Munich | 11 April 2019

Results 2018 and Outlook 2019

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We want to dominate the European Cloud telephony market by delivering freedom of business communication.

Growth Excellence
Leadership Award 2017

Successful business development and implementation of growth strategy

11 months after IPO

Successful strategy implementation underpined by figures

- ✓ **Revenue growth of 21%**
- ✓ **Recurring revenue growth even higher 25%**

- ✓ **80% recurring revenues at top end of targeted end**

- ✓ **Increase of seats by 27%**

- ✓ **Successful implementation of growth strategy**

Business highlights since IPO

1. Successful acquisition of Deutsche Telefon Standard AG
2. Strengthened leading position in Germany, opened Italian branch, and starting in France shortly
3. Creation of a unique cloud portfolio through a SIP trunk solution, a dedicated proposition for the mid-market segment, and Cloudya in the premium market
4. Addressable customer market in PBX segment expanded
5. Increase customer base to more than 30,000 customers, e.g. Fressnapf with more than 4,500 seats in Europe
6. Extended partner network to more than 2,000 partners in Europe

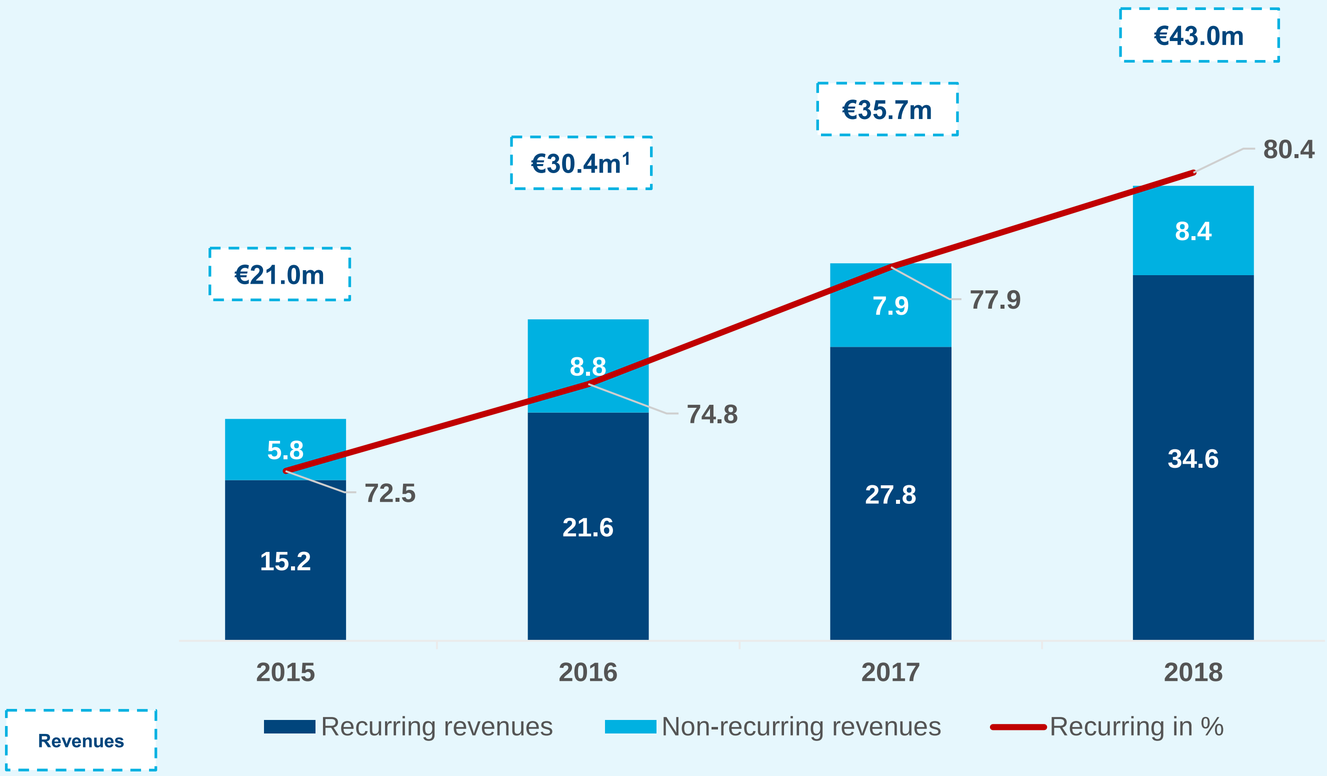
Sustainable and scalable business model

Consolidated financial statements 2018
(excl. Deutsche Standard AG)

