



Corporate News

NFON AG on growth course as planned after the first half of 2018

- » Revenue grow considerably to about 21 million Euro in the first half of 2018
- » Revenue share of recurring revenue grow by about 80%
- » Number of customer seats grows by 30%
- » Positive outlook for 2018 confirmed

Munich, 20th September 2018 – NFON AG (collectively with subsidiaries “NFON” or the “company”), the only pan-European Cloud-PBX provider (telephone system from the cloud), publishes the 2018 half-year report today. According to this, the company, which successfully went public at the Frankfurt stock exchange (Prime Standard) on 11th May 2018 was able to reach all key performance indicators as planned.

NFON AG increased revenue by 21.7% to 20.6 million Euro for the first half of 2018 (previous year: 16.9 million Euro). The strength of the NFON AG business model is seen in the high proportion of recurring revenue. At 79.9% of the total revenue (previous year: 75.6%), the share of recurring revenue is at the upper end of the guidance for 2018, between 75% and 80%. The key driving force behind the growth in revenue is the steadily increasing number of seats, i.e. the number of extensions customers have. The number of seats grew by 30.0% from 221,540 at the end of the first half of 2017 to 287,998 at the end of the first half of 2018. This ongoing positive trend demonstrates the sustainability of the business model and the attractiveness of NFON AG products.

Hans Szymanski, CEO and CFO at NFON AG: *“NFON is the new freedom in business communication. After a good operational start to 2018 with a good first quarter we continued our dynamic growth during the second quarter. We have a very high share of recurring revenue and increased our total revenue as well as the number of seats as planned. This shows the high level of satisfaction and loyalty among our customers. This developments during the first half of the year show that we have our finger on the pulse with our products and services. And, with our successful IPO we now have the necessary financial power to really push ahead. We see this as a very solid basis for our future plans for growth. We’re shaping the telephony of the future.”*

The company accordingly continued to drive the growth strategy as planned during the reporting period and started investing more in sales, marketing, as well as research and development. At the same time, NFON AG will be launching the new NFON client during the second half of 2018, which will make it significantly easier for customers to manage their phones and to make calls.

In the first half of 2018 NFON achieved earnings before interest, tax, depreciation and amortization (EBITDA) at -6.6 million Euro (previous year: -0.7 million Euro) as planned. NFON’s half year result was characterized by one-time special effects. On the one hand this is a one-off effect of 3.6 million Euro from share-based payment programs, concluded in



previous years for which a debt assumption was agreed with the existing shareholders. The claims resulting from these programs have forfeited completely in the reporting period and will therefore not be paid now or at any point in the future. However, according to IFRS 2 they have to be capitalised with the full amount affecting the personnel costs. On the other hand, bonuses for board members and employees in the amount of 0.7 million Euro which were incurred in particular in connection with the IPO are recognized in the consolidated financial statements as well as other costs in connection with the IPO amounting to 2.4. million Euro. Adjusted for these special effects (totaling EUR 6.7 million), NFON AG generated adjusted EBITDA of 0.1 million Euro (previous year, adjusted: -0.8 million Euro).

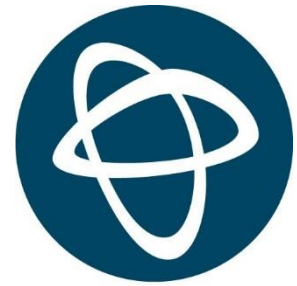
Given the positive company performance during the first half of 2018 and the growth investments made, the management board confirms the outlook for 2018. With respect to the revenue the company plans a growth rate which will clearly outperform the previous year's increase in revenue of about 17%. NFON expects the resulting recurring revenue in 2018 between 75% and 80% of total revenue in 2018. Based on the excellent developments during the 2017 fiscal year, NFON AG plans a continued clear growth in customer seats of about 30% for 2018.

The report for the first half of 2018 can be downloaded from the website under Investor Relations. <https://bit.ly/2pb0Wo9>

The result of the first half of 2018 will further be presented on Thursday, 20th September 2018, at 10:00 am (CET) during a web conference call. The dial-in information is also published on the website, under Investor Relations.

2018 half year outline:

	2018 half year	2017 half year	Change
Total revenues	20.6 million Euro	16.9 million Euro	21.7%
Recurring revenues	16.5 million Euro	12.8 million Euro	28.6%
Percentage of recurring revenues in total revenues	79.9%	75.6%	
Non-recurring revenues	4.1 million Euro	4.1 million Euro	0.1%
Percentage of non-recurring revenues in total revenues	20.1%	24.4%	
ARPU (blended)	10.05 Euro	10.26 Euro	-2.0%
Seats (extensions)	287,998	221,540	30.0%
EBITDA	-6.6 million Euro	-0.7 million Euro	n/a
EBITDA (adjusted)	0.1 million Euro	-0.8 million Euro	n/a



NFON
Cloud Telephone System

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About NFON AG

NFON AG with headquarters in Munich is the only pan-European Cloud PBX provider and clientèle of over 15,000 companies in 13 European countries. NFON, the telephone system from the cloud, features over 150 functions and seamless integration of premium solutions. Our intuitive communication solutions allow European companies to improve a little each and every day. NFON is the new freedom in business communication. <http://www.nfon.com/>