



Corporate News

NFON AG starts 2021 with momentum and sharpens its strategy to achieve further growth

- At 19.6%, recurring revenue grows faster than total revenue
- Number of seats up 16.0% compared to the previous year
- Average revenue per user (blended ARPU) at EUR 10.19 mainly thanks to increased voice minutes
- Adjusted EBITDA increased to EUR 1.8 million (previous year: EUR 0.2 million)
- Expansion of the partner network and additional products to accelerate the company's growth with new and existing customers in the years to come
- Forecast for 2021 confirmed

Munich, 20 May 2021 – NFON, a European provider of voice-centric business communications from the cloud, continues to grow in a market environment still characterized by COVID-19 at the beginning of 2021. Recurring revenue in particular showed a very positive development. It increased by 19.6% to EUR 16.8 million (previous year: EUR 14.1 million) and thus disproportionately to total revenue. As a result, recurring revenue accounted for 89.1% of total revenue (previous year: 85.8%). At 18.9 million euros, total revenue was 15.2% higher than the previous year's figure of EUR 16.4 million.

Key factors for the positive business development in the first three months of 2021 include the successful acquisition of new customers and the growth in installed extensions (seats) among its existing customer base. The number of seats was expanded to 541,973, representing growth of 16.0% compared to the prior-year reporting date (March 31, 2020: 467,253). Against the backdrop of continued pronounced working from home activity at companies and the corresponding increase in voice minutes, average revenue per user (blended ARPU) therefore increased significantly to EUR 10.19 in the first quarter of 2021 (previous year: EUR 9.88). The increased blended ARPU combined with lower expenses compared to the previous year, had a positive impact on the development of earnings. Earnings before interest, taxes, depreciation and amortisation (EBITDA) amounted to EUR 1.6 million (previous year: EUR -0.1 million). Adjusted EBITDA amounted to EUR 1.8 million (previous year: EUR 0.2 million).

The good start to the current financial year gives Dr. Klaus von Rottkay, CEO of NFON AG, cause for optimism: *“The market for business communications is currently in the third wave of disruption. For European enterprise customers in the small and medium-sized enterprise segment through to the enterprise segment, working in flexible working environments and hybrid working models consisting of working from home and office presence are becoming the new normal. Telephony, IT and Business Applications are growing together. The spoken word is and remains the primary communication channel between companies, customers and business partners and is at the core of our business model.”*

With Cloudya, NFON offers an efficient and flexible platform for professional voice-centric business communication, on which companies will be able to switch intuitively, easily and seamlessly between telephony and video conferencing in the future. The solutions and products in the areas of UCaaS,



CCaaS and, in the future, iPaaS can also be flexibly adapted to the respective communication needs of customers and be individually combined.

“We want to become the leading provider of voice-centric business communications. We see ourselves in an excellent position to achieve this,” von Rottkay adds. *“We continue to develop our product portfolio around unified communication and contact centre solutions, while at the same time expanding our partner network and thereby strengthening the acquisition of new customers. This will accelerate our business growth in the coming years. Our broad product portfolio will also enable us to grow with our existing customers. We see great potential for the NFON Group in our young European markets in particular.”* For 2021, NFON is planning seat growth between 15% and 17% and a recurring revenue growth rate of between 14% and 16%. Recurring revenue is expected to account for more than 85% of total revenue.

Results for the first quarter of 2021 at a glance:

EUR million	Q1 2021	Q1 2020	Change
Total revenue	18.9	16.4	15.2%
Recurring revenue	16.8	14.1	19.6%
Share of recurring revenue in total revenue	89.1%	85.8%	
Non-recurring revenue	2.1	2.3	-11.9%
Share of non-recurring revenue in total revenue	10.9%	14.2%	
ARPU blended ¹	10.19	9.88	3.1%
Seat growth (31 March)	541,973	467,253	16.0%
EBITDA	1.6	-0.1	n/a
Adjusted EBITDA ²	1.8	0.2	n/a

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

² Adjusted for the retention bonus, stock options, one-time effects



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About NFON AG

Headquartered in Munich, NFON AG is the European provider for voice-centric business communication from the cloud, 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. <https://corporate.nfon.com/de/>

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