



Corporate News

NFON AG remains on planned growth course

- Publication of preliminary figures for the first quarter of 2020
- Recurring revenues increase by 35.5% compared to the same period of the previous year
- Organic growth in recurring revenues at 22.3%¹
- Number of seats increased by 19.6% yoy to 467,253
- As a result, total revenues for the first three months increased by 35.5%, adjusted by 22.9%¹

Munich, April 23, 2020 – NFON AG (together with its subsidiaries “NFON” or the “Company”), the only pan-European cloud PBX provider, generated total revenues of EUR 16.4 million in the first three months of 2020 based on preliminary figures (Q1 2019: EUR 12.1 million). This equates to a growth rate of 35.5%. NFON AG had acquired Deutsche Telefon Standard GmbH (DTS) in the same period in 2019 and immediately started to integrate the company. After deducting the inorganic revenue contribution from DTS in January and February 2019, NFON Group’s total revenues increased by 22.9%¹. Recurring revenues increased by around 35.5% to EUR 14.1 million. On a comparable basis, the growth rate of recurring revenues is 22.3% (Q1 2020: EUR 12.7 million / Q1 2019: EUR 10.4 million)¹. The month of March 2020, in particular, the first month with far-reaching contact restrictions, showed significant sales increases. All in all, recurring revenues account for more than 85% of total revenue. The number of customer-operated extensions (seats) was also significantly expanded as planned with an increase of 19.6% (Q1 2020: 467,253 seats / Q1 2019: 390,826 seats). Despite the precarious situation of the economy as a whole, NFON is on course for the year as a whole and is sticking to its current forecast.

Hans Szymanski, CEO & CFO of NFON AG: *“We were able to continue our growth course in the first three months and can therefore also expressly confirm our forecast for the full year. This shows the successful implementation of our growth strategy and that the acquisition of DTS at the end of the first quarter of 2019 was exactly the right decision. We were able to significantly increase the number of seats and thus further strengthen the basis for our high share of recurring revenues. This trend underscores the strength of our business model.”*

NFON continues to expect a balance of opportunities and risks from the measures taken to contain the pandemic. For example, the demand for call minutes increased, as any activity that had previously been carried out on company premises had to be moved to the home office rapidly. *“This development not only led to a significant increase in the demand for telephone calls. We noticed this in March, for example, in the number of call minutes. We also noticed that many companies now had to deploy a flexible and mobile communication solution at short notice in order to be able to continue working. Of course, we are not immune to every economic development and a possible recession could also affect our customers. But in the medium and long term, we expect that in the current situation many people will realize the added value that the telephone system from the cloud offers. Companies are experiencing what the new freedom in business communication really means. We are therefore convinced that NFON will emerge stronger from the current situation,”* Szymanski added.



| EUR million | Q1 2020 | Q1 2019 | Change |
|---|----------------|----------------|---------------|
| Total revenue | 16.4 | 12.1 | 35.5% |
| Total revenue excluding inorganic growth ¹ | 14.9 | 12.1 | 22.9% |
| Recurring revenues | 14.1 | 10.4 | 35.5% |
| Share of recurring revenues in total revenue | 85.8% | 85.7% | n/a |
| Recurring revenues excluding inorganic growth ¹ | 12.7 | 10.4 | 22.3% |
| Share of recurring revenues excluding inorganic growth ¹ | 85.3% | 85.7% | n/a |
| Seats (number) | 467,253 | 390,826 | 19.6% |

¹ The sales of DTS were not consolidated in the NFON Group in January and February 2019. To show the organic growth on a comparable basis, the Group's revenue figures in the first two months of 2020 are therefore reduced by the amount generated by DTS in the same month of 2019.

The final quarterly results will be published on May 18, 2020. Further information can be found on the IR website of NFON AG at <https://corporate.nfon.com>.

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About NFON AG

Headquartered in Munich, NFON AG is the only pan-European cloud PBX provider – counting more than 40,000 companies across 15 European countries as its 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. <https://corporate.nfon.com/de/>

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