

NFON AG publishes figures for first half of 2023 and raises earnings forecast for year as a whole

- Rise in recurring revenue of 5.1% to EUR 38.4 million in first half of 2023
- Share of recurring revenue climbs to 93.2% of total revenue
- Significantly improved adjusted EBITDA of EUR 3.4 million results in adjusted EBITDA margin of 8.2% of revenue
- Progress in reorganisation lays foundation for sustainably profitable growth
- Earnings forecast 2023: Management Board projecting adjusted EBITDA of between EUR 6 million and EUR 7 million for 2023 as a whole

Munich, 24 August 2023 – NFON, a leading European provider for integrated cloud business communications, has had a good first half of 2023 and enjoyed positive performance in revenue and earnings.

The growth in the first half of 2023 was again founded on successful new customer acquisition, while the number of installed seats was increased within the existing customer base, particularly in Germany, Austria and Italy. In addition, some of the revenue growth resulted from sales of the expanded product portfolio (premium solutions) among both new customers and the existing customer base. Recurring revenue, a central performance indicator for NFON, therefore rose by 5.1% to EUR 38.4 million (previous year: EUR 36.5 million). Total revenue increased moderately by 2.7% to EUR 41.2 million (previous year: EUR 40.1 million). As a result, the share of high-margin recurring revenue climbed to 93.2% of total revenue in the first half of 2023. The high share of recurring revenue underscores the loyalty of NFON's customers and forms a very strong basis for ongoing revenue planning. Given the focus on profitability, the earnings performance also proved positive in the first half of 2023. Adjusted EBITDA improved significantly from EUR -1.5 million in the previous year to EUR 3.4 million in the first half of 2023. Before adjustments of EUR 1.0 million, EBITDA amounted to EUR 2.4 million in the reporting period (previous year: EUR -4.1 million).

The high satisfaction with the NFON Group's solutions for integrated cloud business communications is also verified by the trend in seats in the reporting period. With seat growth of 5.1%, the number of seats installed with customers increased to 640,573 in the first half of 2023 (previous year: 609,640). This development largely reflects the high level of satisfaction among existing customers with solutions for integrated business communications. At the same time, the rise in seats testifies to the growing demand for cloud telephony systems among business customers.

NFON sees operational excellence as the foundation for living up to its role as an innovative pioneer in integrated cloud business communications on the European market and exploiting market potential accordingly in the future. The initial milestones for an optimised organisational structure have already been achieved with the management level reshuffle including new areas of responsibility at C level. With this foundation, NFON will be building on three strategic growth pillars moving ahead: innovative product development, a focus on sales excellence and stronger partnerships.

Patrik Heider, who has been responsible for NFON's performance both as its CEO since June 2023 and as its CFO since July 2023, said: *"We have enjoyed a successful first half of 2023 overall and we are proud of the progress we have achieved to date. This progress has not only contributed to positive business performance, but also smoothed the way for further measures to help us achieve our goals in the second half of the year. I firmly believe that we are well on our way to adding new lustre to our self-image as a cloud pioneer."*

Against the backdrop of our positive business performance to date and the consistently positive outlook, the Management Board has decided to raise our adjusted EBITDA forecast for 2023. For fiscal 2023, it is now projecting adjusted EBITDA of between EUR 6 million and EUR 7 million. This revision does not affect the forecasts for the other key performance indicators.

The full 2023 half-year report is available to download from the Investor Relations section of NFON AG's website from today.

Overview of earnings for the first half of 2023¹:

EUR million	H1 2023	H1 2022	Change in %
Total revenue	41.2	40.1	2.7
Recurring revenue	38.4	36.5	5.1
Share of recurring revenue	93.2%	91.2%	n/a
Non-recurring revenue	2.8	3.6	-21.6
Share of non-recurring revenue	6.8%	8.9%	n/a
ARPU blended ² (in EUR)	9.7	9.8	-1.0
Number of seats (30 June)	640,573	609,640	5.1
EBITDA	2.4	-4.1	n/a
Adjusted EBITDA	3.4	-1.5	n/a

¹ Unless stated otherwise, all values in the consolidated financial statements and the related notes are rounded. Rounding differences can therefore occur in the tables.

² Based on average number of seats per month in the periods under consideration.

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About NFON AG

AG NFON, headquartered in Munich, is a leading European provider for integrated cloud business communications. The listed company (Frankfurt Stock Exchange, Prime Standard), with more than 3,000 partners in 15 European countries and seven branches, counts more than 50,000 companies as clients. With its core product Cloudya, the smart cloud communication platform, NFON offers voice calls, easy video conferences and smooth integration of CRM and collaboration tools for small and medium-sized enterprises. The NFON portfolio consists of four areas: business communication with Cloudya, customer contact, integration and enablement. All NFON cloud services are operated in certified computer centres in Germany, with all energy coming from renewable sources. NFON guides companies into the future of business communication with intuitive communication solutions.

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