



Corporate News

NFON AG continues on growth path in first quarter of 2018

- Total revenue increases to EUR 10.0 million in the first quarter 2018
- Share of recurring revenue rises to 80.6%
- Number of seats grows by 31.3%
- Sales wins in Austria and Spain
- Outlook for 2018: Further significant growth in revenue and seats

Munich, 17 May 2018 – NFON AG (the “Company“, and together with its subsidiaries “NFON” or the “Group”), the only pan-European cloud PBX provider (cloud-telephony), continued on its strong growth path in the first quarter of 2018. After NFON's successful IPO on 11 May 2018, the Company's quarterly results, published for the first time, underline that the Company maintains its growth trajectory with quarterly revenue of EUR 10.0 million. For comparison: The Company generated revenue of EUR 35.7 million during the full year 2017. In the first quarter of 2018, NFON AG once again benefitted from a steady increase in the share of long-term recurring revenue to 80.6% of total revenue.

Due to special expenses primarily in connection with its IPO (0.5 million Euro), NFON AG achieved an EBITDA in the first quarter of 2018 of minus EUR 0.5, in line with its plans. Adjusted for these special expenses, EBITDA amounted to 0.1 million with an adjusted EBITDA margin of 1.2%. In 2017, NFON AG achieved the break-even point for the first time with an adjusted EBITDA margin of 0.5%.

The ongoing increase in the number of seats remains a key growth driver. In the reporting period alone, the number of seats increased by 31.1% from 205,211 to 269,392 at the end of the quarter 2018. This continued positive development underlines the sustainability of the business model and the attractiveness of NFON AG's products.

Sales wins in Austria and Spain

NFON AG serves more than 15,000 business customers in 13 European countries. NFON has a market-leading position in the German cloud telephony market, with a current market share of over 25%.¹ Recent sales wins underline NFON's strong market position in Europe. In Austria, the Municipality of St. Pölten, the capital of Lower Austria, was recently signed up as a new customer. Additionally, NFON has renewed its partnership with the Spanish Vector ITC Group. This partnership is an essential part of NFON's expansion and internationalisation strategy.

¹ Source: MZA 2017 (based on data for the market of multi-tenant PBX)



Hans Szymanski, CEO and CFO of NFON AG:

„Our continued growth in the first quarter underpins once again that we are on the right track. The market for business communication is undergoing a historic transformation. NFON AG is benefiting from the structural shift to cloud telephony solutions. With the proceeds of our successful IPO, our long-standing experience and with our role as the driving force in this market, we are ideally positioned to continue our successful growth strategy and our expansion in Europe. We want to become the Number 1 in Europe.”

Guidance 2018

In terms of revenue, the Company plans to achieve a growth rate that should significantly exceed the 17% increase in revenue achieved in the previous year. Typically, revenue growth rates in the earlier quarters of the year are below expected full-year growth rates due to the cumulative effect of the growing customer base during the year. The share of recurring revenues in total revenue should be between 75% and 80% for the full year. On the basis of the very good development in the financial year 2017, NFON AG envisages continued significant growth in the number of seats of around 30% for the full year 2018.

The quarterly report for the first quarter 2018 is available for download on the Company's website under the Investor Relations section.

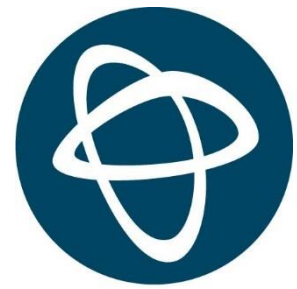
The results for the first quarter 2018 will be presented on Thursday, 17 May 2018 at 10.00 am CET in a web-based telephone conference. The dial-in details are available on the website under the Investor Relations section as well.

<https://ir.nfon.com/websites/nfon/English/3000/reports.html>

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About NFON AG

Headquartered in Munich, NFON AG is the only pan-European cloud PBX provider – counting more than 15,000 companies across 13 European countries as customers. NFON, the cloud telephone system, offers over 150 functions as well as a seamless integration of premium solutions. With our intuitive communications solutions, we enable European companies to improve their work a little, every single day. NFON is the new freedom of business communication. <http://www.nfon.com>

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