-back rule (variable remuneration)**

Partial or full repayment or withholding of variable remuneration in the event of a serious breach of duty or compliance. The corresponding target achievement period applies for the review of the malus rule for 2023.

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**Shareholding agreement**

The obligation to acquire and hold shares in CANCOM SE contained in the remuneration system applicable to Mr Rath serves to strengthen the capital market orientation and align the interests of the Executive Board and shareholders of CANCOM SE. It also provides a further incentive for the long-term development of the company's value.

- Obligation to acquire a number of shares in CANCOM SE within three years of taking up office as a member of the Executive Board and to hold them until the end of the Executive Board appointment, the purchase price of which corresponds to the amount of a fixed gross annual salary (basic remuneration excluding fringe benefits) („minimum holding“).
  - Obligation to invest all net payments received from the variable components of Executive Board remuneration in shares of CANCOM SE until the minimum holding is reached.
  - The purchase obligation is subject to the proviso that this acquisition of shares can be carried out in a legally permissible manner, in particular with regard to the provisions of stock corporation and capital market law.
  - Once acquired, shares in CANCOM SE may not be sold during the entire term of the Executive Board appointment if the minimum holding has not yet been reached or would be fallen short of by the sale.
  - At the latest at the end of the three-year build-up phase (on 30 September 2024), compliance with the shareholding obligation must be demonstrated to the Supervisory Board by means of suitable documentation and must be repeated annually.
  - Only the purchase price at the time of acquisition is decisive for the fulfilment of the share purchase and holding period; subsequent changes in the share price do not affect the scope of the share purchase and holding obligation. If the basic remuneration is increased, the Executive Board member must increase the number of shares accordingly.
  - The holding obligation expires upon termination of the Executive Board mandate.
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Thomas Stark's Executive Board service contract and the associated remuneration system contain the following key provisions on remuneration in the 2023 financial year (for the period from 1 January 2023 to 31 December 2023). The 60,000 share options granted in the previous Executive Board service contract based on the „ESOP 2018“ programme remain in place. The main provisions of the remuneration system for the Executive Board member Thomas Stark, insofar as they were already effective in the 2023 financial year, are described below:

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## Thomas Stark

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### Fixed remuneration

Relative share of total target remuneration: 48-100 %

A basic salary (fixed annual salary), which is paid in twelve equal monthly instalments.

### Fringe benefits:

In particular: Company car, accident insurance, contributions in the amount of the maximum employer contributions to pension insurance, health insurance and long-term care insurance, pension scheme.

### Short-term variable remuneration (STI)

Relative share of total target remuneration: 10-23 %; always lower than LTI

#### STI 1 (short-term variable remuneration):

- Performance-related variable remuneration based on the Group's financial target (EBITA of the CANCOM Group) for the respective financial year (weighting: 60 percent of the target STI).
- Target achievement corridor of 50 percent to 150 percent (upper limit/cap).
- If the minimum value is not reached, the bonus share attributable to the respective target is cancelled.
- Granting of 50 percent of the bonus amount for 50 percent target achievement, followed by a linear increase in proportion to the increase in target achievement up to a maximum of 150 percent of the bonus amount for 150 percent target achievement.
- Calculation basis is value at 100 percent target achievement (€ 84,000).

#### STI 2 (short-term variable remuneration):

- Performance-related variable remuneration based on the Group's non-financial target for the respective financial year (weighting: 40 percent of the target STI). At least one of the two criteria must be of a sustainability nature.
- Possible target achievement levels: 50 percent, 100 percent and 150 percent (upper limit/cap).
- If the minimum value is not reached, the bonus share attributable to the respective target is cancelled.
- Granting of 50 percent of the bonus amount for 50 percent target achievement, 100 percent for 100 percent target achievement and 150 percent for a maximum of 150 percent target achievement.
- Calculation basis is value at 100 percent target achievement (€ 56,000 in total).

When determining the amount to be paid, the Supervisory Board takes into account the individual performance of the Executive Board and may, in justified individual cases, deviate from the purely arithmetical result for the STI remuneration by a maximum of 20 percent upwards and downwards, taking into account the cap.

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**Multi-year share-based variable remuneration**

Relative share of total target remuneration: 0-31 %; always greater than STI

**LTI (multi-year variable remuneration):**

- Performance-related variable remuneration based on the Group's financial target (EBITA increase of the CANCOM Group) for a 3-year period (three financial years); fully share-based with cash settlement.
- Granted in annual instalments, each with a target achievement period of 3 years
- Target achievement corridor of 70 percent to 200 percent (upper limit/cap). If the target achievement level of 70 percent is not reached, the bonus component is cancelled completely.
- When the target is set, a certain number of performance shares is allocated for each tranche as a pure calculation figure. The number is calculated by dividing the LTI target remuneration at 100 percent target achievement by the average share price of the CANCOM SE share over the last 30 trading days prior to the date on which the target is set. The number of performance shares allocated remains unchanged during the three-year period.
- At the end of the target achievement phase (three financial years), 70 percent of the number of these performance shares are granted at 70 percent target achievement, followed by a linear increase in proportion to the increase in target achievement up to the maximum value that can be granted of 200 percent of the number of performance shares originally granted at 200 percent target achievement.
- The total target achievement level is multiplied by the number of performance shares originally allocated and converted into an LTI payout amount. For this purpose, the final number of performance shares allocated is multiplied by the average share price and a dividend equivalent is added, which is calculated from the actual dividends per share paid by CANCOM SE in the three years of the target achievement period and the final number of performance shares allocated.
- The final LTI payout amount is paid out in cash after a four-year vesting period, calculated from the date on which the target is set.
- If the contract term begins or ends during the year, the LTI remuneration is granted pro rata temporis.
- Changes to the LTI targets during the course of the respective target achievement period are generally excluded.
- Calculation basis for LTI 2023-2025 is value at 100 percent target achievement (€ 155,000 or 5,418 performance shares).

**Special remuneration**

The remuneration system takes into account adjustments in the event of extraordinary developments or a deterioration in the company's situation. Variable remuneration components can be adjusted in justified exceptional cases for the current target achievement period. The maximum remuneration is the upper limit.

**Malus and claw-back rule (variable remuneration)**

Partial or full repayment or withholding of variable remuneration in the event of a serious breach of duty or compliance. The corresponding target achievement period applies for the review of the malus rule for 2023.



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**Shareholding agreement**

The obligation to acquire and hold shares in CANCOM SE contained in the remuneration system applicable to Mr Stark serves to strengthen the capital market orientation and align the interests of the Executive Board and shareholders of CANCOM SE. It also provides a further incentive for the long-term development of the company's value.

- Obligation to acquire a number of shares in CANCOM SE within three years of taking up or being reappointed to the Executive Board and to hold them until the end of the Executive Board appointment, the purchase price of which corresponds to the amount of a fixed gross annual salary (basic remuneration excluding fringe benefits) („minimum holding“).
  - Obligation to invest all net payments received from the variable components of Executive Board remuneration in shares of CANCOM SE until the minimum holding is reached.
  - The purchase obligation is subject to the proviso that this acquisition of shares can be carried out in a legally permissible manner, in particular with regard to the provisions of stock corporation and capital market law.
  - Once acquired, shares in CANCOM SE may not be sold during the entire term of the Executive Board appointment if the minimum holding has not yet been reached or would be fallen short of by the sale.
  - At the end of the three-year build-up phase at the latest, compliance with the shareholding obligation must be demonstrated to the Supervisory Board by means of suitable documentation and repeated annually.
  - Only the purchase price at the time of acquisition is decisive for the fulfilment of the share purchase and holding period; subsequent changes in the share price do not affect the scope of the share purchase and holding obligation. If the basic remuneration is increased, the Executive Board member must increase the number of shares accordingly.
  - The holding obligation expires upon termination of the Executive Board mandate.
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Following the acquisition of the KBC Group (now CANCOM Austria Group) in Austria, Jochen Borenich joined the CANCOM SE Executive Board as CSO with effect from 1 August 2023. Remuneration from this date for the 2023 financial year will be paid pro rata temporis based on the Executive Board service agreement concluded on 14 June 2023 and the provisions of the remuneration system applicable at that time, which was approved by the Annual General Meeting of CANCOM SE on 29 June 2021.