Strong business model resulting in unique combination of massive growth and sustainable recurring revenue

Share of recurring revenue at top end of targeted range

Development total recurring vs. non-recurring revenues



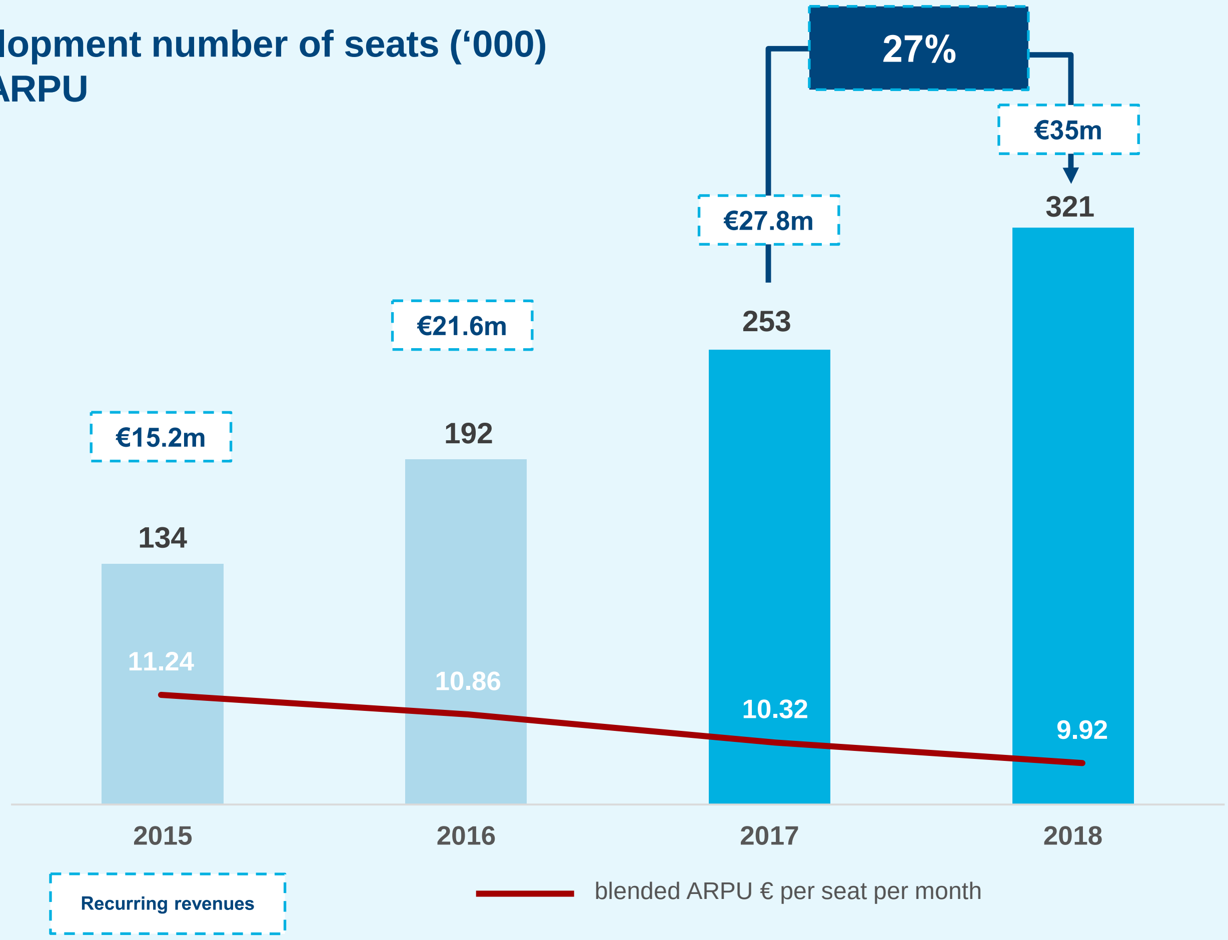
Comments

- Significant increase of total revenues by 20.7%
- Increase of non-recurring revenues to €8.4m (+7.0%)
- Recurring revenues are strong growth drivers with 24.6% to around €35m
  - Cumulative effect quarter by quarter due to steadily growing total number of seats (around 321,000)
  - Increasing y-o-y customer wins

