



## Corporate News

### **NFON AG posts successful business development in its first year as listed company 2018**

- NFON AG reports preliminary figures for the 2018 financial year
- Total revenues increase significantly by 20.7 % to EUR 43.0 million in 2018
- Recurring revenues increase by 24.6 % and account for 80.4 % of total revenues
- Number of seats grow by 26.6 %
- Key strategic milestones of the growth strategy achieved
- Significant acceleration of growth forecast for 2019

**Munich, 7 March 2019** – NFON AG (together with its subsidiaries “NFON” or the “company”), the only pan-European cloud PBX provider (telephone system from the cloud), achieves all of its forecast key performance indicators as planned in financial year 2018. Accordingly, the company that is listed on the Frankfurt Stock Exchange (Prime Standard) can look back on a successful first year on the stock exchange and continued its positive development during the year in the fourth quarter of 2018 as well.

Based on preliminary figures, NFON AG increased sales by 20.7% to EUR 43.0 million in financial year 2018 (previous year: EUR 35.6 million). In terms of recurring revenues, revenues even increased by 24.6% to EUR 34.6 million from EUR 27.8 million the previous year. At 80.4% (previous year: 77.9%), the share of recurring revenues in total revenues is at the top of the range between 75% and 80% forecast for 2018 as a whole and underpins the strength of NFON AG’s business model. The main driver of revenue growth achieved is the continuously increasing number of customer-operated extensions (“seats”). The number of seats increased by 26.6 % year-on-year to 320,728 (previous year: 253,360). This positive development confirms the sustainability of the business model and the attractiveness of NFON AG’s products and services.

Hans Szymanski, CEO and CFO of NFON AG: *“Our successful business development in the first stock market year 2018 shows that we are successfully addressing the promising cloud telephony market. We are delivering what we have announced and consistently driving our expansion strategy forward. We have thus set the course for not only continuing our growth course, but also accelerating it significantly and becoming the number 1 for cloud telephony in Europe.”*

Besides the major operational progress made in 2018, NFON AG achieved significant strategic milestones in its growth strategy in the first ten months after its stock market debut. The market launch of the new NFON core product “Cloudya” laid the foundation for the planned expansion of the UCaaS product portfolio (*“Unified communications as a service”*). Cloudya stands for device-independent and intuitive communication with a special focus on extremely easy operation – anytime, anywhere, on any device. In the future, additional collaboration services such as chat, messaging or video for the digital working world of tomorrow are to be integrated on Cloudya. With a view to international expansion, NFON prepared the entry into the Italian market in the second half of 2018 via a newly founded branch and will finalise it in March 2019.



In addition, the entry into the important French market has been prepared and is planned to take place in the second quarter of 2019.

In addition to supplementing its product portfolio and expanding into European countries, selective M&A measures in a highly fragmented market are another key pillar of the growth strategy. Accordingly, NFON acquired Deutsche Telefon Standard AG (Germany, Mainz) at the beginning of 2019. The company specializes in the field of SIP communication (Session Initiation Protocol) in Germany, has 65 experienced employees and also sells the SIP PBX CentrexX, a cloud telephone system in the mid-market segment. The acquisition increases the customer base of the NFON Group from more than 320,000 to over 370,000 seats and over 35,000 SIP trunk channels. At the same time, the solutions of Deutsche Telefon Standard AG complement NFON's product portfolio. The expansion of the partner network to more than 2,000 partners throughout Europe will open up additional sales channels. Against the backdrop of the ongoing conversion from ISDN to All-IP by the European network operators, NFON offers its customers a smooth transition to future-proof cloud PBX technology.

Hans Szymanski: *"The successful implementation of our growth strategy at all levels will enable us to further scale our business model. Therefore, we are very well positioned to realize the enormous potential for NFON in the rapidly changing market at an above-average extent in the future."*

For 2019, the Management Board expects to accelerate its dynamic growth course even further. The reasons for this assumption are its continuing international expansion, the introduction of the NFON core product Cloudya as well as the completed acquisition of Deutsche Telefon Standard AG. For 2019, the company is therefore planning a growth rate in sales of between 40 % and 45 % compared with the previous year. The share of recurring revenues in total revenues is expected to be between 75% and 80% for the year as a whole. With regard to the seats operated by the customer, NFON AG plans to achieve growth of at least 45% in 2019 as a whole.

The fully audited report for financial year 2018 will be available for download on Thursday, 11 April 2019, from the Investor Relations section of the NFON AG website and will be presented in a web conference call.

#### **Preliminary results for the 2018 financial year at a glance:**

EUR million	2018e	2017		Q4 2018e	Q4 2017	
<b>Total revenues</b>	43.0	35.7	20.7%	11.8	9.7	21.9%
<b>Recurring revenues</b>	34.6	27.8	24.6%	9.3	8.0	16.4%
<b>Share of recurring revenues in total revenues</b>	80%	78%		79%	83%	
<b>Non-recurring revenues</b>	8.4	7.9	7.0%	2.5	1.7	48.5%
<b>Share of non-recurring revenues in total revenues</b>	20%	22%		21%	17%	
<b>ARPU blended (EUR)</b>	9.92	10.32	-3.9%	9.82	10.72	-8.4%
<b>Seats (number)</b>	320,728	253,360	26.6%			
<b>EBITDA</b>	-7.7	-1.0	n/a	-1.2	-0.5	n/a



<b>Adjusted EBITDA</b>	-1.3	0.2	n/a	-1.3	0.4	n/a
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### About NFON AG

Headquartered in Munich, NFON AG is the only pan-European cloud PBX provider – counting more than 20,000 companies across 13 European countries as customers. With Cloudya, NFON offers an easy-to-use, independent and reliable solution for advanced cloud business communications. Further premium and industry solutions complete the portfolio in the field of cloud communications. With our intuitive communications solutions, we enable European companies to improve their work a little, every single day. NFON is the new freedom in business communication. <http://www.nfon.com/>

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