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## Jochen Borenich

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### Fixed remuneration

Relative share of total target remuneration: 45-100 %

A basic salary (fixed annual salary), which is paid in twelve equal monthly instalments.

### Fringe benefits:

In particular: Company car, accident insurance, contributions in the amount of the maximum employer contributions to pension insurance, health insurance and long-term care insurance, retirement provision, limited rental and relocation costs until 30 June 2024.

### Short-term variable remuneration (STI)

Relative share of total target remuneration: 0-25 %; always lower than LTI

#### STI 1 (short-term variable remuneration):

- Performance-related variable remuneration based on the Group's financial target (EBITA of the CANCOM Group) for the respective financial year (weighting: 60 percent of the target STI).
- Target achievement corridor of 50 percent to 150 percent (upper limit/cap).
- If the minimum value is not reached, the bonus share attributable to the respective target is cancelled.
- Granting of 50 percent of the bonus amount for 50 percent target achievement, followed by a linear increase in proportion to the increase in target achievement up to a maximum of 150 percent of the bonus amount for 150 percent target achievement.
- Calculation basis is value at 100 percent target achievement (€ 42,500).

#### STI 2 (short-term variable remuneration):

- Performance-related variable remuneration based on the Group's non-financial target for the respective financial year (weighting: 40 percent of the target STI). At least one of the two criteria must be of a sustainability nature.
- Possible target achievement levels: 50 percent, 100 percent and 150 percent (upper limit/cap).
- If the minimum value is not reached, the bonus share attributable to the respective target is cancelled.
- Granting of 50 percent of the bonus amount for 50 percent target achievement, 100 percent for 100 percent target achievement and 150 percent for a maximum of 150 percent target achievement.
- Calculation basis is value at 100 percent target achievement (€ 28,333 in total).

When determining the amount to be paid, the Supervisory Board takes into account the individual performance of the Executive Board and may, in justified individual cases, deviate from the purely arithmetical result for the STI remuneration by a maximum of 20 percent upwards and downwards, taking into account the cap.

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**Multi-year share-based variable remuneration**

Relative share of total target remuneration: 0-32 %; always greater than STI

**LTI (multi-year variable remuneration):**

- Performance-related variable remuneration based on the Group's financial target (EBITA increase of the CANCOM Group) for a 3-year period (three financial years); fully share-based with cash settlement.
- Granted in annual instalments, each with a target achievement period of 3 years
- Target achievement corridor of 70 percent to 200 percent (upper limit/cap). If the target achievement level of 70 percent is not reached, the bonus component is cancelled completely.
- When the target is set, a certain number of performance shares is allocated for each tranche as a pure calculation figure. The number is calculated by dividing the LTI target remuneration at 100 percent target achievement by the average share price of the CANCOM SE share over the last 30 trading days prior to the date on which the target is set. The number of performance shares allocated remains unchanged during the three-year period.
- At the end of the target achievement phase (three financial years), 70 percent of the number of these performance shares are granted at 70 percent target achievement, followed by a linear increase in proportion to the increase in target achievement up to the maximum value that can be granted of 200 percent of the number of performance shares originally granted at 200 percent target achievement.
- The total target achievement level is multiplied by the number of originally allocated performance shares and converted into an LTI payout amount. For this purpose, the final number of performance shares allocated is multiplied by the average share price and a dividend equivalent is added, which is calculated from the actual dividends per share paid by CANCOM SE in the three years of the target achievement period and the final number of performance shares allocated.
- The final LTI payout amount is paid out in cash after a four-year vesting period, calculated from the date on which the target is set.
- If the contract term begins or ends during the year, the LTI remuneration is granted pro rata temporis.
- Changes to the LTI targets during the course of the respective target achievement period are generally excluded.
- Calculation basis for LTI 2023-2025 is value at 100 percent target achievement (€ 75,000 or 2,547 performance shares).

**Special remuneration**

The remuneration system takes into account adjustments in the event of extraordinary developments or a deterioration in the company's situation. Variable remuneration components can be adjusted in justified exceptional cases for the current target achievement period. The maximum remuneration is the upper limit.

**Malus and claw-back rule (variable remuneration)**

Partial or full repayment or withholding of variable remuneration in the event of a serious breach of duty or compliance. The corresponding target achievement period applies for the review of the malus regulation for 2023.

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**Shareholding agreement**

The obligation to acquire and hold shares in CANCOM SE contained in the remuneration system applicable to Mr Borenich serves to strengthen the capital market orientation and align the interests of the Executive Board and shareholders of CANCOM SE. In addition, this provides a further incentive for the long-term development of the company's value.

- Obligation to acquire a number of shares in CANCOM SE within three years of taking up or being reappointed to the Executive Board and to hold them until the end of the Executive Board appointment, the purchase price of which corresponds to the amount of a fixed gross annual salary (basic remuneration excluding fringe benefits) („minimum holding“).
- Partial shares in the acquired KBC Beteiligungs GmbH are offset against this minimum holding.
- Obligation to invest all net payments received from the variable components of Executive Board remuneration in shares of CANCOM SE until the minimum holding is reached.
- The purchase obligation is subject to the proviso that this acquisition of shares can be carried out in a legally permissible manner, in particular with regard to the provisions of stock corporation and capital market law.
- Once acquired, shares in CANCOM SE may not be sold during the entire term of the Executive Board appointment if the minimum holding has not yet been reached or would be fallen short of by the sale.
- At the end of the three-year build-up phase at the latest, compliance with the shareholding obligation must be demonstrated to the Supervisory Board by means of suitable documentation and repeated annually.
- Only the purchase price at the time of acquisition is decisive for the fulfilment of the share purchase and holding period; subsequent changes in the share price do not affect the scope of the share purchase and holding obligation. If the basic remuneration is increased, the Executive Board member must increase the number of shares accordingly.
- The holding obligation expires upon termination of the Executive Board mandate.

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After the end of the company's financial year, the Supervisory Board determines whether it will exercise its right to deviate from the calculated degree of target achievement for the individual targets and the resulting payment amount for the variable remuneration.