[1] including extraordinary effect from R&D project amounting to €1.5m

Steady growth of seats underlines sustainable attractiveness of products and services

Development number of seats ('000) and ARPU



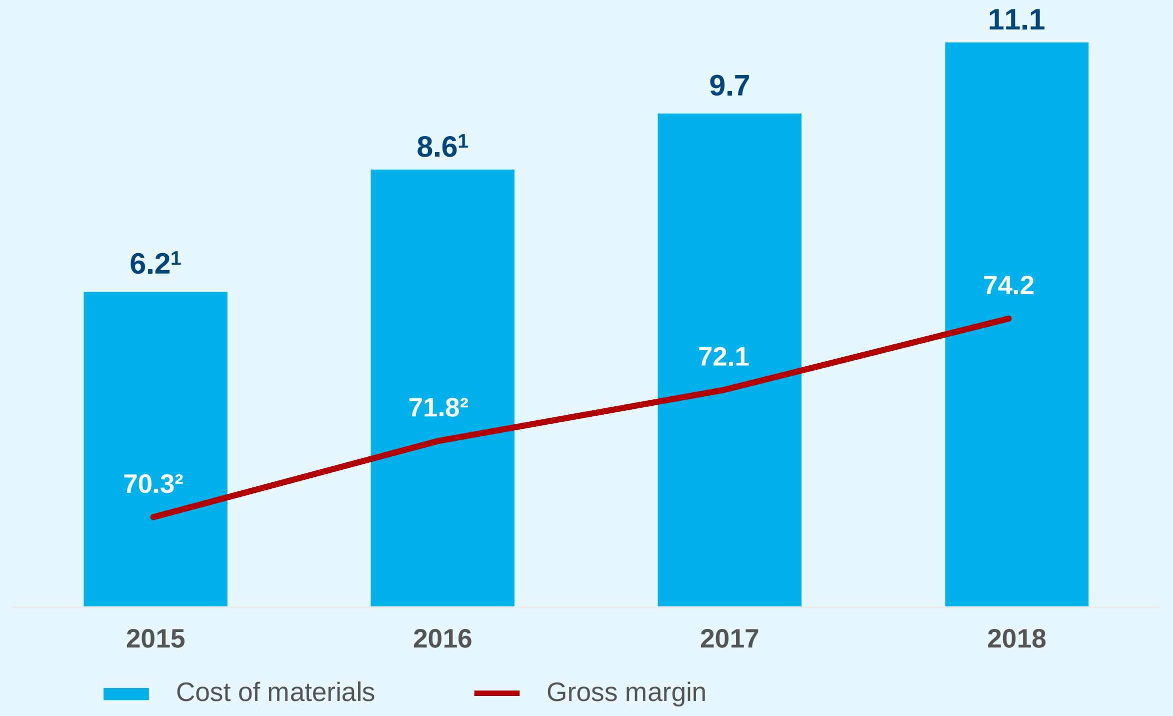
Comments

- Increase of total number of seats by 27%
- Very low gross churn rate of <0.5% per month underlines quality of product and service and guarantees continuous recurring revenues
- Increasing share of wholesale partner business selling their own airtime leads to expected decrease of total blended ARPU
- Additional premium solutions represent upside potential for ARPU development in the medium term

Consistently increasing gross margin emphasizes scalability of the business model

