

NFON AG: Profitability-enhancing measures have positive impact on the result in the first quarter of 2023

- 5.3% increase in recurring revenues to EUR 19.3 million in the first quarter of 2023
- Recurring revenues as a share of total revenues increased again to 93.1%
- Significantly improved adjusted EBITDA of EUR 2.0 million results in an adjusted EBITDA margin of 9.6% as a percentage of revenue
- Progress on strategic realignment lays the foundation for sustainable profitable growth in financial year 2023
- Patrik Heider to take over from Dr. Klaus von Rottkay as Chairman of the NFON Management Board in the second quarter of 2023

Munich, 25 May 2023 – NFON, a European provider of integrated business communications from the cloud, has gotten off to a good start in financial year 2023 and achieved a positive development in terms of revenues and earnings.

The foundation of growth in the first quarter of 2023 was once again the successful acquisition of new customers, while installed extensions (seats) within the company's current customer base also increased. At the same time, the targeted expansion of the product portfolio contributed to the increase in revenues from both new and current customers. The recurring revenues that are central to NFON therefore recorded an increase of 5.3 % to EUR 19.3 million (previous year: EUR 18.4 million). In contrast, comparatively low one-off revenues of EUR 1.4 million were achieved in Q1 2023. As a result, total revenue increased only slightly by 2.6% to EUR 20.8 million (previous year: EUR 20.3 million). For the same reason, however, the share of high-margin recurring revenue in total revenue increased accordingly to 93.1% in the first three months of 2023. The high share of recurring revenues demonstrates the loyalty of NFON customers and forms a very strong basis for further revenue planning. The high level of satisfaction with the NFON Group's solutions for integrated business communications is also underscored by the development of seats in the first quarter. With seat growth of 6.6%, the number of extensions (seats) installed at customers increased to 645,582 in the first quarter of 2023 (previous year: 605,651). This development significantly reflects the high level of satisfaction of current customers with the solutions for integrated business communications. At the same time, the increase in seats underpins the growing demand for cloud PBXs in the business customer segment.

With the goal of becoming a leading provider of integrated business communications in Europe, NFON had already initiated significant measures to increase its profitability in the past financial year. At the same time, the company placed a strategic focus on the profitable monetisation of the investments it made in the product portfolio and the partner network in the past year. This is reflected in the positive development of earnings in the first quarter of 2023. Adjusted earnings before interest, taxes, depreciation and amortisation (EBITDA) thus improved significantly from EUR 0.5 million in the previous year to EUR 2.0 million in the first quarter of 2023. Before adjustments of EUR 0.1 million, EBITDA for the reporting period amounted to EUR 1.9 million (previous year: EUR -0.4 million).

"We look back on what was a successful first quarter of 2023 overall and are proud of the progress we have already made. Nevertheless, from our point of view, this is only the beginning of a sustainably profitable development of the company under the leadership of the new CEO Patrik Heider. We thus see NFON well on its way to becoming a leading provider of integrated business communications in Europe," concluded Dr. Klaus von Rottkay, who as CEO is responsible for NFON's development in the first quarter.

With Patrik Heider (49), NFON has gained an experienced CEO as of the second quarter of 2023, who will build on a strong foundation to define the further strategic direction and lead the NFON Group into the next growth and innovation phase. Patrik Heider was most recently CEO of the software companies Thinkproject and riskmethods, among his other positions, and was responsible for the successful development of Nemetschek SE as Spokesman for the Management Board and CFOO.

The complete quarterly report for the first quarter of 2023 is available for download on the website of NFON AG in the Investor Relations section.

Results for the first quarter of 2023 at a glance:

EUR million	3M 2023	3M 2022	Change %
Total revenue	20.8	20.3	2.6
Recurring revenues	19.3	18.4	5.3
Share of recurring revenues	93.1%	90.7%	
Non-recurring revenues	1.4	1.9	-23.6
Share of non-recurring revenues	6.9%	9.3%	
ARPU blended ¹ in EUR	9.80	9.98	-1.8
Number of seats (31 March)	645,582	605,651	6.6
EBITDA	1.9	-0.4	n/a
Adjusted EBITDA	2.0	0.5	n/a

¹ based on the average number of seats per month in each year

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About NFON

NFON AG, headquartered in Munich, is a European provider of integrated business communications from the cloud. The listed company (Frankfurt Stock Exchange, Prime Standard) includes over 3,000 partners in 15 European countries, seven subsidiaries and counts more than 50,000 companies as its customers. With the core product Cloudya, the smart cloud communications platform, NFON offers simplified voice calling, easy video conferencing, and seamless integrations for CRM and collaboration tools for small and medium sized companies. The NFON portfolio consists of four segments: Business

Communications with Cloudya, Customer Contact, Integration and Enablement. All of NFON's cloud services are operated in certified data centres in Germany, whose energy requirements are covered 100% by renewable energies. NFON guides companies into the future of business communication with intuitive communication solutions. <http://www.corporate.nfon.com/en>

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