### Target remuneration 2023

In accordance with the remuneration system approved by the Annual General Meeting of CANCOM SE on 29 June 2021 and applied to all members of the Executive Board, the Supervisory Board has set the following target remuneration for the 2023 financial year:

<b>Rüdiger Rath</b> CEO	<b>Target remuneration financial year 2023</b> (corresponds to 100 % target achievement)	<b>Relative share of total target remuneration 2023</b> (in percent)	<b>Minimum value financial year 2023</b> (corresponds to target achievement level 0-49 % [STI] or 0-79 % [LTI])	<b>Maximum value for financial year 2023</b> (corresponds to target achievement from 150 % [STI] or 200 % [LTI])
Fixed remuneration (without fringe benefits)	€ 520,000.00	57.8 %	€ 520,000.00	€ 520,000.00
STI 1 + STI 2	€ 170,000.00	18.9 %	€ 0	€ 255,000.00
LTI <sup>2</sup> : Period 2023-2025	€ 210,000.00	23.3 %	€ 0	€ 420,000.00
<b>Total</b>	<b>€ 900,000.00</b>	<b>100.0 %</b>	<b>€ 520,000.00</b>	<b>€ 1,195,000.00</b>

<b>Thomas Stark</b> CFO	<b>Target remuneration financial year 2023</b> (corresponds to 100 % target achievement)	<b>Relative share of total target remuneration 2023</b> (in percent)	<b>Minimum value financial year 2023</b> (corresponds to target achievement level 0-49 % [STI] or 0-79 % [LTI])	<b>Maximum value for financial year 2023</b> (corresponds to target achievement from 150 % [STI] or 200 % [LTI])
Fixed remuneration (without fringe benefits)	€ 480,000.00	61.9 %	€ 480,000.00	€ 480,000.00
STI 1 + STI 2	€ 140,000.00	18.1 %	€ 0	€ 210,000.00
LTI <sup>2</sup> : Period 2023-2025	€ 155,000.00	20.0 %	€ 0	€ 310,000.00
<b>Total</b>	<b>€ 775,000.00</b>	<b>100.0 %</b>	<b>€ 480,000.00</b>	<b>€ 1,000,000.00</b>

<b>Jochen Borenich</b> CSO	<b>Target remuneration financial year 2023<sup>1</sup></b> (corresponds to 100 % target achievement)	<b>Relative share of total target remuneration 2023</b> (in percent)	<b>Minimum value financial year 2023</b> (corresponds to target achievement level 0-49 % [STI] or 0-69 % [LTI])	<b>Maximum value for financial year 2023<sup>1</sup></b> (corresponds to target achievement from 150 % [STI] or 200 % [LTI])
Fixed remuneration (without fringe benefits)	€ 208,333.33	€ 58.8 %	€ 208,333.33	€ 208,333.33
STI 1 + STI 2	€ 70,833.33	€ 20.0 %	€ 0	€ 106,250.00
LTI <sup>2</sup> : Period 2023-2025	€ 75,000.00	€ 21.2 %	€ 0	€ 150,000.00
<b>Total</b>	<b>€ 354,166.67</b>	<b>€ 100.0 %</b>	<b>€ 208,333.33</b>	<b>€ 464,583.33</b>

1 Due to the assumption of the position as a member of the Executive Board on 1 August 2023, the target remuneration and the maximum and minimum values for 2023 for Jochen Borenich relate pro rata temporis for the 2023 financial year to the period from 1 August to 31 December 2023.

2 Due to the dependence of the LTI on the CANCOM SE share price at the time of determining target achievement, which is only possible in around three years, the maximum value here is mathematically limited on the one hand by the target achievement threshold of 200 percent and on the other hand by the maximum remuneration (sum of fixed remuneration, STI and LTI in a financial year).

### **Application of the performance criteria of the remuneration systems for Executive Board members**

The CANCOM Group's business strategy is geared towards increasingly generating additional income from the IT services business on the basis of a growing volume of business in the sale of IT products. As CANCOM can achieve higher profit margins with IT services than with the sale of IT products, this strategy leads to profitable growth and, in the long term, to the transformation of the CANCOM Group from a traditional systems house to a provider of hybrid IT and managed services solutions (hybrid IT service provider). Sustainable and long-term corporate development plays an important role here.

The key performance indicators selected by the Supervisory Board for the remuneration of the Executive Board of CANCOM SE for the 2023 financial year include both financial performance indicators and non-financial performance factors relating to sustainability issues and strategic aspects in relation to the new remuneration system approved by the Annual General Meeting of CANCOM SE in 2021. In addition, the targets are both short-term and long-term.

For the 2023 financial year, the Supervisory Board selected the financial performance indicator EBITA and two equally weighted non-financial performance factors. These are, firstly, the progress of the project to implement the SAP ERP system at in key subsidiaries of the CANCOM Group and, secondly, the improvement in CANCOM SE's ESG rating from the internationally renowned rating agency MSCI.

In the view of the Supervisory Board, these are meaningful indicators for the implementation of the described corporate strategy and the Executive Board remuneration thus makes a significant contribution to promoting the corporate strategy, as incentives are created for the Executive Board of CANCOM SE to implement the growth and transformation strategy and to generate the necessary funds for the long-term sustainable positive development of the CANCOM Group. As CANCOM is pursuing its corporate strategy against the backdrop of a listed company, the development of the CANCOM SE share price has been integrated into the long-term variable component of Executive Board remuneration as an additional element and, also with reference to the current remuneration system, a shareholding obligation has been defined for the Executive Board. This is intended to harmonise the interests of shareholders in an increase in the value of their investment with the interests of the Executive Board.

In the 2023 financial year, the following values were achieved for the financial and non-financial target figures at the Group level relevant for the individual remuneration of the Executive Board

<b>Rüdiger Rath</b> CEO	<b>Financial year 2023</b> (degree of target achievement)
STI1: EBITA	€ 77.76m (82.4 %)
STI2: Project progress ERP system	achieved (0 %)
STI2: ESG rating improvementg	achieved (150 %)
LTI: Period 2021-2023	Cumulative 3-year EBITA: € 265.90m (76.6 %)
LTI: Period 2022-2024	n.a. <sup>3</sup>
LTI: Period 2023-2025	n.a. <sup>3</sup>
<b>Thomas Stark</b> CFO	<b>Financial year 2023</b> (degree of target achievement)
STI1: EBITA	€ 77.76m (82.4 %)
STI2: Project progress ERP system	achieved (0 %)
STI2: ESG rating improvement	achieved (150 %)
LTI: Period 2023-2025	n.a. <sup>3</sup>
<b>Thomas Stark</b> CSO	<b>Financial year 2023</b> (degree of target achievement)
STI1: EBITA	€ 42.83m <sup>1</sup> (94.5 %)
STI2: Project progress ERP system	achieved (0 %)
STI2: ESG rating improvement	achieved (150 %)
LTI: Period 2023-2025	n.a. <sup>2</sup>

1 The target achievement level of the STI1 for Executive Board member Jochen Borenich relates to the EBITA achieved by CANCOM SE since taking up his position on 1 August 2023.

2 Due to Jochen Borenich taking up his position on 1 August 2023, the LTI is reduced pro rata temporis. The degree of target achievement can only be determined after the end of the three-year target achievement period.

3 The degree of target achievement can only be determined after the end of the three-year target achievement period.

The disclosures include all values achieved at the time the report was prepared that are relevant to the remuneration of the Executive Board members in the relevant financial year.

The application of the remuneration systems described above results in the following arithmetical values for the variable remuneration components for the members of the Executive Board of CANCOM SE in office in the 2023 financial year.