Cost of materials and gross margin development

€m, % of revenue



Comments

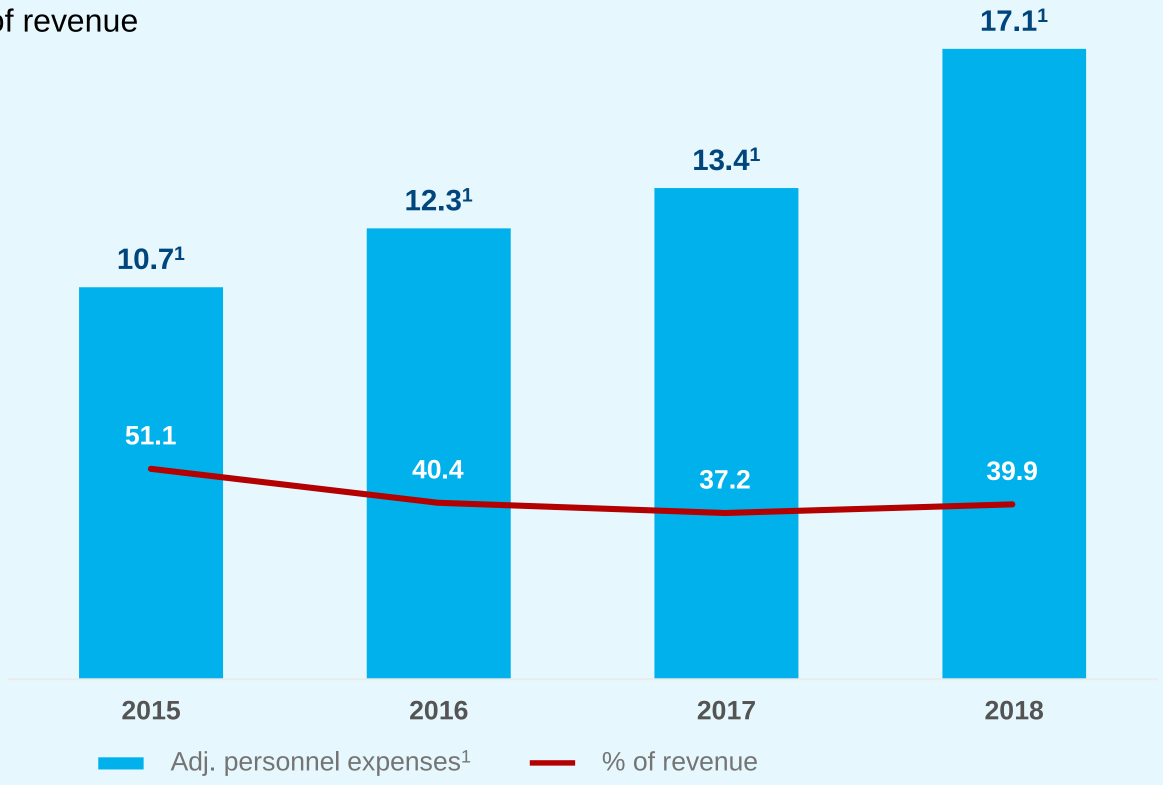
- Cost of materials are largely variable in nature and mainly comprise of costs for hardware sold, costs for airtime sold and data centre housing costs
- Cost of materials rose disproportionately low in relation to revenue by 14.2%
- Gross margin continues to show a positive development and increases to 74.2%

[1]cost of materials adjusted for changes in inventories of finished goods [2]gross margin defined as (revenue - adj. cost of materials)/ revenue

