

NFON AG successfully positioned for profitable growth in 2023 as a provider of integrated business communications

- Recurring revenues increase by 8.3% to EUR 73.6 million
- Growth in seats of 8.0% to around 634,300 compared to the previous year
- Very high share of 91.1% recurring revenues in total revenue
- Strategic positioning as a provider of integrated business communications successfully completed in 2022
- Measures to increase profitability show effect
- Further growth and significant improvement in results expected for 2023

Munich, 9 March 2023 - NFON, a European provider of integrated business communications from the cloud, reports on its business development in 2022. Based on preliminary figures, recurring revenues increased by 8.3% to EUR 73.6 million (2021: EUR 68.0 million). With total revenue of EUR 80.8 million (2021: EUR 75.9 million), this represents a continued very high share of recurring revenues of 91.1% (2021: 89.5%). The number of extensions (seats) installed with customers rose by 8.0% to 634,288 (31 December 2021: 587,067). This results in average revenue per user (blended ARPU) for 2022 at the pre-pandemic level of EUR 9.72 (2021: EUR 9.84).

Two major strategic decisions characterised the NFON year 2022: After large sums had been invested in 2021, particularly in the further development of the NFON Group's product portfolio, the company positioned itself as a provider of integrated business communications at the beginning of the last financial year. With Cloudya Meet & Share, the company now offers a full-fledged UC suite in addition to cloud telephony and the integration of CRM solutions. Furthermore, NFON has paved the way to the attractive high-growth CCaaS market with its omni-channel product Contact Center Hub, which is available throughout Europe. Based on this product portfolio and a customer base of over 50,000 companies with over 600,000 seats, NFON intends to profitably monetise the investments made from 2023 on.

"Despite economic uncertainties and a clear reluctance to invest on the part of companies, we increased our revenue in 2022 and continuously increased the number of extensions installed at customers' premises. At the same time, NFON's business model has continued to mature. With a clearly defined product roadmap, a focus on high-growth markets and a solid foundation of partners and customers, we intend to continue to grow and achieve significantly positive adjusted EBITDA in 2023," explained Dr. Klaus von Rottkay, CEO of NFON.

NFON began implementing measures to increase profitability in the second half of 2022. The measures implemented will have a significant positive impact on the operating result in the current financial year 2023. At the same time, the strategic initiatives in the areas of product, sales and partnerships will lead to further revenue growth.

In view of the sharpened strategy for profitable growth, NFON has redefined its important performance indicators in financial year 2023. While recurring revenue growth, non-recurring revenue as a percentage of total revenue and seat growth were previously the important performance indicators, from 2023 on adjusted EBITDA will be added as the significant performance indicator and seat growth will only be reported as a performance indicator. For 2023, the company is planning to achieve recurring revenue growth in the mid to upper single-digit percentage range, a share of recurring revenues in total revenue of more than 88% and adjusted EBITDA of more than EUR 4 million.

The Management Board will present the preliminary consolidated financial results in a web conference at 10.00 a.m. today, 9 March 2023. The complete consolidated financial statements including the combined group management report for the 2022 financial year as well as the auditor's certificate will be available for download on the NFON AG website in the Investor Relations section on 27 April 2023.

Preliminary result for the 2022 financial year at a glance:

in EUR million	2022e	2021	Change
Total revenue	80.8	75.9	6.5%
Recurring revenues	73.6	68.0	8.3%
Share of recurring revenues to total revenue	91.1%	89.5%	
Non-recurring revenues	7.2	7.9	-9.0%
Share of non-recurring revenues to total revenue	8.9%	10.4%	
ARPU blended ¹	9.72	9.84	-1.2%
Number of seats (31 December)	634,288	587,067	8.0%
EBITDA	-5.4	-2.0	n/a
Adjusted EBITDA²	-1.1	-1.3	n/a

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

² Adjusted for stock options, acquisition expenses, rebranding, etc.

Investor Relations Contact

NFON AG
 Sabina Prüser
 Head of Corporate Communications & Sustainability
 +49 89 45300 134
sabina.prueser@nfon.com

Media Contact

NFON AG
 Thorsten Wehner
 Vice President Public Relations
 +49 89 45300 121
thorsten.wehner@nfon.com

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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