<b>Rüdiger Rath</b> CEO	<b>Calculation of bonus amount</b> (degree of target achievement x target remuneration)	<b>Financial year 2023</b> (remuneration in €)
STI 1: EBITA	82.44 % x € 102,000	€ 84,086
STI 2: Project progress ERP system	0 % x € 34,000	€ 0
STI 2: ESG rating improvement	150 % x € 34,000	€ 51,000
<b>Total STI</b>		<b>€ 135,086</b>

Share-based payment: LTI

	<b>Calculation of number of performance shares</b> (target remuneration / Ø CANCOM SE share price at target setting)	<b>Calculation of bonus amount</b> ([(degree of target achievement x number of performance shares] x Ø CANCOM SE share price when target achievement is determined)	<b>Financial year 2023</b> (remuneration in €)
LTI 2021-2023: EBITA 2021-2023	€ 43,750 / € 54.32 = 805	76.57 % x 805 x € 59.94	€ -28,415
LTI 2022-2024: EBITA 2022-2024	€ 175,000 / € 61.41 = 2,850	n.a.	€ 0 <sup>1</sup>
LTI 2023-2025: EBITA 2023-2025	€ 210,000 / € 28.61 = 7,340	n.a.	€ 232,300 <sup>1</sup>

<b>Thomas Stark</b> CFO	<b>Calculation of bonus amount</b> (degree of target achievement x target remuneration)	<b>Financial year 2023</b> (remuneration in €)
STI 1: EBITA	82.44 % x € 84,000	€ 69,248
STI 2: Project progress ERP system	0 % x € 28,000	€ 0
STI 2: ESG rating improvement	150 % x € 28,000	€ 42,000
<b>Total STI</b>		<b>€ 111,248</b>

Share-based payment: LTI

	<b>Calculation of number of performance shares</b> (target remuneration / Ø CANCOM SE share price at target setting)	<b>Calculation of bonus amount</b> ([(degree of target achievement x number of performance shares] x Ø CANCOM SE share price when target achievement is determined)	<b>Financial year 2023</b> (remuneration in €)
LTI 2023-2025: EBITA 2023-2025	€ 155,000 / € 28.61 = 5,418	n.a.	€ 172,100 <sup>1</sup>

<b>Jochen Borenich</b> CSO	<b>Calculation of bonus amount</b> (degree of target achievement x target remuneration)	<b>Financial year 2023</b> (remuneration in €)
STI 1: EBITA	94.53 % x € 42,500	€ 40,177
STI 2: Project progress ERP system	0 % x € 14,167	€ 0
STI 2: ESG rating improvement	150 % x € 14,167	€ 21,250
<b>Total STI</b>		<b>€ 61,427</b>

Share-based payment: LTI

	<b>Calculation of number of performance shares</b> (target remuneration / Ø CANCOM SE share price at target setting)	<b>Calculation of bonus amount</b> ([(degree of target achievement x number of performance shares] x Ø CANCOM SE share price when target achievement is determined)	<b>Financial year 2023</b> (remuneration in €)
LTI 2023-2025: EBITA 2023-2025	€ 75,000 / € 29.45 = 2,547	n.a.	€ 79,900 <sup>1</sup>

<sup>1</sup> The degree of target achievement and the associated value of the performance shares at the time of determining target achievement can only be determined after the end of the three-year target achievement period. In accordance with the principle of remuneration granted and remuneration owed, the fair value of each individual LTI is recognised as at the balance sheet date in the first year of the respective target achievement period.

These sample calculations have been presented with rounded values for illustrative purposes. The slight deviations from the values stated in the following table „Remuneration granted and owed to the Executive Board 2023“ are due to rounding. Only the exact values stated in the table below apply.



### Executive Board remuneration in the 2023 financial year

The individual Executive Board remuneration was calculated in accordance with the key features of the remuneration system and the Executive Board service contracts described above as well as the values achieved in the 2023 financial year for the financial and non-financial performance indicators. The Supervisory Board did not utilise its option to deviate from the purely mathematical values in justified circumstances for the remuneration for the 2023 financial year. Furthermore, no variable remuneration components were reclaimed. Overall, the Supervisory Board did not deviate from the applicable Executive Board remuneration system with regard to individual Executive Board remuneration.

The following annual remuneration was granted and owed to the current (and former) members of the Executive Board of CANCOM SE in the 2023 financial year in accordance with the remuneration systems and Executive Board contracts applicable to each individual Executive Board member during this period and the key performance indicators achieved.

Remuneration granted and owed to the Executive Board for the 2023 financial year in accordance with § 162 AktG (in €)	Fixed remuneration				Variable remuneration						Total remuneration 2023	Total remuneration 2022
	Name, position (joining / leaving)	Fixed salary	Fringe benefits	Total	Relative share of remuneration	STI	LTI tranche 2021-23	LTI tranche 2022-24 <sup>3</sup>	LTI tranche 2023-25 <sup>3</sup>	Total	Relative share of remuneration	Total fixed and variable remuneration
Rüdiger Rath, CEO (since 1 November 2022)	520,000	-	520,000	60.5 %	135,086	-28,415 <sup>4</sup>	- <sup>1</sup>	232,300	338,971	39.5 %	858,971	510,994
Thomas Stark, CFO (since 1 January 2018)	480,000	19,629	499,629	63.8 %	111,248	-	-	172,100	283,348	36.2 %	782,977	515,045
Jochen Borenich, CSO (since 1 August 2023)	208,333	10,838	219,171	60.8 %	61,427	-	-	79,900	141,327	39.2 %	360,498	-
Total remuneration of the Executive Board											2,002,446	1,026,039
<i>Former members of the Executive Board</i>												
Rudolf Hotter, (most recently CEO until 31 October 2022)	375,000 <sup>2</sup>	n.a.	n.a.	100 %	n.a.	n.a.		n.a.	n.a.	n.a.	375,000	596,285

1 However, a remuneration claim could still arise on the basis of the final target achievement (assessment only possible after the end of the 2025 financial year).

2 For the contractually agreed non-competition clause following premature termination of his Executive Board duties, former Executive Board member Rudolf Hotter will receive compensation of € 450,000 for the period from 1 November 2022 to 31 October 2023, which will be paid in equal monthly instalments at the end of each month. In terms of the remuneration granted and owed, € 375,000 must therefore be reported for the 2023 financial year, which was earned from January to October 2023 and 100 percent of which was granted as fixed remuneration.

3 The degree of target achievement and the associated value of the performance shares at the time of determining target achievement can only be determined after the end of the three-year target achievement period. In accordance with the principle of remuneration granted and remuneration owed, the fair value of each individual LTI was recognised as at the balance sheet date in the first year of the respective target achievement period.

4 The value shown is the difference to the fair value when the tranche is issued after the end of the performance period.

The total remuneration granted and owed to the Executive Board (members in office in the reporting year) for the 2023 financial year therefore totalled € 2,002,446 (previous year; including members who left the Executive Board: € 1,838,991).

The remuneration granted and owed to the Executive Board generally includes the remuneration components actually paid out or transferred to the assets of the remuneration recipient (granted) and additional remuneration components due according to legal categories but not yet received (owed). However, for the sake of clarity, the remuneration granted is allocated in this remuneration report to the financial year in which the underlying service was rendered in full, i.e. the remuneration was earned. In the case of genuine share options, the date of issue is regarded as the grant date and the corresponding options are recognised at fair value on the date of issue. The same procedure is used for performance shares used purely as a calculation parameter, but here the fair value is recognised as at the balance sheet date of the financial year in which the entitlement was fully earned (fair value as at the balance sheet date of the first year of a multi-year target achievement period). If the actual value of the performance shares deviates from this value on maturity, any deviations at the end of their target achievement period after three years will be reported in the future remuneration report. In the basic concept of the remuneration granted and owed, the table therefore shows the remuneration that has been earned, even if the final amount is not yet known on the settlement date due to the long subscription periods and dependence on the currently unknown share price of CANCOM SE (therefore recognised at fair value on the issue date or balance sheet date).

#### **Maximum remuneration in the 2023 financial year**

The total remuneration for Rüdiger Rath is limited to a maximum of € 1,400,000 per year and for Thomas Stark to € 1,200,000 per year (total of basic remuneration, fringe benefits and variable remuneration). In the 2023 financial year, Executive Board member Jochen Borenich has a maximum remuneration cap of € 500,000 per year (total of basic remuneration, fringe benefits and variable remuneration). Due to the assumption of the position of CSO of CANCOM SE on 1 August 2023, the maximum remuneration was increased to € 1,200,000 from the 2024 financial year.

If the maximum remuneration is exceeded, entitlements from the variable remuneration are forfeited on a pro rata basis until the upper remuneration limit is reached.