Securing tomorrow‘s growth by investing in today‘s workforce

Adj. personnel expense development

€m, % of revenue



Comments

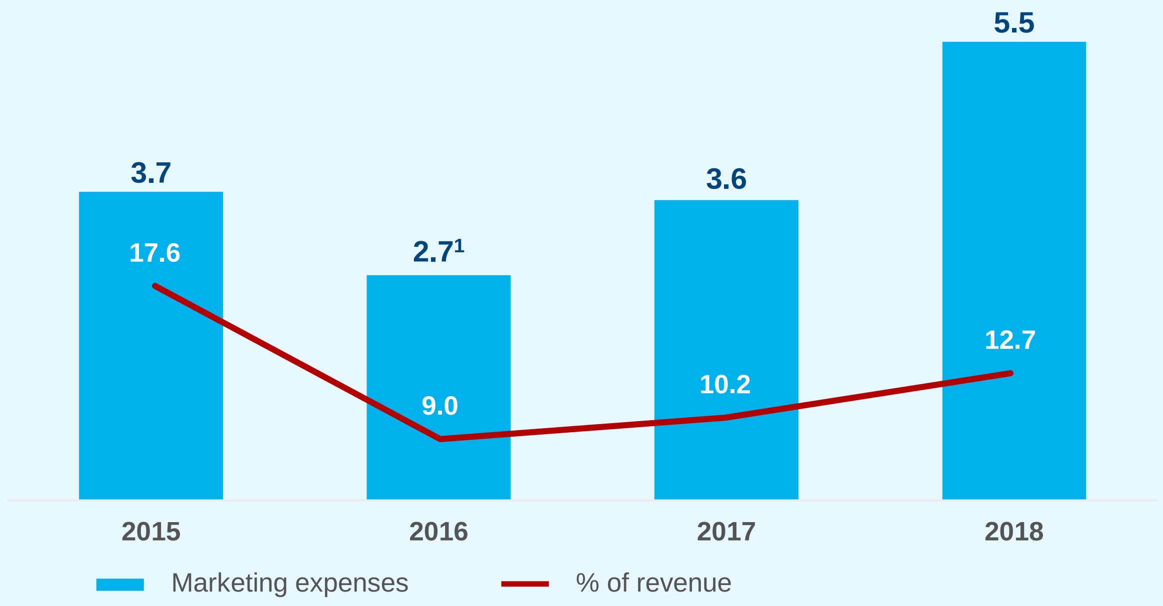
- Personnel expenses as reported amount to €22.1m
- Adjustments of €5.0m
  - One-off effect out of share-based payments of €3.6m established as a share appreciation right program (non cash)
  - Retention bonus (IPO) of €0.8m
  - Exit bonus[2] (IPO) of €0.7m
- Adj. Personnel expenses of €17.1m in line with expectations
- Increase of adj. personnel expenses by 29.3% primarily impacted by growing work force (245 headcounts 31 Dec 2018, 195 headcounts 31 Dec 2017)

[1] Personnel expenses adjusted for share-based payments amounting to €0.1m, €0.3m, €0.4m and €3.6m in 2015, 2016, 2017 and 2018 [2] Exit bonus of €0.7m reimbursed by former shareholders and recognised in other income €0.7m

Gaining market shares through intensified marketing activities

Marketing expense development

€m, % of revenue



Comments

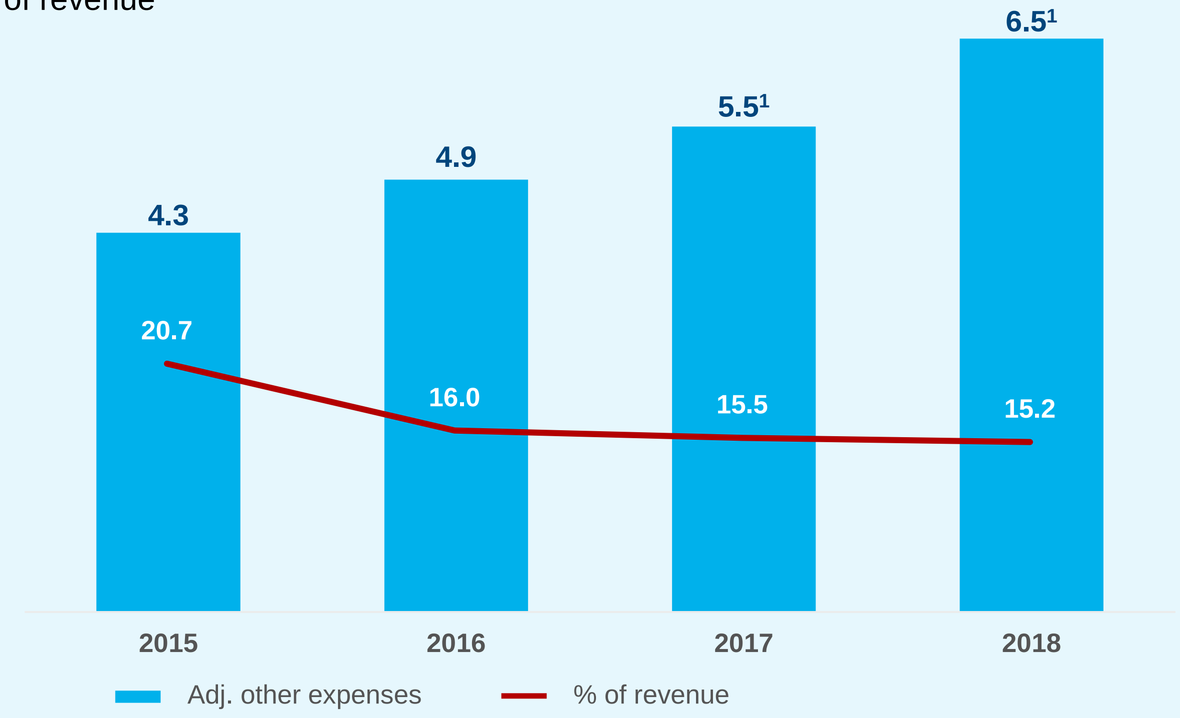
- Marketing expenses increase by 49.9%
- Start of big marketing campaign in Austria and Germany to raise awareness of NFON with multi-channel approach
- Gaining new partners >2,000[2]
- Introduction of Cloudya – the new core product of NFON
- Increase of customer base since year end 2017 from >15,000 to >30,000[2]