According to the applicable remuneration systems, a final calculation of the total remuneration for 2023 will only be possible once the actual value of the allocated performance shares for the 2023 financial year (with a target achievement period of 2023-2025), which is linked to the performance of the CANCOM SE share price, can be determined. The actual value is then retroactively allocated to the start year of each three-year target achievement period (in this case 2023) and compliance with the maximum remuneration is finally reviewed.

### **Comparative presentation of company and remuneration development**

The following overview shows the percentage development of the annual total remuneration of active and former members of the Executive Board of CANCOM SE and the average annual remuneration of employees of CANCOM SE and its subsidiaries who are employed in Germany and Austria and work full-time (FTE). The remuneration of the members of the Executive Board for previous years is based on the total remuneration received per financial year as reported in the CANCOM Group's annual reports and corresponds to the methodology of the remuneration granted and owed in 2023. The percentage development of employees' annual remuneration is essentially based on the following remuneration components (if any) stipulated in their employment contracts: Fixed salary, bonuses and allowances (e.g. for overtime/overtime), ongoing bonuses and commissions as well as bonuses, gratuities and holiday pay. For the purpose of calculating the rate of increase, only the remuneration of employees who were fully employed by CANCOM in the reporting and comparative year was taken into account.

For comparison, the percentage change in earnings before interest, taxes, depreciation and amortisation (EBITDA) of the CANCOM Group is shown as a key performance indicator for the Group and, in accordance with § 162 AktG, the development of the net profit for the year of the parent company of the Group, CANCOM SE.

Comparison of company and remuneration development (in %)	2019 to 2018	2020 to 2019	2021 to 2020	2022 to 2021	2023 to 2022
<b>Corporate development</b>					
CANCOM Group: EBITDA (according to IFRS)	+13.6 %	-16.2 % <sup>1</sup> (+3.3 %)	+21.6 %	-14.4 %	+10.4 % <sup>1</sup>
CANCOM SE: Net income (according to HGB)	+51.5 %	-32.9 %	+478.8 % <sup>1</sup>	-95.1 % <sup>1</sup>	+157.3 %
<b>Remuneration development of (former) Executive Board members</b>					
Rüdiger Rath (CEO)	n.a.	n.a.	n.a.	+180.3 % <sup>5</sup>	+68.1 %
Thomas Stark (CFO)	-48.7 % <sup>3</sup> (+42.1 %)	+11.0 %	+45.0 %	-36.1 %	+52.0 %
Jochen Borenich (CSO)	n.a.	n.a.	n.a.	n.a.	n.a. <sup>6</sup>
Rudolf Hotter (CEO; until 31 October 2022)	+4.1 %	+127.1 % <sup>2</sup> (-19.1 %)	-55.1 % <sup>2</sup> (+26.3 %)	-41.5 % <sup>4</sup>	-37.1 % <sup>2</sup>
<b>Remuneration development of employees (Germany and Austria)</b>					
Employees	+4.9 %*	+4.6 %*	+4.0 %	+5.0 %	+6.2 %

- 1 The decline in EBITDA in 2020 is due to the accounting effect of the sale of the CANCOM Group's business activities in the United Kingdom and Ireland (retroactive deconsolidation). In operational terms, the CANCOM Group achieved an EBITDA increase of +3.3 percent in 2020 compared to 2019. The strong increase in CANCOM SE's net profit for the year in accordance with the German Commercial Code (HGB) in the following year (2021 compared to 2020) is primarily due to the one-off income generated by this sale. Accordingly, the development of net income for the year in accordance with the German Commercial Code (HGB) in the comparative period 2022 to 2021 is sharply declining again. Due to the acquisition of K-Businesscom in Austria in June 2023, a significant portion of the CANCOM Group's EBITDA is attributable to the first-time consolidation effect.
  - 2 In the 2020 financial year, Rudolf Hotter was granted 150,000 share options, which were recognised once at the fair value in the year of issue and led to this arithmetical increase (in the following year to a corresponding reduction) in remuneration. The actual value of the options (the options may also be worthless under certain conditions) cannot be determined until 2024 at the earliest. Excluding this effect from share options, the change in remuneration for Mr Hotter in 2020 compared to 2019 was -19.1 percent. On 1 February 2020, Rudolf Hotter also took over the position of CEO (previously COO). The share option effect led to the decrease in remuneration shown in the period from 2021 to 2020. Excluding this effect, the change in remuneration for Mr Hotter in 2021 compared to 2020 was +26.3 percent. Of the 150,000 share options, 75,000 lapsed without replacement in 2022 due to the termination of Executive Board activities (see footnote 4). The increase and subsequent reduction in total remuneration for Mr Hotter in 2020 and 2021 shown in the table, which in accordance with reporting obligations includes all 150,000 share options allocated at that time with their corresponding value at that time, therefore no longer corresponds to the 75,000 share options actually finally allocated in 2022. Rudolf Hotter's remuneration in the 2023 financial year is based purely on the payment of € 375,000 from the waiting allowance, which was paid out in full in October 2023.
  - 3 In the 2018 financial year, Thomas Stark was granted 60,000 share options, which were recognised at their fair value in the year of issue and led to this arithmetical decrease in remuneration. Excluding this effect from share options, the change in remuneration for Mr Stark in 2019 compared to 2018 was +42.1 %. The actual value of the options and their exercisability could be determined for the first time in 2022. The options were not exercisable by the 2022 and 2023 balance sheet dates as the necessary option conditions had not been met.
  - 4 The Executive Board activity ended on 31 October 2022 and the remuneration was paid pro rata temporis.
  - 5 Increase solely due to the low previous year's figure (Executive Board activity began during the year on 1 October 2021).
  - 6 Jochen Borenich took office on 1 August 2023, which does not allow comparability with the previous year.
- \* Disclosures for the years 2018-2020 not part of the material audit by the auditor.

The total remuneration of the Chairman of the Executive Board of CANCOM SE Rüdiger Rath in the reporting period amounted to € 858,971 and the average annual full-time equivalent (FTE) remuneration of employees of CANCOM SE and its subsidiaries who were employed in Germany and Austria in the entire 2023 financial year totalled € 63,571. The calculation of this average remuneration in euros was also essentially based on the following remuneration components (if any) stipulated in the employment contract Fixed salary, bonuses and allowances (e.g. for overtime/overtime), ongoing bonuses and commissions as well as bonuses, gratuities and holiday pay. However, in order to be able to provide a figure that is as representative as possible as at the balance sheet date of the reporting year and includes the largest possible number of CANCOM Group employees, all employees who were fully employed by CANCOM in 2023 were taken into account. The value therefore differs from the value used to calculate the rate of increase in the table and is an additional figure, as the rate of increase (like-for-like comparison) requires employment in the full reporting year and previous year.

## Share options and performance shares for members of the Executive Board

### Stock options

As at the reporting date, Executive Board member Thomas Stark held the number of share options for CANCOM SE shares from the 2018 share option programme shown in the following tables. The following share options are attributable to Rudolf Hotter, who left the Executive Board in 2022.

Financial year 2023	Share options outstanding at the beginning of the financial year (number)	New share options granted in the financial year (number)	Share options expired in the financial year (number)	Fair value at grant date (€)	Share options exercisable in the financial year (number)	Share options exercised in the financial year (number)
Thomas Stark (CFO)	60,000	0	0	624,000	60,000	0
<i>Former members of the Executive Board</i>						
	Share options outstanding at the end of the term of office (number)	New share options granted in the financial year (number)	Share options expired in the financial year (number)	Fair value at grant date (€)	Share options exercisable in the financial year (number)	Share options exercised in the financial year (number)
Rudolf Hotter, Most recently CEO (until 31 October 2022)	75,000	0	0	2,170,500 <sup>1</sup>	0	0

<sup>1</sup> Fair value in 2020 (year of grant) for 150,000 options originally granted. The value is no longer adjusted due to § 162 of the German Stock Corporation Act and the concept of remuneration granted and owed stipulated therein, despite the expiry of options. The actual value accruing from the share options upon exercise may deviate significantly from the stated value in accordance with the option conditions and the options could also be worthless.

Provided the conditions described below are met, the share options issued grant the holder the right to subscribe to no-par value bearer shares with voting rights in the company. The subscribed shares participate in profits from the beginning of the financial year in which they are issued. Each share option grants the right to subscribe to one share in the company in return for payment of the exercise price.

### Exercise price of share options

The exercise price for the share options issued to Thomas Stark is € 40.72 and € 46.83 for the share options issued to Rudolf Hotter.

### Waiting period Share options

The share options can only be exercised after the end of the waiting period. The vesting period begins on the respective issue date (Thomas Stark: 17 August 2018 / Rudolf Hotter: 6 May 2020) and ends at the beginning of the first exercise period after four years from the respective issue date.

### Exercise conditions for share options

The prerequisite for exercising the option rights is (over the entire term of the share options)

1. The relevant reference price exceeds the exercise price by at least 5 percent p.a. on a straight-line basis, calculated on a daily basis (absolute performance target). The „relevant reference price“ is the unweighted arithmetic mean of the closing prices of the company's shares in XETRA trading (or a comparable successor system) on the Frankfurt Stock Exchange on the last five trading days prior to the day on which the option right is exercised.

2. The CANCOM SE share price outperforms the unweighted average share price of the peer group listed below over the same period between the date of issue and the date on which the option right is exercised, whereby the development of the CANCOM SE share price is also based on the exercise price and the relevant reference price (relative performance target). On the date of the first issue of share options to Executive Board members, the peer group consisted of the following companies: Bechtle AG, Neckarsulm; Telekom AG, Bonn; Computacenter plc, Hatfield/UK; Atos SE, Bezons/France; Atea ASA, Oslo/Norway; CDW Corporation, Vernon Hills/Illinois, USA; Hewlett Packard Enterprise, Palo Alto/California, USA; IBM, Armonk/New York, USA; Ingram Micro, Inc., Irvine/California, USA. The unweighted arithmetic mean of the closing prices of the respective shares on the respective stock exchanges on which the respective company is initially listed on the day of issue and on the day before the option right is exercised is decisive for the development of the unweighted average price of the shares of the companies belonging to the peer group; the closing price expressed in a currency other than the euro is not converted. If the stock exchange listing of one of the companies ends, it is removed from the peer group without replacement. On the basis of this regulation, Ingram Micro, Inc. is no longer part of the currently valid peer group.

#### Performance shares

The members of the Executive Board listed in the table hold the number of performance shares shown as at the reporting date (purely share-based calculation with cash settlement).

Financial year 2023	Tranche	Number of performance shares at grant	Number of performance shares as at the balance sheet date (preliminary)	Fair value at the balance sheet date (€)	Performance shares exercisable in the financial year (units)	Performance shares exercised in the financial year (units)
Rüdiger Rath (CEO)	LTI 2021-2023	805	616	19,835	0	0
	LTI 2022-2024	2,850	0	0 <sup>1</sup>	0	0
	LTI 2023-2025	7,340	7,704	232,300	0	0

<sup>1</sup> 2,850 performance shares with a target achievement period of 2022-2024 were granted. These have a fair value of € 0 as at 31 December 2023. However, a remuneration entitlement could still arise based on the final target achievement (valuation only possible after the end of the 2024 financial year).

Financial year 2023	Tranche	Number of performance shares at grant	Number of performance shares as at the balance sheet date (preliminary)	Fair value at the balance sheet date (€)	Performance shares exercisable in the financial year (units)	Performance shares exercised in the financial year (units)
Thomas Stark (CFO)	LTI 2023-2025	5,418	5,687	172,100	0	0

Financial year 2023	Tranche	Number of performance shares at grant	Number of performance shares as at the balance sheet date (preliminary)	Fair value at the balance sheet date (€)	Performance shares exercisable in the financial year (units)	Performance shares exercised in the financial year (units)
Jochen Borenich (CSO)	LTI 2023-2025	2,547	2,673	79,900	0	0

Provided that the conditions described below are met, the performance shares allocated as a pure calculation variable grant the holder the right to cash settlement of the value of the performance shares in € as determined by the Supervisory Board of CANCOM SE at the time the target is set.

**Allotment conditions for performance shares**

After the end of the financial year of CANCOM SE, which corresponds to the last year of a three-year target achievement period of an LTI tranche, the Supervisory Board determines the degree of target achievement for the LTI targets of the respective tranche falling due. The degree of target achievement is then used as a multiplier for the number of performance shares allocated (target achievement multiplier) and the target achievement multiplier is multiplied by the number of performance shares originally allocated. The number of performance shares calculated in this way on the basis of the target achievement of the LTI targets is finally allocated to the Executive Board member by the Supervisory Board as a purely arithmetical figure. In this calculation, the Supervisory Board takes into account the individual performance of the Executive Board member in the target achievement period and can therefore, in justified individual cases, deviate from the purely arithmetical number of performance shares (taking into account the maximum remuneration) upwards or downwards by up to 20 percent in relation to the amount paid out.

**Exercise price of performance shares**

The final number of performance shares allocated to the Executive Board member by the Supervisory Board as a purely arithmetical figure is used as the basis for calculating the amount paid out for the LTI bonus of the respective tranche. The number is converted into an LTI payout amount in € on the basis of the average closing share price (arithmetic mean) of the CANCOM SE share in XETRA trading (or a comparable successor system) over the last 30 trading days prior to the day on which the target achievement level is set. For this purpose, the final number of performance shares allocated to the Executive Board member is multiplied by this average share price and a dividend equivalent is added, which is calculated from the dividends per share actually paid by CANCOM SE in the three years of the target achievement period and the final number of performance shares allocated. The development of the share price and dividends therefore has a direct impact on the amount of remuneration paid to the members of the Executive Board. At the same time, the actual value upon exercise of the performance shares (conversion into cash remuneration or exercise price) can only be definitively determined at the time the target is set by the Supervisory Board due to the aforementioned methodology.

**Waiting period for performance shares**

Both the three-year target achievement period and the parallel four-year waiting period begin when the annual target for the respective LTI bonus is set. Payment of any entitlements from the LTI bonus due in each case is only possible once the waiting period has expired.

**Vesting conditions for performance shares**

The exercise of the final number of performance shares allocated to the Executive Board member by the Supervisory Board after the end of the respective three-year target achievement period is not subject to any further conditions, as the allocation of performance shares already corresponds to the fact that all necessary conditions, as described in the section Components of remuneration above, have been fulfilled to a sufficient extent. Exercise, i.e. the conversion of the performance shares into a cash payment in € on the basis of the average share price of CANCOM SE shares determined for this purpose, is therefore possible without delay. However, as described in the section on the waiting period for performance shares above, payment is subject to the expiry of the four-year waiting period.

## **Benefits promised upon termination of Executive Board activity**

### **Premature termination of activity**

In the event of premature termination of Executive Board activity, the Executive Board members Rüdiger Rath, Thomas Stark and Jochen Borenich receive a severance payment of a maximum of one year's remuneration including fringe benefits, but in no case more than the remuneration for the remaining term of the contract at the time the termination takes effect (severance payment cap). Outstanding bonus payments remain unaffected and are paid pro rata temporis. The severance payment cap is based on the total remuneration for the last financial year prior to the termination of this contract and includes both fixed and variable remuneration. The severance payment is due as a one-off payment and is payable on the early termination date.