[1] The decline in financial year 2016 was mainly due to a temporary reduction in marketing activities as result of re-allocations of internal budgets [2] Incl. DTS AG

Operational leverage leads to disproportionately high margin improvement

Other expenses development without marketing expenses and sales commissions

€m, % of revenue



Comments

- In general other expenses comprise of sales commissions, supporting cost, general administration expenses and consulting fees amongst others and amount to €18.9m in total as reported
- NFON adjusts other expenses by marketing cost, sales commissions and one-off effects (e.g. IPO costs 2018 of €2.4m)
- Sales commissions amount to €4.3m in 2018 (2017: €3.6m)
- Adj. other expenses developed slower than revenue growth, furthermore emphasising the operating leverage of NFON business model

[1]2017: Adjusted for expenses for the introduction of a transfer pricing model, additions to provisions related to potential value-added tax repayments, social security contributions and payroll taxes, as well as fees for professional advisors related to those topics in 2017 in total amounting to €0.6m, in addition IPO related expenses in the amount of €0.2m; 2018: adjusted for IPO related one-off expenses €2.4m and €0.2m for social security contributions

EBITDA reflects investments in growth strategy

Detailed reconciliation of one-off items

Reconciliation from EBITDA to adjusted EBITDA	2018	2017
€m		
EBITDA	**-7.8**	**-1.0**
Share-based payments[1]	3.6	0.4
Retention bonus	0.8	0
IPO costs	2.4	0.2
Other one-off expenses[2]	-0.2	0.6
Total EBITDA adjustments	**6.6**	**1.2**
Adjusted EBITDA	**-1.2**	**0.2**

Comments

- EBITDA as reported amounts to approx. €-7.8m
- In accordance with strategy, personnel costs, marketing and sales commissions further increased
- One-off effects in the amount of €6.6m burdened EBITDA
- Adj. EBITDA as planned at €-1.2m

[1] Including equity and cash settled share-based payment programmes (non cash) [2] Expenses related to tax and social security matters (2017: accruals, 2018: reversals)

Today and tomorrow: We count on our coherent growth strategy

Milestones 2018 and Outlook 2019

Coherent multi vector growth strategy

Delivering on our growth strategy

Increase penetration and adoption

Increase marketing efforts to **drive penetration of existing clients and adoption of new clients** in existing markets

Transform product

Roll-out of innovative features will **attract additional customers, increase ARPU and add value to the core product**

Open APIs

Further develop open APIs to **allow broad access for third party solutions**

Expand regionally

Leverage proven market entry strategy to cover continental Europe

Capitalise on high market fragmentation

Consolidate highly fragmented European market by capitalising on **opportunities to gain further market share**

Customer development + **Product development** + **Market development** + **Market consolidation**

NFON delivers on guidance 2018

	2017	2018 GUIDANCE	RESULTS
Number of seats	253k	We expect a significant growth of our customer base by around 30%	321k
Revenue growth	17.3%	We expect the revenue growth rate for 2018 to clearly outperform the revenue growth rate of 2017	21%
Recurring revenues share	77.9%	We expect the resulting recurring revenue in 2018 to be between 75% – 80%	80%
		Clear focus on implementation of growth strategy	✓

Accelerating growth in 2019

	2017	2018	2019
Number of seats	253k	321k	We expect to increase our customer base by at least 45%
Revenue growth	17.3%	21%	We expect a revenue growth rate between 40% and 45%
Recurring revenue share	77.9%	80%	We expect the resulting recurring revenues in 2019 to be between 75% – 80% of the total revenues