Members of the Executive Board do not receive a severance payment if the premature termination of their Executive Board activity is due to a termination by the Executive Board itself or if there is good cause that authorises the company to terminate the contract for good cause. Furthermore, no severance payment is made in the event of permanent incapacity to work.

### **Non-compete clause**

In addition, the members of the Executive Board are subject to a non-competition clause (no activity for a competitor company in Germany, Switzerland, Austria, the United Kingdom or the USA) for a period of one year after the end of their employment contract. The company pays the Executive Board member compensation of 75 percent of the last fixed monthly remuneration paid to him. The compensation is offset against the total severance payment (severance payment cap).

### **Share options**

The subscription right from the share options issued to Rudolf Hotter (former member of the Executive Board) and Thomas Stark may only be exercised as long as the holder of the share options is in a non-terminated employment or service relationship with the company or one of its affiliated companies. Notwithstanding this, subscription rights that were already earned before or at the time of termination of the employment or service relationship due to the duration of the employment relationship may still be exercised by the holder within a follow-up period of 24 months calculated from the termination of the employment relationship or from the expiry of the four-year waiting period (whichever is later), provided that they can also be exercised in accordance with the provisions of this authorisation; thereafter they expire without compensation. The Supervisory Board is authorised to continue to grant the follow-up periods in whole or in part. Share options for which the waiting period has not yet expired at the time of termination of the employment or service relationship expire without compensation at this time. Special provisions may be made for cases of retirement, occupational disability or incapacity, termination of employment or service by mutual agreement and/or other cases of hardship.

### **Regular termination of activity**

No commitments were made to the members of the Executive Board in connection with Executive Board remuneration in the event of the regular termination of their activity on the Executive Board.



### **Benefits promised or granted in the reporting year upon termination of Executive Board activities**

In the 2022 reporting year, former Executive Board member Rudolf Hotter was entitled to compensation of € 450,000 for the period from 1 November 2022 to 31 October 2023 for the contractually agreed non-competition clause following the premature termination of his Executive Board activities. The compensation was paid out in equal monthly instalments in arrears at the end of the month. For the purposes of disclosing the remuneration granted and owed in the 2023 reporting year, € 375,000 was therefore paid out and taken into account in the table of the former Executive Board's total remuneration (see above).

### **SUPERVISORY BOARD REMUNERATION**

The remuneration system for the Supervisory Board was approved by the Annual General Meeting on 14 June 2023 and is also regulated in Article 13 of the Articles of Association of CANCOM SE. The regulations on the remuneration of the Supervisory Board were applied for the first time for the financial year beginning on 1 January 2023.

Accordingly, Supervisory Board members receive fixed remuneration for their work, the amount of which depends on the individual tasks performed on the Supervisory Board, as well as an attendance fee. Variable remuneration, which depends on the achievement of certain successes or targets, is not planned for the members of the Supervisory Board. Exclusively fixed remuneration for the members of the Supervisory Board is intended to express the associated independence from the company's success when exercising the Supervisory Board's control function. With such a remuneration system, the Supervisory Board should make its decisions for the benefit of the company and thus in line with the long-term business strategy and sustainable development of the company, without pursuing other motives or taking risks that could be derived from performance-related remuneration.

Each member of the Supervisory Board receives a fixed annual remuneration of € 40,000. The Deputy Chairman of the Supervisory Board receives twice and the Chairman of the Supervisory Board four times the fixed annual remuneration. In addition to the fixed remuneration, the members of the Supervisory Board receive an attendance fee for attending meetings of the Supervisory Board. This amounts to € 1,000 per member and € 2,000 for the Chairman of the Supervisory Board.

For their membership of the Nomination Committee, the members of the Supervisory Board also receive an annual remuneration of € 5,000 and the committee chairman an annual remuneration of € 10,000. For membership of the Audit Committee, the members of the Supervisory Board also receive annual remuneration of € 10,000 and the Chairman of the Committee receives annual remuneration of € 20,000. The additional remuneration in accordance with this paragraph requires that the committee has held at least one meeting in the financial year in question.

The fixed remuneration and the remuneration for membership of committees are payable after the end of the financial year. The attendance fee is payable promptly after the end of each individual meeting. Supervisory Board members who have only belonged to the Supervisory Board or one of its committees for part of the financial year receive the remuneration pro rata temporis; this is rounded up to full months.

The company reimburses the members for the expenses directly associated with the fulfilment of their office. The value added tax is reimbursed by the company insofar as the members of the Supervisory Board are authorised to invoice the company separately for value added tax and exercise this right.

### Supervisory Board remuneration in the 2023 financial year

The individual Supervisory Board remuneration was calculated in accordance with the key features of the remuneration system described above and the activities performed in the 2023 financial year. The Supervisory Board did not deviate from the applicable remuneration system with regard to individual Supervisory Board remuneration.

As remuneration granted and owed is not always accompanied by a payment in the respective financial year, the following table shows the amount of funds granted to the members of the Supervisory Board for the 2023 financial year in which the underlying activity was performed in full.

The current (and, where applicable, former) members of the Supervisory Board of CANCOM SE have earned the following annual remuneration for the 2023 financial year in accordance with the remuneration system applicable to each individual Supervisory Board member during this period and the work performed.

Remuneration granted and owed to the Supervisory Board for the 2023 financial year in accordance with § 162 AktG (in €)	Fixed remuneration (relative share of total remuneration: 100 %)			Total remuneration 2023	Total remuneration 2022
	Fixed salary	Attendance fee	Committee activity (basic remuneration and attendance fee)	Total	Total
Klaus Weinmann, member of the Supervisory Board (since 25 October 2023, Chairman since 12 December 2023)	20,000.00	1,000.00	833.33	21,833.33	-
Stefan Kober, Deputy Chairman (26.6.2019, until 12.12.2023 Chairman, since 12.12.2023 Deputy Chairman)	160,000.00	8,000.00	20,000.00	188,000.00	130,000.00
Lothar Koniarski, member of the Supervisory Board (18.6.2013/31.12.2023, Deputy Chairman until 12.12.2023)	80,000.00	4,000.00	25,000.00	109,000.00	68,000.00
Prof. Dr Isabell Welpe, Member of the Supervisory Board (since 26 June 2019)	40,000.00	4,000.00	10,000.00	54,000.00	36,000.00
Martin Wild, member of the Supervisory Board (since 27 March 2017, until 31 July 2023)	23,333.33	2,000.00	-	25,333.33	34,000.00
Uwe Kemm, member of the Supervisory Board (since 30 June 2020, until 31 August 2023)	26,666.67	2,000.00	3,333.33	32,000.00	34,000.00
Dr Swantje Schulze, Member of the Supervisory Board (since 27 April 2023)	30,000.00	3,000.00	-	33,000.00	-
Dr Kari Kapsch, Member of the Supervisory Board (since 25 October 2023)	10,000.00	1,000.00	-	11,000.00	-

No remuneration components were reclaimed from members of the Supervisory Board in the reporting year. The total remuneration granted and owed to the Supervisory Board for the 2023 financial year amounted to € 474,1667 (previous year: € 336,000).

### Comparative presentation of company and remuneration development

The following overview shows the percentage change in the total annual remuneration of active and former members of the Supervisory Board of CANCOM SE and the average annual remuneration of employees of CANCOM SE and its subsidiaries who are employed in Germany and Austria and work full-time equivalents (FTE). The percentage development of employees' annual remuneration is essentially based on the following contractually agreed remuneration components (if any) accrued in the respective financial year: Fixed salary, bonuses and allowances (e.g. for extra work/overtime), ongoing bonuses and commissions as well as bonuses, gratuities and holiday pay.

For comparison purposes, the percentage change in earnings before interest, taxes, depreciation and amortisation (EBITDA) of the CANCOM Group is shown as a key performance indicator for the Group and, in accordance with § 162 AktG, the development of the net profit for the year of the parent company of the Group, CANCOM SE, in accordance with HGB.

Comparison of company and remuneration development (in %)	2020 to 2019	2021 to 2020	2022 to 2021	2023 to 2022
<b>Corporate development</b>				
CANCOM Group: EBITDA	-16.2 % <sup>1</sup> (+3.3 %)	+21.6 %	-14.4 %	+10.4 %
CANCOM SE: Net income (according to HGB)	-32.9 %	+478.8 %	-95.1 %	+157.3 %
<b>Remuneration of Supervisory Board members</b>				
Klaus Weinmann (Chairman)	n.a.	n.a.	n.a.	n.a. <sup>5</sup>
Stefan Kober (Deputy Chairman and former Chairman)	+41.0 % <sup>2</sup>	+89.2 % <sup>4</sup>	+/- 0.0 %	+44.6 % <sup>5</sup>
Dr Lothar Koniarski (former Deputy Chairman)	+0.0 %	-48.5 % <sup>4</sup>	+/- 0.0 %	+60.3 %
Dr Swantje Schulze	n.a.	n.a.	n.a.	n.a. <sup>6</sup>
Prof Dr Isabell Welpé	+74.8 % <sup>2</sup>	+0.5 %	+/- 0.0 %	+50.0 %
Dr Kari Kapsch	n.a.	n.a.	n.a.	n.a. <sup>6</sup>
Martin Wild	-0.2 %	-1.4 %	+/- 0.0 %	-25.5 % <sup>6</sup>
Uwe Kemm	-38.8 % <sup>3/2</sup>	+65.9 % <sup>2</sup>	+/- 0.0 %	-5.9 % <sup>6</sup>
<b>Remuneration development of employees (Germany and Austria)</b>				
Employees	+4.6 %*	+4.0 %	+5.0 %	+6.2 %

1 The decline is due to the accounting effect of the sale of the CANCOM Group's business activities in the United Kingdom and Ireland (deconsolidation). In operational terms, the CANCOM Group achieved an EBITDA increase of +3.3 percent in 2020 compared to 2019.

2 Joined the Supervisory Board during the year.

3 Left the Supervisory Board during the year.

4 Stefan Kober took over as Chairman of the Supervisory Board from Dr Lothar Koniarski on 1 January 2021.

5 Klaus Weinmann has been a member of the Supervisory Board since 25 October 2023 and took over as Chairman of the Supervisory Board from Stefan Kober on 12 December 2023.

6 Martin Wild will leave the Supervisory Board on 31 July 2023 and Uwe Kemm on 31 August 2023. Dr Swantje Schulze became a new member of the Supervisory Board on 27 April 2023 and Dr Kari Kapsch on 25 October 2023.

\*Disclosures for the years 2019-2020 were not part of the material audit by the auditor.

### Miscellaneous

The members of the Supervisory Board did not receive any further remuneration or benefits for personal services rendered, in particular consulting and agency services, during the reporting period. No loans or advances were granted to the members of the Supervisory Board, nor were any contingent liabilities entered into in their favour.

The company has taken out directors' and officers' liability insurance (D&O insurance) in favour of the Executive Board, Supervisory Board and senior employees, which covers the legal liability arising from the activities of the Executive Board, Supervisory Board and senior management. A deductible has been agreed in the D&O insurance policy for the Executive Board and Supervisory Board.


### Consideration of the resolution of the Annual General Meeting

The Annual General Meeting voted on the remuneration report on 14 June 2023 in accordance with § 120a (4) AktG. The remuneration report for the 2022 financial year was approved by the Annual General Meeting of CANCOM SE with a majority of 87.2 percent of the valid votes cast. The acceptance rate improved slightly compared to the previous year. At the 2023 Annual General Meeting, the voting rights of the 3,500,000 shares issued as part of the capital increase against non-cash contributions in connection with the acquisition of the KBC Group were not exercised and were therefore counted as abstentions.

The Supervisory Board and the Executive Board of CANCOM SE continue to strive for a higher acceptance rate for the approval of the remuneration reports and analyse the points of criticism expressed by shareholders and proxy advisors that may have an influence on the acceptance rate. The Supervisory Board pays particular attention to the interests of shareholders and capital market participants in a clear, meaningful and comparable presentation with comprehensible targets for all members of the Executive Board. The current remuneration system, according to which all members of the Executive Board are now remunerated according to the same logic and which excludes special payments, implements significant suggestions for improvement.

Munich, 26 March 2024

For the Executive Board



Rüdiger Rath  
(CEO)

For the Supervisory Board



Klaus Weinmann  
(Chairman of the Supervisory Board)

## **INDEPENDENT AUDITOR'S REPORT**

To CANCOM SE, Munich

### **Report on the audit of the remuneration report**

We have audited the attached remuneration report of CANCOM SE, Munich, for the financial year from January 1 to December 31, 2023, including the related disclosures, prepared to meet the requirements of Section 162 AktG [Aktiengesetz: German Stock Corporation Act]. Disclosures in the remuneration report marked with "\*" were not part of our audit.

### **Responsibilities of Management and the Supervisory Board**

The management and the Supervisory Board of CANCOM SE are responsible for the preparation of the remuneration report, including the related disclosures, in accordance with the requirements of Section 162 AktG. The management and the Supervisory Board are also responsible for such internal control as they have determined necessary to enable the preparation of the remuneration report that is free from material misstatement, whether due to fraud or error.

### **Auditor's responsibilities**

Our responsibility is to express an opinion on this remuneration report, including the related disclosures, based on our audit. We conducted our audit in accordance with the German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report, including the related disclosures, is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts, including the related disclosures, in the remuneration report. The procedures selected depend on the auditor's professional judgement. This includes an assessment of the risks of material misstatement, whether due to fraud or error, in the remuneration report, including the related disclosures. In assessing these risks, the auditor considers the internal control system relevant for the preparation of the remuneration report, including the related disclosures. The objective is to plan and perform audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the Supervisory Board, as well as evaluating the overall presentation of the remuneration report, including the related disclosures.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Opinion**

In our opinion, on the basis of the knowledge obtained in the audit, the remuneration report for the financial year from January 1 to December 31, 2023, including the related disclosures, complies in all material respects with the financial reporting requirements of Section 162 AktG. Disclosures in the remuneration report marked with “\*” were not part of our audit.

**Other matter – formal examination of the remuneration report**

The substantive audit of the remuneration report described in this independent auditor’s report includes the formal examination of the remuneration report required by Section 162 (3) AktG, including issuing an assurance report on this examination. As we have issued an unqualified opinion on the substantive audit of the remuneration report, this opinion includes the conclusion that the disclosures pursuant to Section 162 (1) and (2) AktG have been made, in all material respects, in the remuneration report.

**Limitation of liability**

The terms governing this engagement, which we fulfilled by rendering the aforesaid services to CANCOM SE, are set out in the General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms] as amended on 1 January 2017. By taking note of and using the information as contained in this auditor’s report, each recipient confirms to have taken note of the terms and conditions laid down therein (including the limitation of liability of EUR 4 million for negligence under Clause 9 of the General Engagement Terms) and acknowledges their validity in relation to us.

Munich, 26 March 2024

KPMG AG  
Wirtschaftsprüfungsgesellschaft  
Original German version signed by:

Hanshen  
Wirtschaftsprüfer  
[German Public Auditor]

Querfurt  
Wirtschaftsprüfer  
[German Public Auditor]

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