Implemented strategy with accelerating growth

Key investment highlights

1. Huge addressable business communication market being disrupted by structural shift to Cloud PBX solutions
2. Only true Pan-European Cloud PBX company best positioned to become the dominant European player
3. Strong business model resulting in unique combination of massive growth and sustainable recurring revenue
4. State-of-the-art “German Engineering“ Cloud PBX solution tailored to European customer needs
5. Outstanding track record of scalable growth
6. Proven growth strategy leveraging multi dimensional layers of growth

Financial calendar

Date	Event
14 May 2019	**Equity Forum – Spring Conference**
	Presentation and 1-on-1s
21 May 2019	**Interim Report 1st Quarter 2019**
	Web- and Telephone Conference
22-23 May 2019	**Berenberg USA Conference, New York**
	Presentation and 1-on-1s
5 June 2019	**Annual General Meeting**
	Munich
20 Sep 2019	**Half-year financial report 2019**
	Web- and Telephone Conference

Appendix

Further information about NFON

Management Board

Hans Szymanski
CEO/CFO

- >20 years of C-Level experience
- Previous experience includes
  - CEO/CFO Francotyp-Postalia
  - President Jenoptik LOS
  - Klöckner & Co

Jan-Peter Koopmann
CTO

- >20 years of experience in the IT/Telco industry
- Previous experience includes
  - Founder Seceidos
  - Tiscali
  - Telenor Group

César Flores Rodríguez
CSO

- >10 years of C-Level experience
- Previous experience includes
  - Aconex
  - Co-founder conject Group
  - Mercer Management Consulting

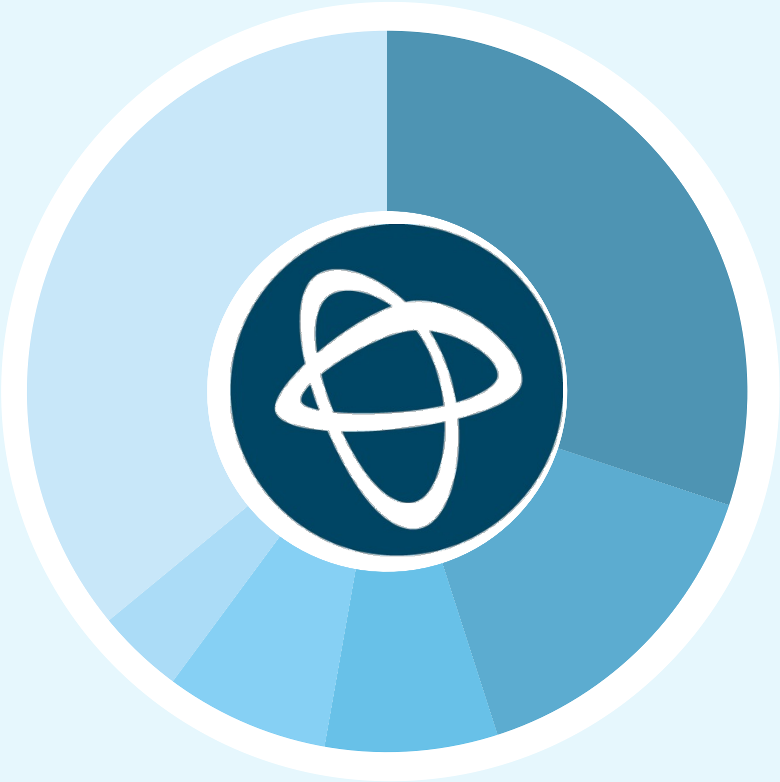
Share at a glance

Facts

ISIN	DE000A0N4N52
Segment	Prime Standard/ Telecommunication
Shares	**14.1 million** (as per 22 March 2019)
Designated sponsor	Baader Bank ODDO Seydler
First day of trading	11 May 2018
Coverage	Berenberg Bank, Baader Bank, Oddo BHF, Hauck & Aufhäuser

30.10%	**17.82%**	**7.74%**
M	EARLYBIRD VENTURE CAPITAL	MAINFIRST
7.36%	**3.91%**	**35.95%**
MIG Fonds	Fidelity INTERNATIONAL	**Others**

Shareholder structure[1]



[1] voting rights based on 13,8 million shares

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